



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)

2020 Annual Results

18 March 2021



Disclaimer



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

2020 Final Results Highlights

32.5% decrease in Underlying EPS, 14.3% decrease in DPS



Underlying EPS

HK\$5.24

- 32.5%

Dividend per share

HK\$1.80

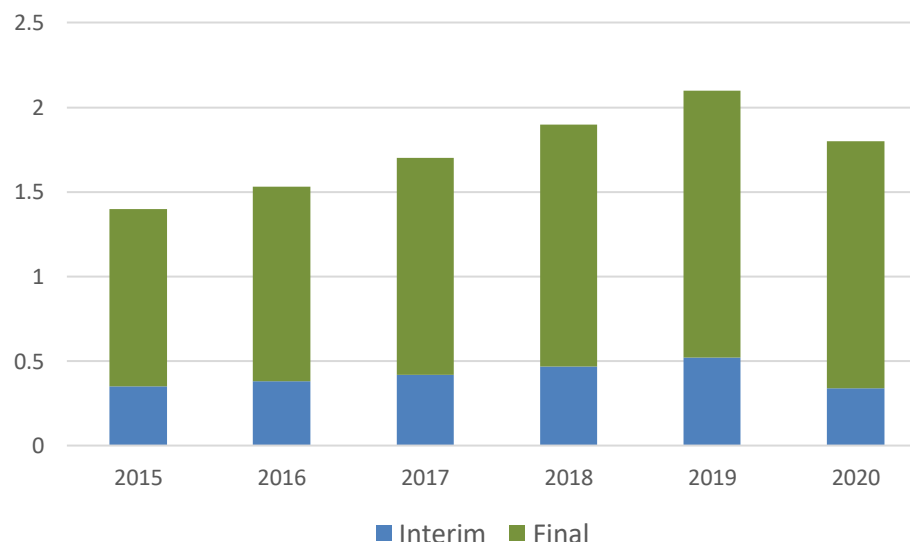
-14.3%

Net book value
per share

HK\$96.02

+3.0%

DPS (HK\$/share)



Note:

(1) Underlying profit, a non-IFRS measure, represents profit before taking into account (i) change in fair values of Fortune REIT, Prosperity REIT and investment properties; and (ii) pub property asset impairment. 2019 underlying profit has been restated to conform with current year measurement.

2020 Final Results Highlights

HK\$16,332 million of reported earnings



HK\$ Million	2020	2019	Change
Revenue	74,152	96,319	-23.0%
Underlying profit	19,339	28,644	-32.5%
Change in fair values ⁽¹⁾			
Real estate investment trusts	(1,067)	85	
Investment properties	(945)	405	
Pub property asset impairment	(995)	-	
Reported earnings	16,332	29,134	
<i>Reported EPS (HK\$ / share)</i>	4.42	7.89	-44.0%

Note:

(1) Change in fair values are after tax and non-controlling interests.

(2) Reported earnings represent profit attributable to shareholders.

Principal Activities Analysis

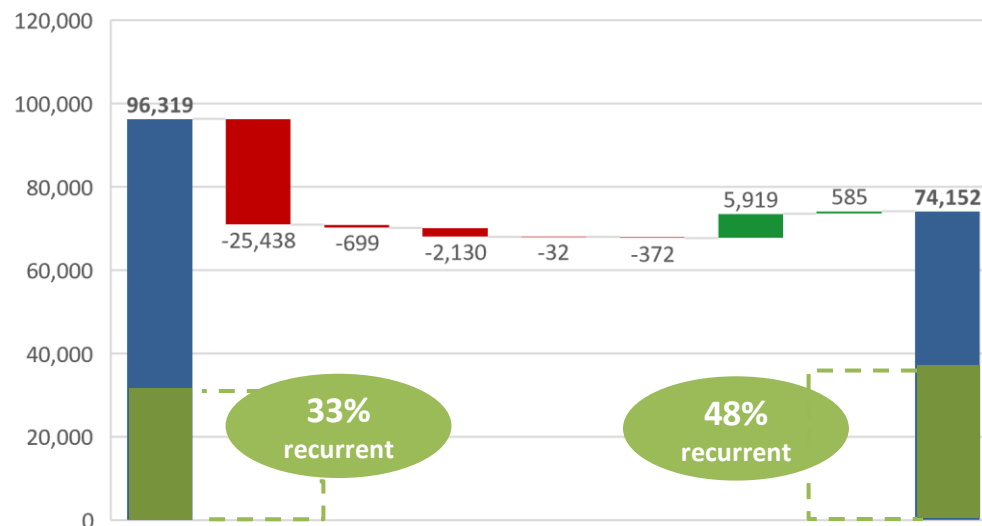
31% of our profit contribution is recurrent in nature



Revenue by Principal Activities

Recurrent Revenue	
FY2020	FY2019
HK\$35,482M	HK\$32,211M

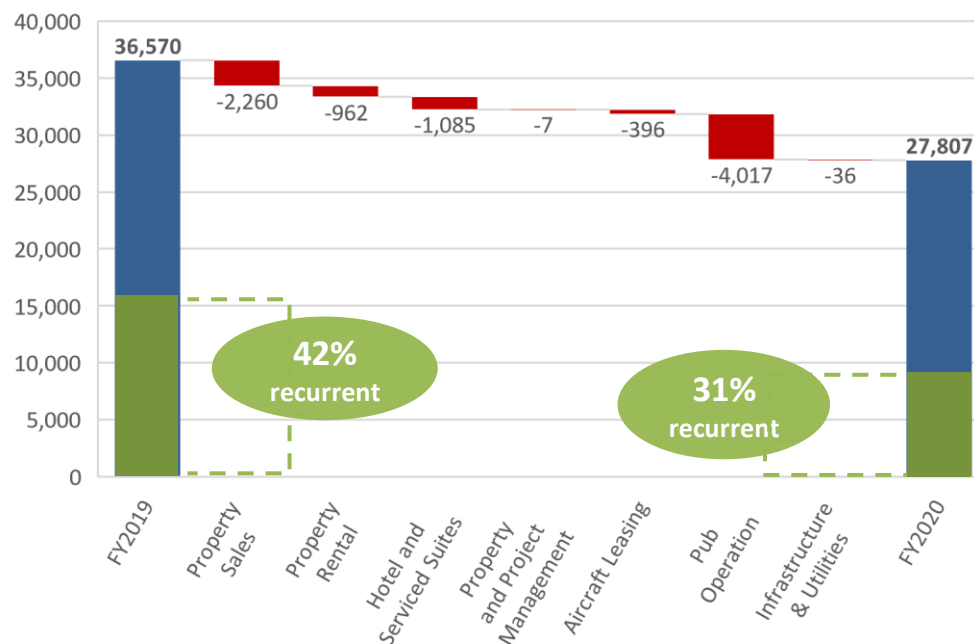
HK\$ Million



Profit Contribution by Principal Activities

Recurrent Profit Contribution	
FY2020	FY2019
HK\$8,695M	HK\$15,198M

HK\$ Million



Note:

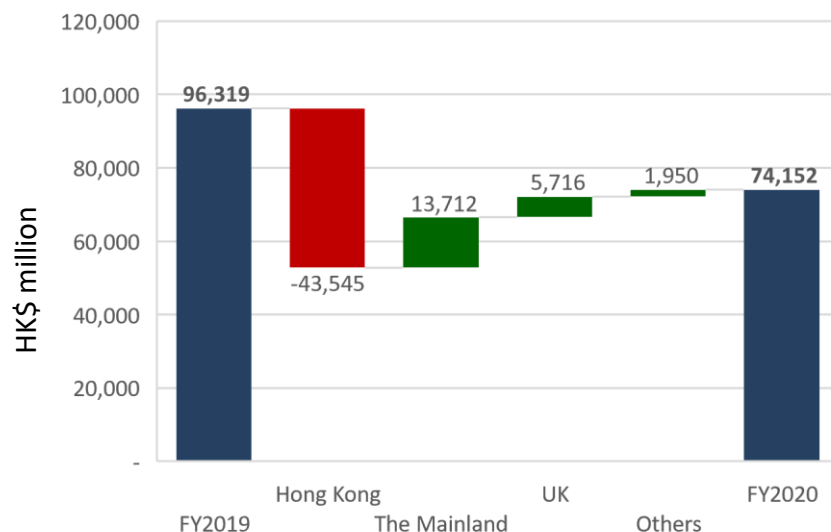
(1) Profit Contribution refers to contribution from principal activities after depreciation, impairment and absorption of overhead expenses but before interest costs and tax.

2020 Final Results Highlights

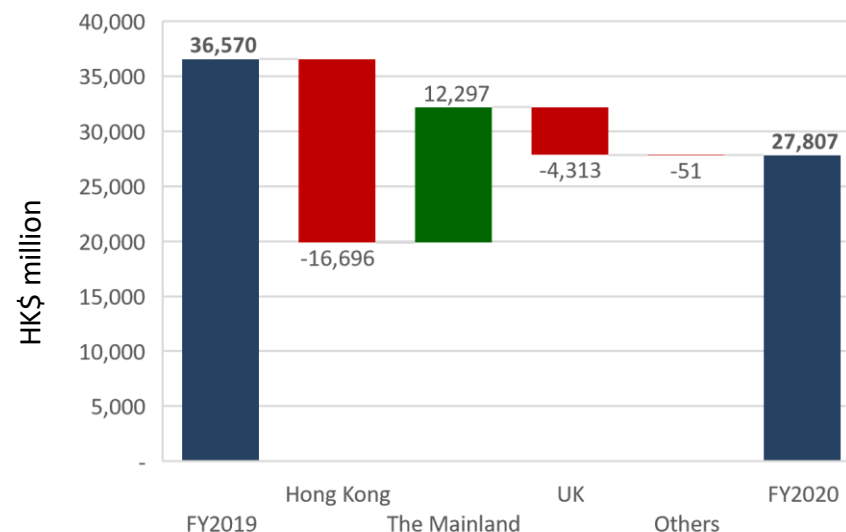
34% contribution from HK, 55% from the Mainland, 11% from the UK and Overseas



Revenue by Geography



Profit Contribution by Geography



HK\$ Million	2020	
	Revenue	Profit Contribution
Hong Kong	16,792	9,396
The Mainland	28,425	15,185
UK	10,790	(2,399)
Others	18,145	5,625
Total	74,152	27,807

Note:

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

Property Sales



Property Sales



HK\$ Million	2020	2019	Change
Revenue	38,670	64,108	-40%
Profit contribution	19,112	21,372	-11%
Margin	49.4%	33.3%	



Property Sales



HK\$ Million	Revenue		Profit Contribution & Margin			
	2020	2019	2020		2019	
Hong Kong	8,941	50,020	3,880	43.4%	18,982	37.9%
The Mainland	27,114	13,059	14,626	53.9%	2,074	15.9%
Overseas	2,615	1,029	606	23.2%	316	30.7%



HK\$41,254M contracted sales not yet recognized

- About HK\$32,128 million scheduled for recognition in 2021



Hong Kong
HK\$20,479M



The Mainland
HK\$20,094M



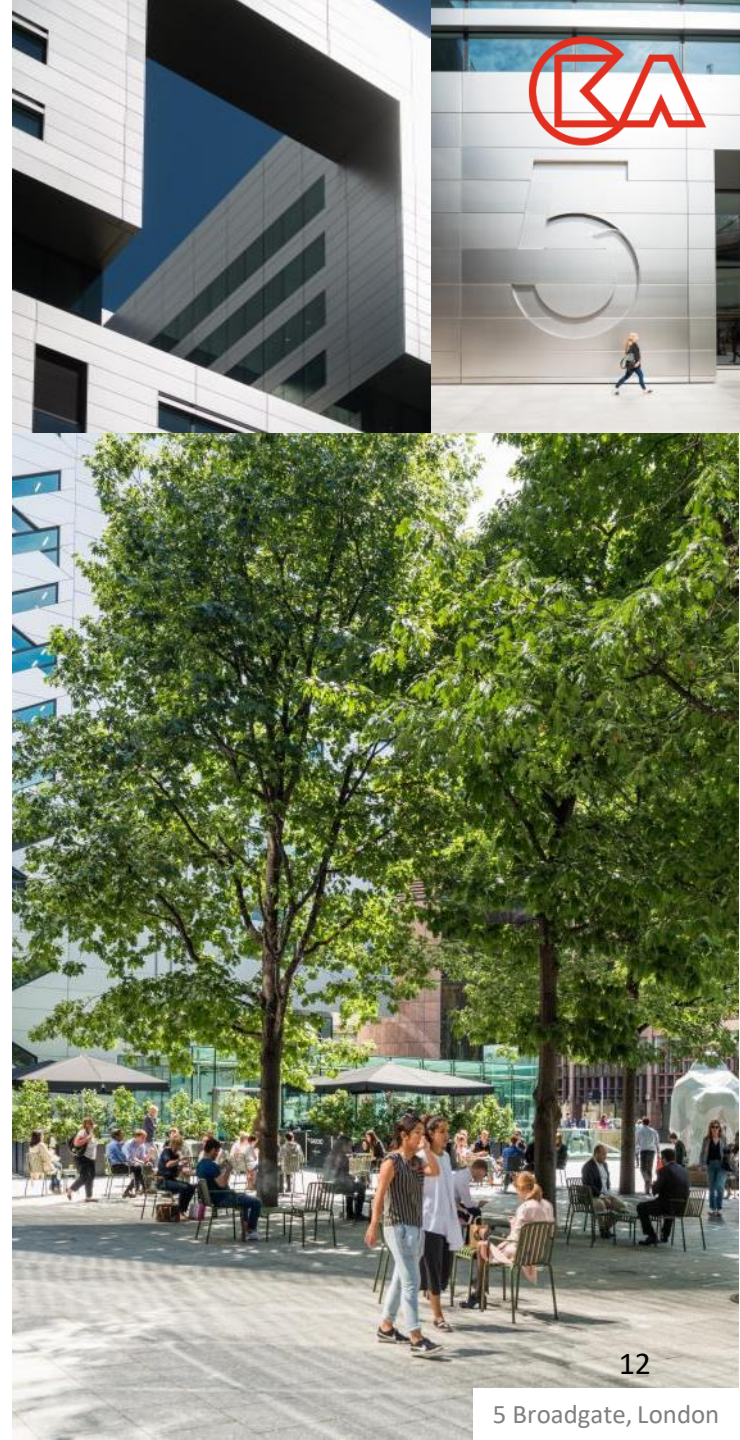
Overseas
HK\$681M



Property Rental

Property Rental

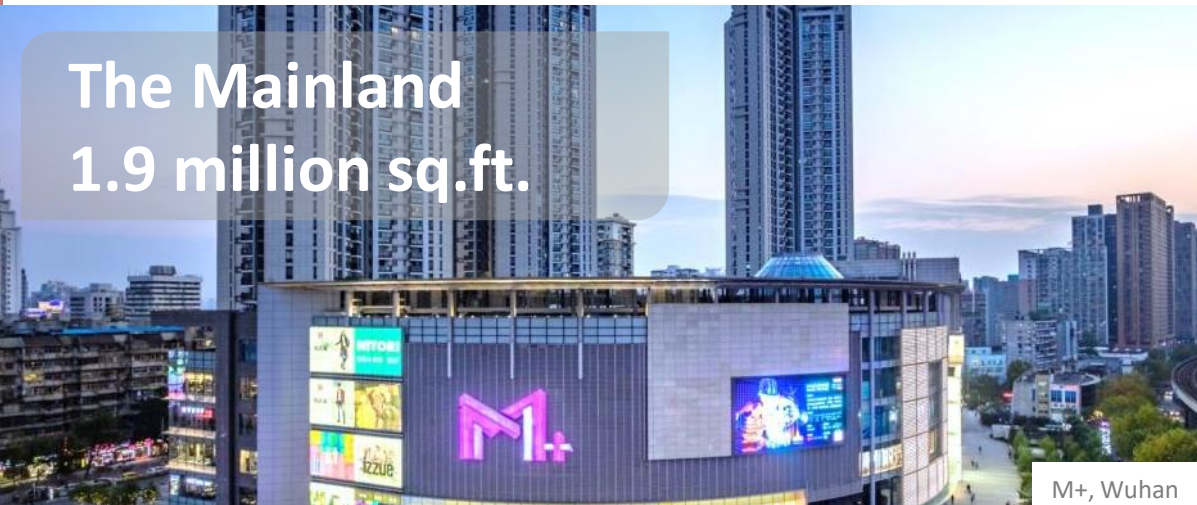
HK\$ Million	2020	2019	Change
Revenue	6,751	7,450	-9%
Profit contribution	5,935	6,897	-14%
Margin	87.9%	92.6%	



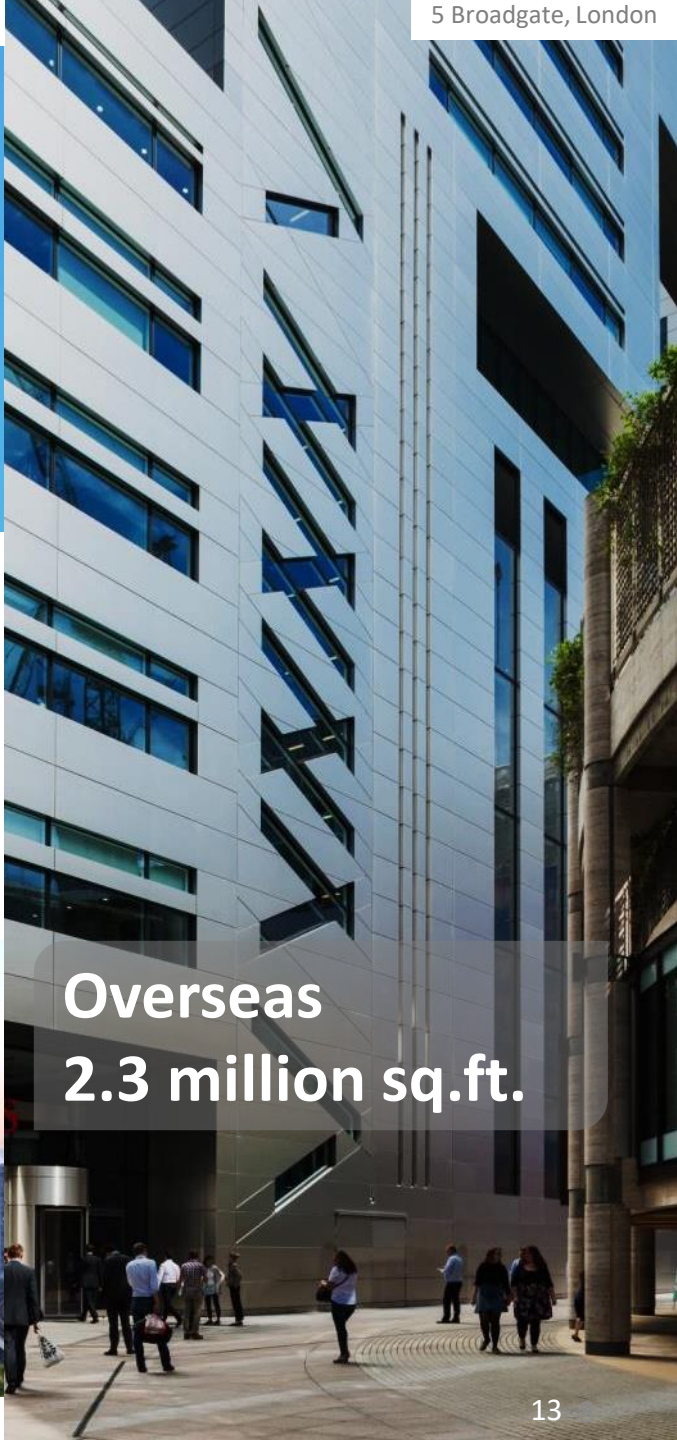


Hong Kong
13.0 million sq.ft.

17.2 million sq.ft. of investment properties



The Mainland
1.9 million sq.ft.



Overseas
2.3 million sq.ft.

Decrease in fair value of investment properties of HK\$1,106 million

4% - 8% cap rate



Hotel and Serviced Suite Operation

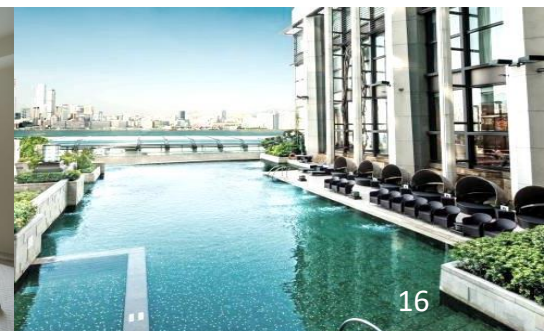
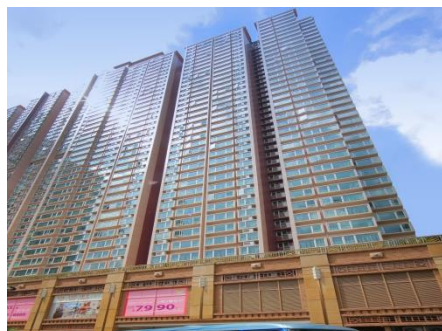


Hotel and Serviced Suite Operation

Hotel operation severely hit by the COVID-19 pandemic



HK\$ Million	2020	2019	Change
Revenue	2,055	4,185	-51%
Profit contribution	260	1,345	-81%
Margin	12.7%	32.1%	

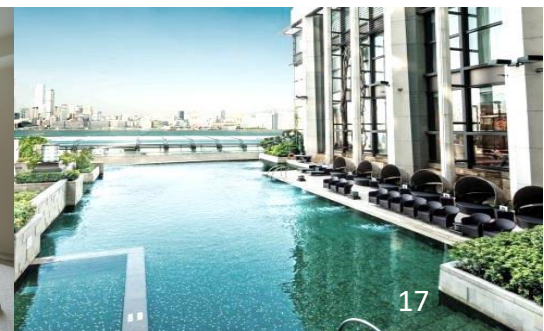
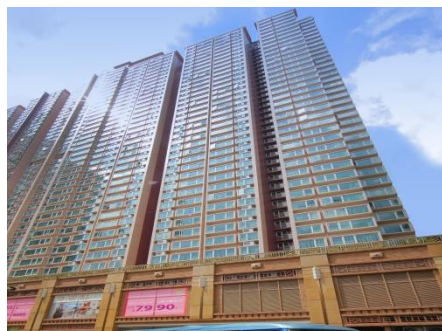


Hotel and Serviced Suite Operation

Serviced suite operation managed to protect its occupancy



HK\$ Million	Profit Contribution	
	2020	2019
Hong Kong	361	1,371
The Mainland	(101)	(26)
Total	260	1,345



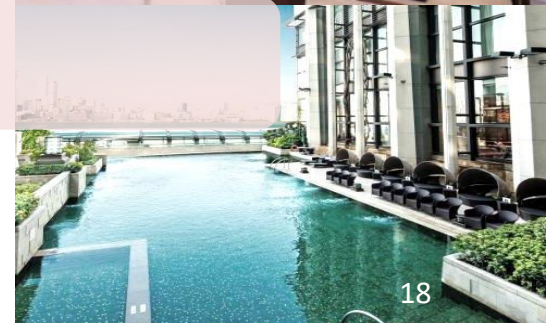
Hotel and Serviced Suite Operation



Approximately 15,000 rooms and serviced suites

20.1% Average hotel occupancy rate

86.7% Average serviced suites occupancy rate



Property and Project Management



HK\$ Million	2020	2019	Change
Revenue	836	868	-4%
Profit contribution	355	362	-2%
Margin	42.5%	41.7%	



1881 HERITAGE, Hong Kong



Aircraft Leasing



Aircraft Leasing



COVID-19 travel restrictions leading to slump in travel demand

HK\$ Million	2020	2019	Change
Revenue	2,820	3,192	-12%
Profit contribution	1,119 ⁽¹⁾	1,515	-26%
Margin	39.7%	47.5%	

Note:

(1) Profit Contribution for 2020 includes a gain of HK\$201 million on disposal of aircraft and after provisions of HK\$136 million and HK\$70 million for aircraft impairment and lease receivables respectively.



HK\$ Million	Profit Contribution	
Lessee's Place of Operation	2020	2019
Asia	388	481
Europe	266	438
North America	471	388
Latin America	(6)	208
Total	1,119	1,515

125 Aircraft

(120 narrow body;
5 wide body)

**Average remaining
lease term**

4.5 years

Average age

6.8 years





Pub Operation



Pub Operation



A leading integrated brewer and pub retailer operating about 2,700 pubs restaurants and hotels across England, Wales and Scotland



Pub Company

Operates food-led and drink-led destination pubs and restaurants and community-focused local pubs



Pub Partners

Owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs



Brewing & Brands

Sells and distributes a wide range of beers including ale brands brewed in own breweries

Pub Operation



Lockdown and mandated closure of pubs resulting in operating loss

	Pub Company HK\$ Million	Pub Partners HK\$ Million	Brewing & Brands HK\$ Million	2020 Total HK\$ Million	2019 Total HK\$ Million	Change
Revenue	7,636	734	1,160	9,530	3,611	164%
Profit contribution	(3,105)	5	(362)	(3,462) ⁽¹⁾	555	-724%
Margin	-40.7%	0.7%	-31.2%	-36.3%	15.4%	

Note:

(1) Profit contribution for Pub Operation includes HK\$995 million impairment of fixed assets.



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	2020 Total HK\$ Million	2019 Total HK\$ Million	Change
Revenue	4,332	3,749	5,409	-	13,490	12,905	5%
Profit contribution	1,369	1,159	1,322	638	4,488	4,524	-1%
<i>Margin</i>	31.6%	30.9%	24.4%	-	33.3%	35.1%	



Interests in Real Estate Investment Trusts

HK\$535 million⁽¹⁾ total distribution received



HK\$ Million	2020	2019
Share of profit of Hui Xian REIT	189	175
Cash distributions received from Fortune REIT and Prosperity REIT	300	319
	489	494

	Hui Xian REIT	Fortune REIT	Prosperity REIT
Interest as of 31 December 2020	32.5%	26.9%	18.1%
Asset under management (Million sq.ft.)	11.8 ⁽²⁾	3.0 ⁽²⁾	1.3 ⁽²⁾

Note:

(1) HK\$235 million of distribution was received from Hui Xian REIT. Cash distributions received from Fortune REIT and Prosperity REIT totaled HK\$300 million.

(2) Based on latest public announcements.

(3) Fair value change was recorded under "Change in fair values: real estate investment trusts".

Gearing and Maturity Profile



Bank and other borrowings with maturities	HK\$ Billion
Within one year	22.9
Within two to five years	37.8
Beyond five years	17.2
Total	77.9
Bank balances and deposits	59.5
Net debt	18.4

5.2% Net Debt to Shareholders' Funds

4.8% Net Debt to Net Total Capital

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

Landbank Summary

Total landbank of 132 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	5	71	4	80
Investment Properties	13	2	2	17
Hotels and Serviced Suites	8	1	-	9
Pub Properties	-	-	26	26
Total	26	74	32	132

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
May 2020	Anderson Road, Kwun Tong (Survey District No. 3 Lot No. 1069)	1,089,145	100%
February 2021	Kai Tak Area 4E, Site 2, Kai Tak, Kowloon (New Kowloon Inland Lot No. 6604)	648,137	100%



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Thank you

