



長江實業集團有限公司
CK ASSET HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability – Stock Code: 1113)

2019 Interim Results

1 August 2019



Disclaimer



Potential investors and shareholders of the Company (the “Potential Investors and Shareholders”) are reminded that information contained in this Presentation comprises extracts of operational data and financial information of the Group. The information included is solely for the use in this Presentation and certain information has not been independently verified. No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions presented or contained in this Presentation. Potential Investors and Shareholders should refer to the 2019 Interim Results of the Company which are published in accordance with the listing rules of the Stock Exchange of Hong Kong Limited.

The performance and the results of operations of the Group contained within this Presentation are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within this Presentation are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this Presentation; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Potential Investors and Shareholders should exercise caution when investing in or dealing in the securities of the Company.

2019 Interim Results Highlights



Revenue

**HK\$34,008
Million**

+41%

EPS before IP
revaluation and
disposal

HK\$3.80

+17%

Dividend per share

HK\$0.52

+10.6%

Profit before IP
revaluation and
disposal

**HK\$14,045
Million**

+16%

Profit attributable
to shareholders

**HK\$15,128
Million**

-39%

EPS

HK\$4.10

-39%

NBV per share as
at 30 June 19

HK\$90.08

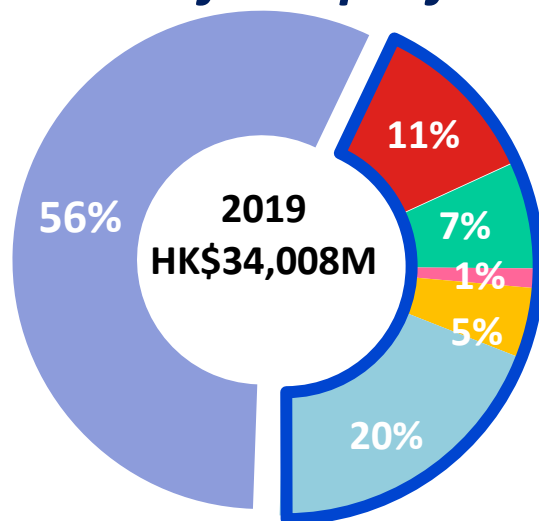
+3%

Principal Activities Analysis

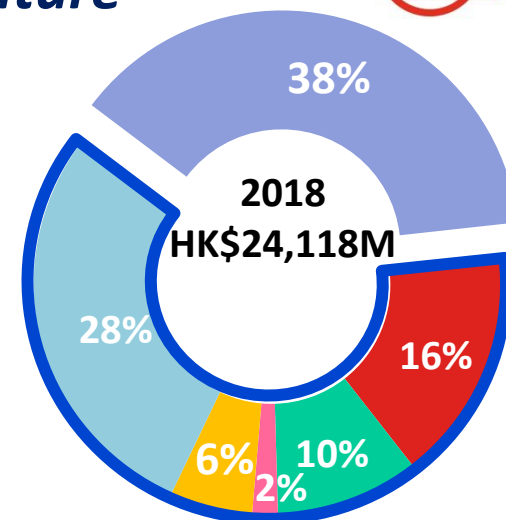
51% of our profit contribution is recurrent in nature



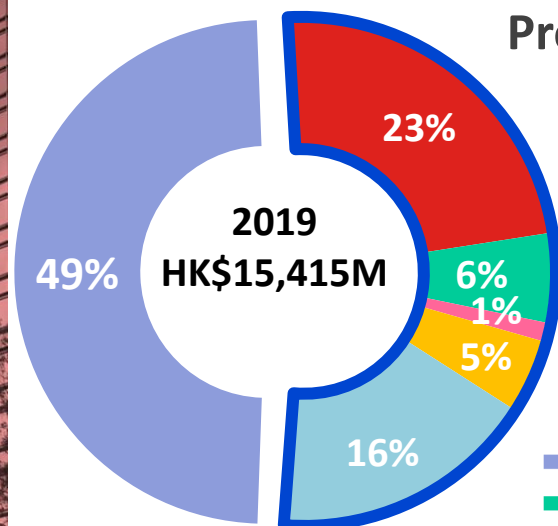
Revenue by Principal Activities



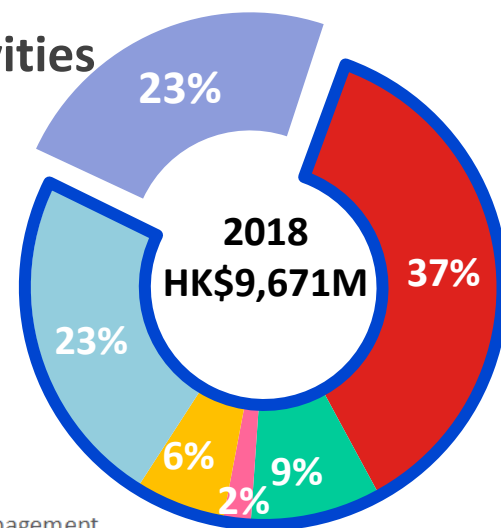
Recurrent Income Base	
2019	2018
HK\$14,776M	HK\$15,009M



Profit Contribution by Principal Activities



Recurrent Income Base	
2019	2018
HK\$7,885M	HK\$7,437M



- Property Sales
- Property Rental
- Hotel and Serviced Suite Operation
- Property and Project Management
- Aircraft Leasing
- Infrastructure and Utility Asset Operation

Note:

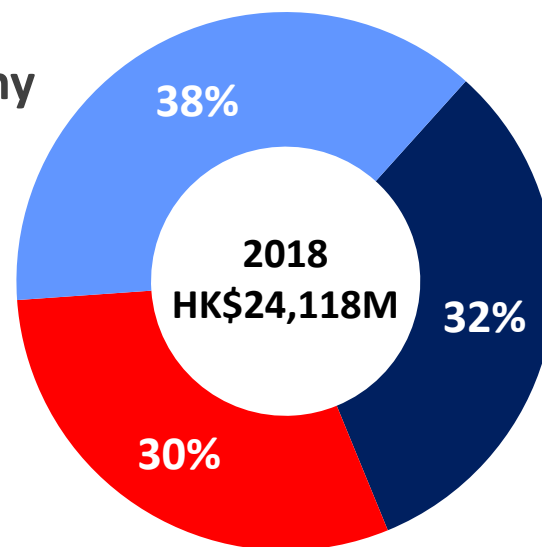
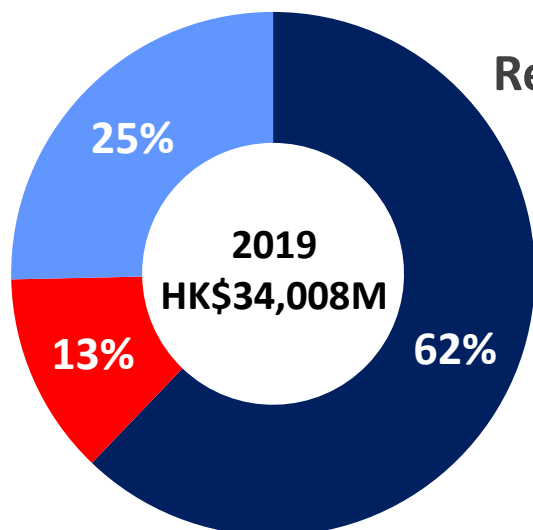
(1) Profit Contribution refers to contribution from principal activities after depreciation and absorption of overhead expenses, but before interest costs and tax.

Principal Activities Analysis

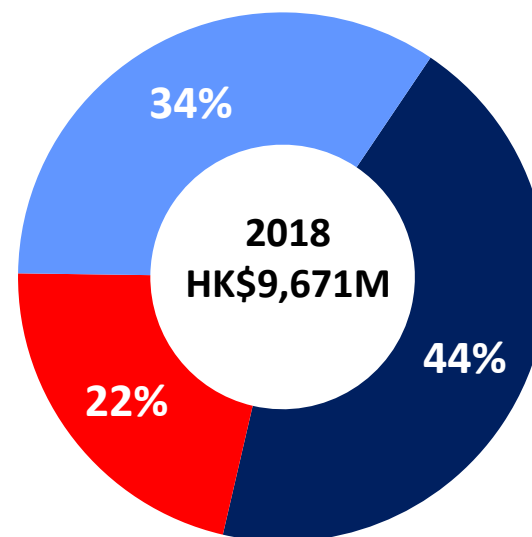
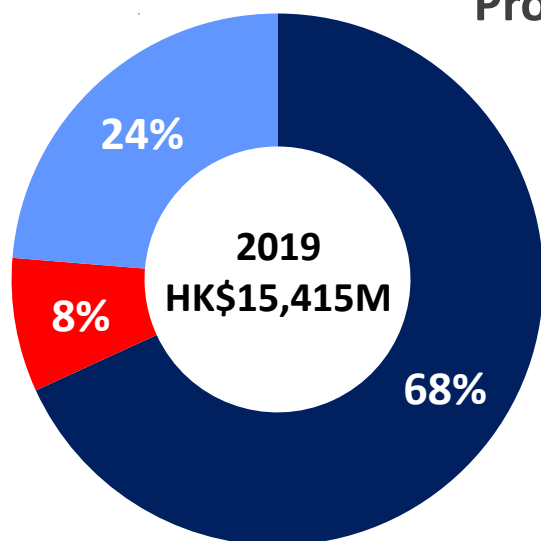
Good diversification in contribution by geography



Revenue by Geography



Profit Contribution by Geography



■ Hong Kong
■ The Mainland
■ Overseas

Note:

(1) Profit Contribution refers to contribution from principal activities after depreciation and absorption of overhead expenses, but before interest costs and tax.

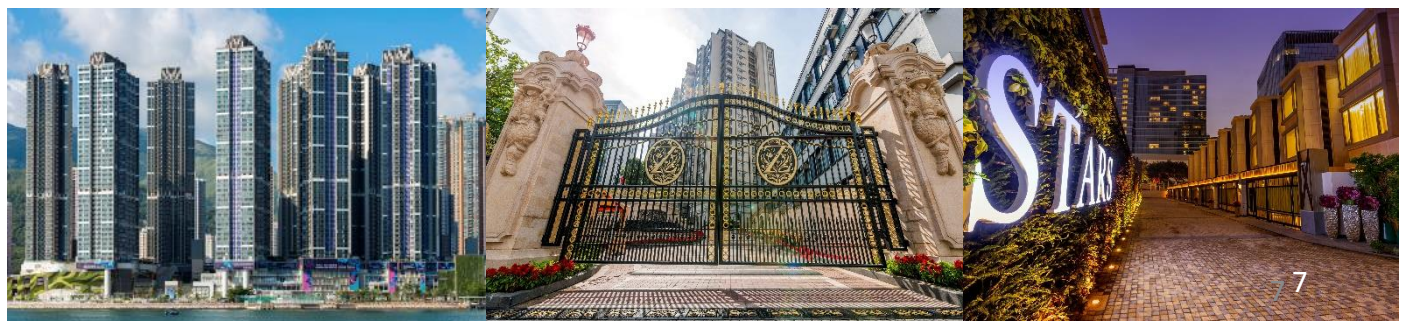
Property Sales



Property Sales



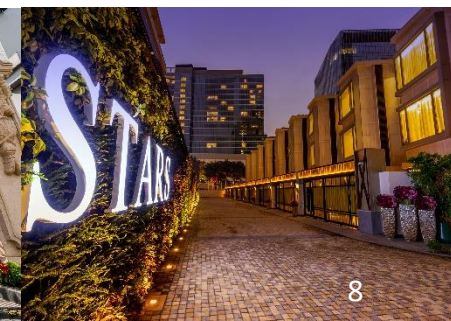
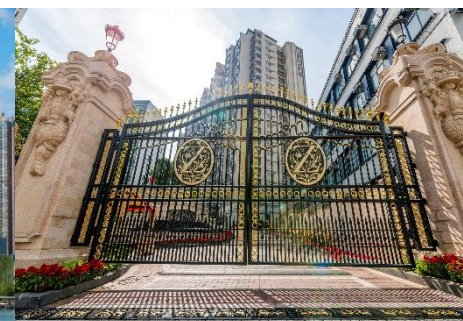
HK\$ Million	2019	2018	Change
Revenue	19,232	9,109	+111%
Profit contribution	7,530	2,234	+237%
Margin	39.2%	24.5%	



Property Sales



HK\$ Million	Revenue		Profit Contribution & Margin			
	2019	2018	2019		2018	
Hong Kong	15,674	1,972	6,653	42.4%	210	10.6%
The Mainland	3,428	6,417	830	24.2%	1,644	25.6%
Overseas	130	720	47	36.2%	380	52.8%



HK\$53,543M contracted sales not yet recognized

- About HK\$40 billion scheduled for recognition in 2019

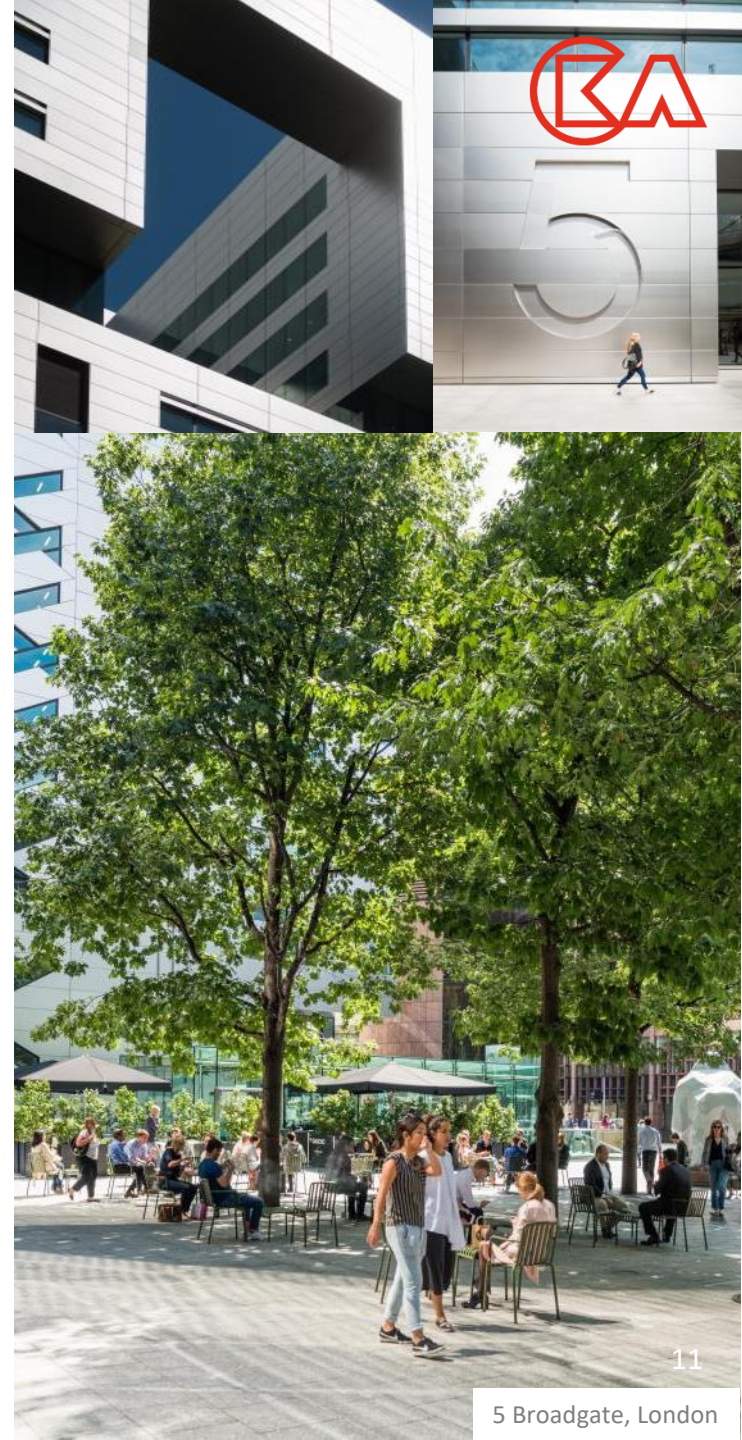




Property Rental

Property Rental

HK\$ Million	2019	2018	Change
Revenue	3,756	3,880	-3%
Profit contribution	3,567	3,584	-
Margin	95.0%	92.4%	



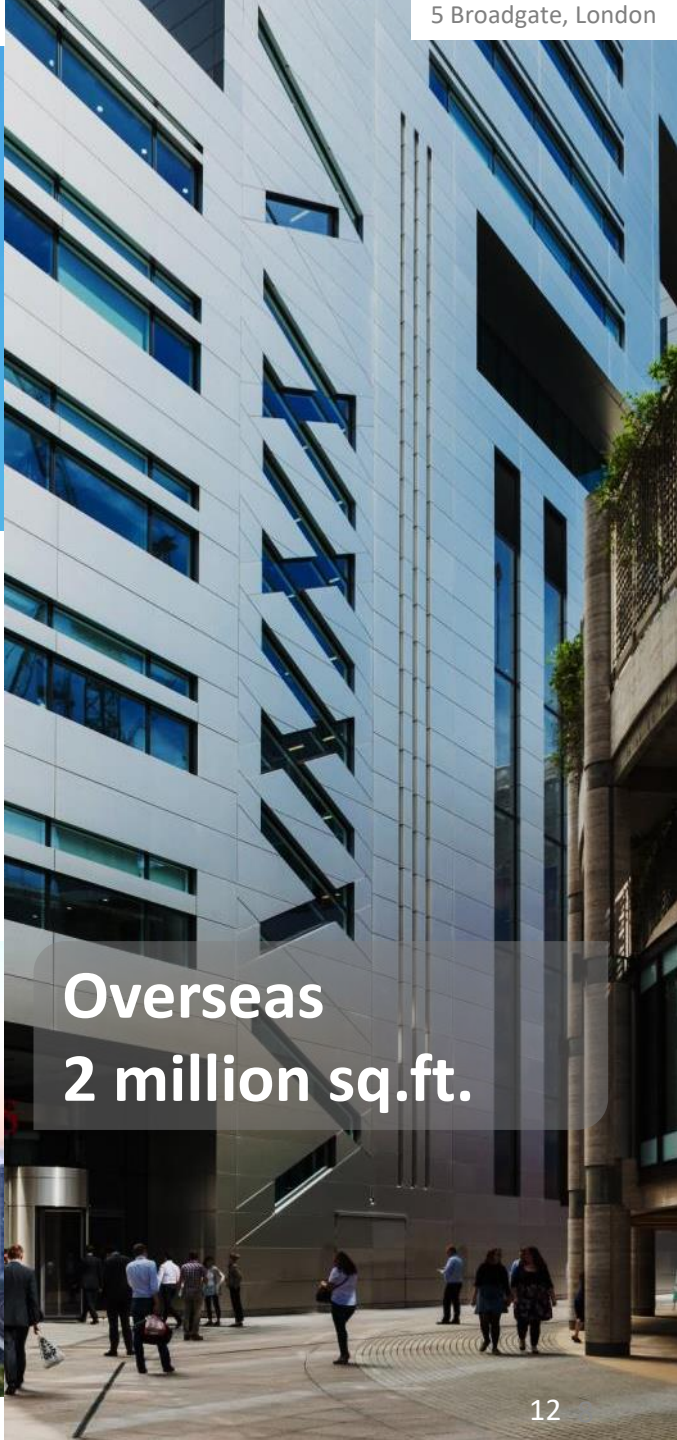


Hong Kong
13 million sq.ft.

17 million sq.ft. of investment properties



The Mainland
2 million sq.ft.



Overseas
2 million sq.ft.



Increase in fair value of investment properties of HK\$1,002 million



4% - 8% cap rate



Hotel and Serviced Suite Operation



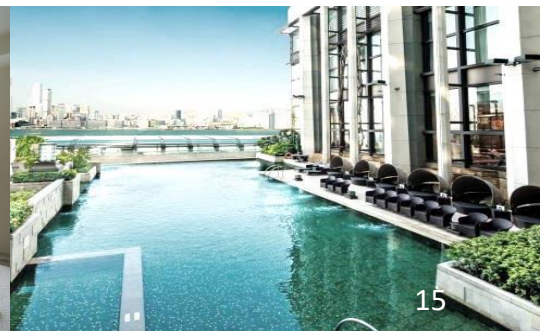
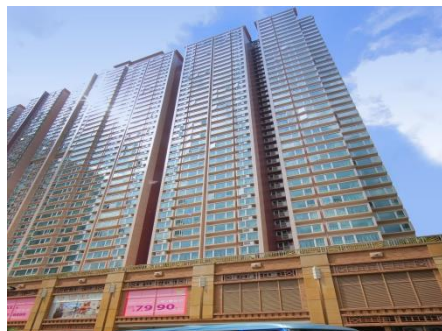
Hotel and Serviced Suite Operation



HK\$ Million	2019	2018	Change
Revenue	2,374	2,425	-2%
Profit contribution	876 ⁽¹⁾	870	+1%
Margin	36.9%	35.9%	

Note:

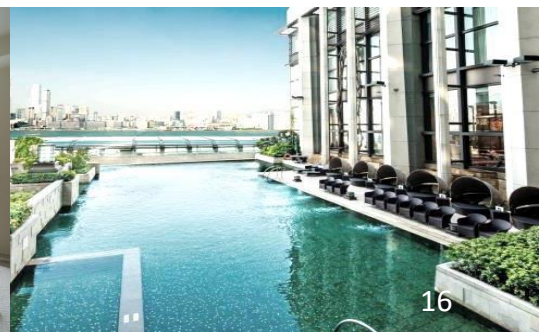
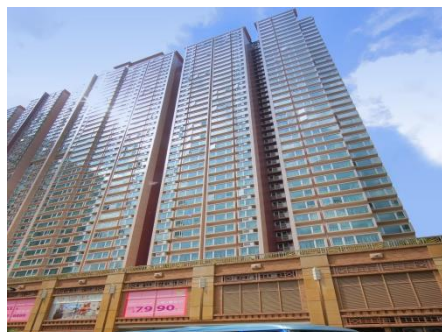
(1) Profit Contribution for 2019 refers to pre-tax contribution from the hotel and serviced suite division after depreciation charge of HK\$197 million on properties and absorption of overhead expenses.



Hotel and Serviced Suite Operation



HK\$ Million	Profit Contribution	
	2019	2018
Hong Kong	897	903
The Mainland	(21)	(14)
Overseas	-	(19)
Total	876	870



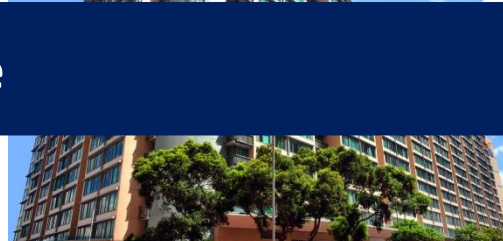
Hotel and Serviced Suite Operation



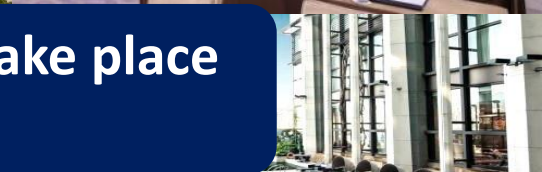
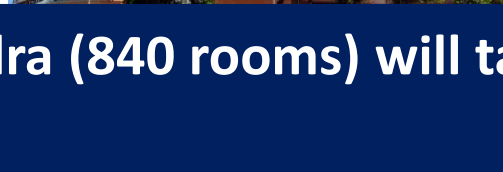
Approximately 15,000 rooms and serviced suites



89.5% average occupancy rate



Soft opening of Hotel Alexandra (840 rooms) will take place in early 2020



Property and Project Management



HK\$ Million	2019	2018	Change
Revenue	432	431	-
Profit contribution	183	182	-
Margin	42.4%	42.2%	



1881 HERITAGE, Hong Kong



Aircraft Leasing





HK\$ Million	2019	2018	Change
Revenue	1,556	1,385	+12%
Profit contribution	717 ⁽¹⁾	596	+20%
Margin	46.1%	43.0%	

Note:

(1) Profit Contribution for 2019 refers to pre-tax contribution from the aircraft leasing business after depreciation charge of HK\$794 million on aircraft and absorption of overhead expenses.



Aircraft Leasing



HK\$ Million	Profit Contribution	
Lessee's Place of Operation	2019	2018
Asia	272	234
Europe	219	136
North America	174	149
Latin America	52	77
Total	717	596



Aircraft Leasing



134 Aircraft
(129 narrow body; 5 wide body)

Average age 5.7 years

Average remaining lease term
4.9 years





Infrastructure and Utility Asset Operation



Infrastructure and Utility Asset Operation



	CK William JV 40% JV (DUET Group) HK\$ Million	CKP (Canada) JV 75% JV (Reliance Group) HK\$ Million	Sarvana JV 65% JV (ista Group) HK\$ Million	Other investments HK\$ Million	2019 Total HK\$ Million	2018 Total HK\$ Million	Change
Revenue	2,132	1,698	2,828	-	6,658	6,888	-3%
Profit contribution	816	500	856	370	2,542	2,205	+15%
Margin	38.3%	29.4%	30.3%	-	N/A	N/A	

Note:

(1) Profit Contribution refers to contribution from principal activities after depreciation, but before interest costs and tax.



Interests in Real Estate Investment Trusts

HK\$416 million⁽¹⁾ total distribution received



HK\$ Million	2019	2018
Share of profit of Hui Xian REIT	166	197
Cash distributions received from Fortune REIT and Prosperity REIT	156	157
	322	354

	Hui Xian REIT	Fortune REIT	Prosperity REIT
Equity Interest as of 30 June 2019	32.2%	27.2%	18.4%
Asset under management (Million sq. ft.)	11.8 ⁽²⁾	3.0 ⁽²⁾	1.3 ⁽²⁾

Note:

(1) HK\$260 million of distribution was received from Hui Xian REIT. Cash distributions received from Fortune REIT and Prosperity REIT totaled HK\$156 million.

(2) Based on latest public announcements.

(3) Fair value change was recorded under "Gain on financial instruments".

Gearing and Maturity Profile



Bank and other borrowings with maturities	HK\$ Billion
Within one year	3.7
Within two to five years	51.3
Beyond five years	6.2
Total	61.2
Bank balances and deposits	59.4
Net debt	1.8

0.5% Net Debt to Shareholders' Funds

0.5% Net Debt to Net Total Capital

Corporate Ratings:
Moody's: A2 (Stable)
S&P: A (Stable)

Landbank Summary

Total landbank of 127 million sq.ft.



	Hong Kong Million sq.ft.	The Mainland Million sq.ft.	Overseas Million sq.ft.	Total ⁽¹⁾⁽²⁾ Million sq.ft.
Properties under Development	4	93	4	101
Investment Properties	13	2	2	17
Hotels and Serviced Suites	8	1	-	9
Total	25	96	6	127

Note:

(1) Excludes a total of approximately 16.1 million sq.ft. assets under management by Hui Xian REIT, Fortune REIT and Prosperity REIT based on latest public announcements.

(2) Total landbank excludes agricultural land and projects under planning but includes developers' interests in joint development projects.

Landbank Summary

Major Property Acquisition in Hong Kong



Date	Project Location	Approximate Developable Gross Floor Area (sq.ft.)	Group's Interest
March 2019	Tung Yuen Street and Shung Yiu Street, Yau Tong (Yau Tong Inland Lot No. 45)	418,339	100%



長江實業集團有限公司
CK ASSET HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability – Stock Code: 1113)

Thank you

