



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 Interim Results

6 August 2020



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2020 Interim Results Highlights

35.5% decrease in Underlying EPS, 34.6% decrease in DPS



Underlying EPS

HK\$2.27

-35.5%

Dividend per share

HK\$0.34

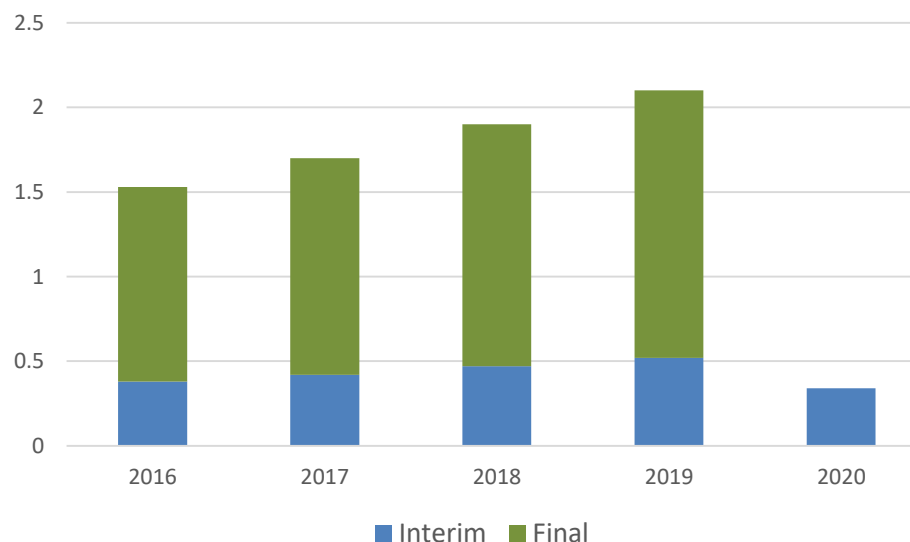
-34.6%

Net book value
per share

HK\$92.72

-0.5%

DPS (HK\$/share)



2020 Interim Results Highlights

HK\$6,360 million of reported earnings



HK\$ Million	2020	2019	Change
Revenue	36,323	34,008	+7%
Underlying profit	8,367	12,989	-36%
Change in fair values ⁽¹⁾			
Real estate investment trusts	(1,318)	1,056	
Investment properties	(689)	1,083	
Reported earnings	6,360	15,128	
<i>Reported EPS (HK\$ / share)</i>	1.72	4.10	-58%

Note:

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

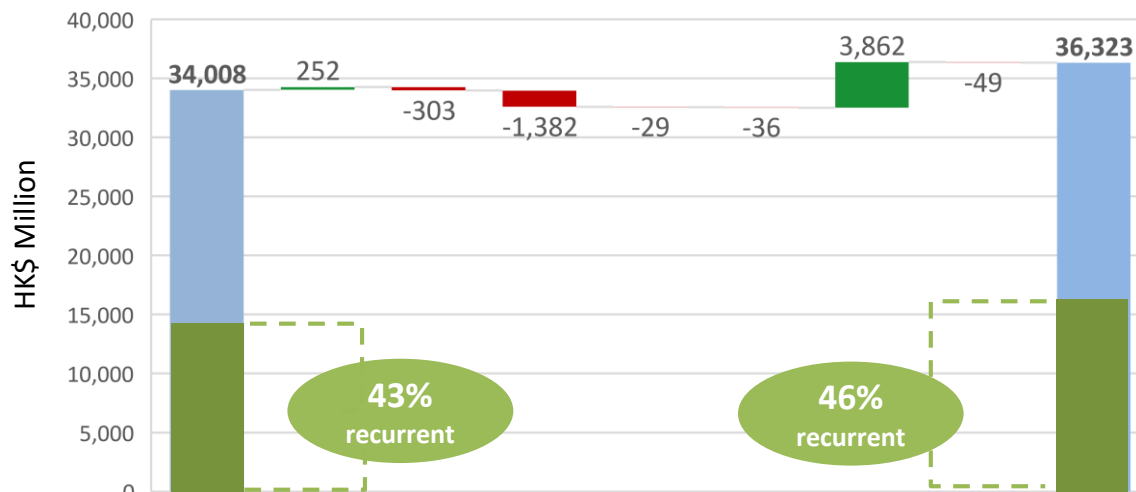
Principal Activities Analysis

34% of our profit contribution is recurrent in nature



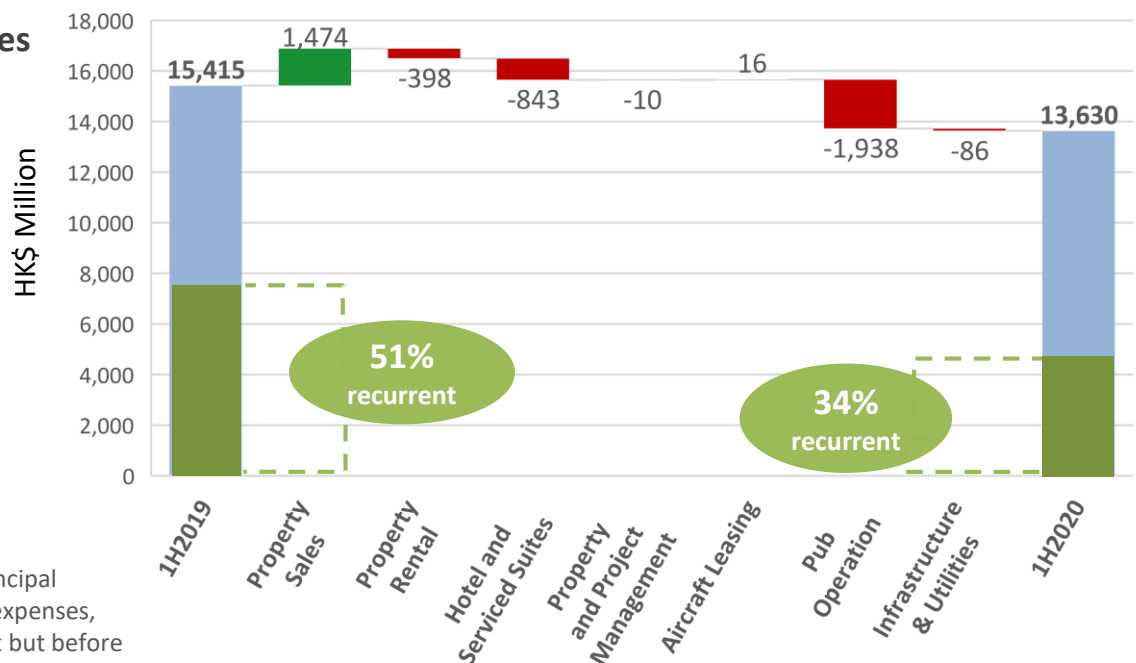
Revenue by Principal Activities

Recurrent Revenue	
1H2020	1H2019
HK\$16,839M	HK\$14,776M



Profit Contribution by Principal Activities

Recurrent Profit Contribution	
1H2020	1H2019
HK\$4,626M	HK\$7,885M



Note:

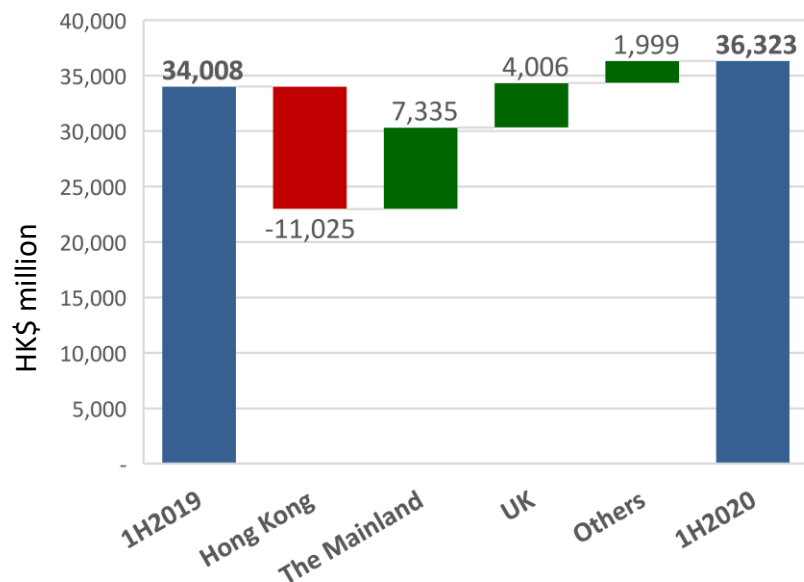
(1) Profit Contribution refers to contribution from principal activities after depreciation, absorption of overhead expenses, and exceptionals including provisions and impairment but before interest costs and tax.



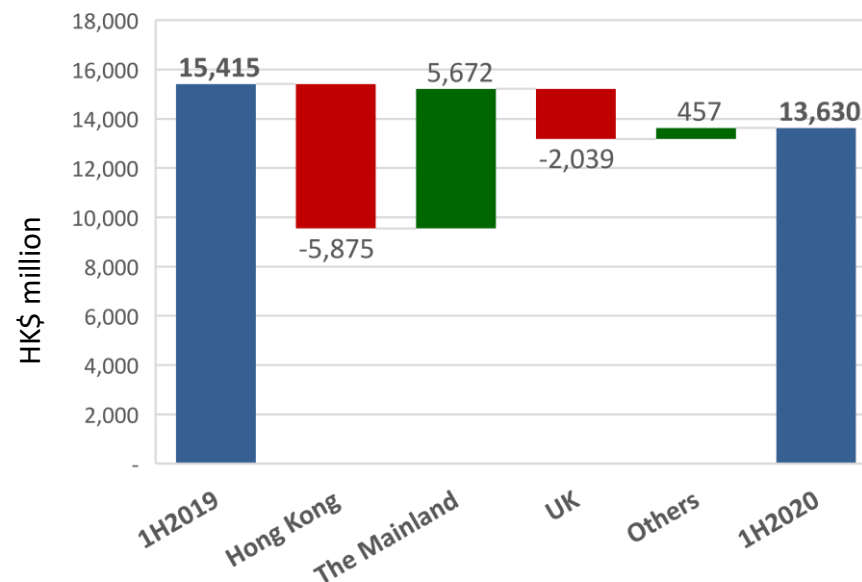
2020 Interim Results Highlights

34% contribution from HK, 51% from the Mainland, 15% from Overseas

Revenue by Geography



Profit Contribution by Geography



HK\$ Million	2020	
	Revenue	Profit Contribution
Hong Kong	10,114	4,630
The Mainland	11,587	6,928
UK	4,575	(1,423)
Others	10,047	3,495
Total	36,323	13,630

Note:

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

Property Sales



Property Sales



HK\$ Million	2020	2019	Change
Revenue	19,484	19,232	+1%
Profit contribution	9,004	7,530	+20%
Margin	46.2%	39.2%	



Property Sales



HK\$ Million	Revenue		Profit Contribution & Margin			
	2020	2019	2020		2019	
Hong Kong	6,116	15,674	1,768	28.9%	6,653	42.4%
The Mainland	10,929	3,428	6,638	60.7%	830	24.2%
Overseas	2,439	130	598	24.5%	47	36.2%



HK\$27,934M contracted sales not yet recognized

- About HK\$8,793 million scheduled for recognition in 2020



Hong Kong
HK\$14,962M



The Mainland
HK\$12,890M



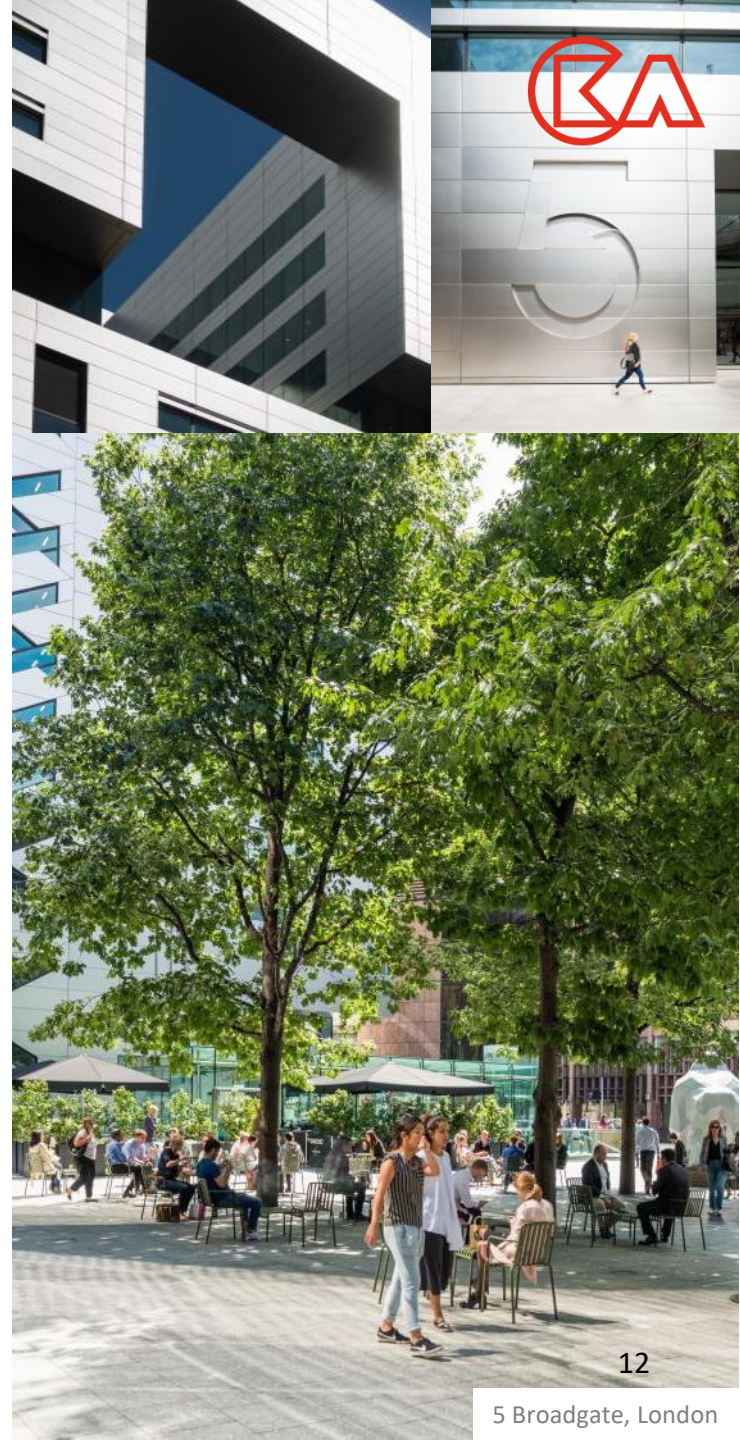
Overseas
HK\$82M



Property Rental

Property Rental

HK\$ Million	2020	2019	Change
Revenue	3,453	3,756	-8%
Profit contribution	3,169	3,567	-11%
Margin	91.8%	95.0%	



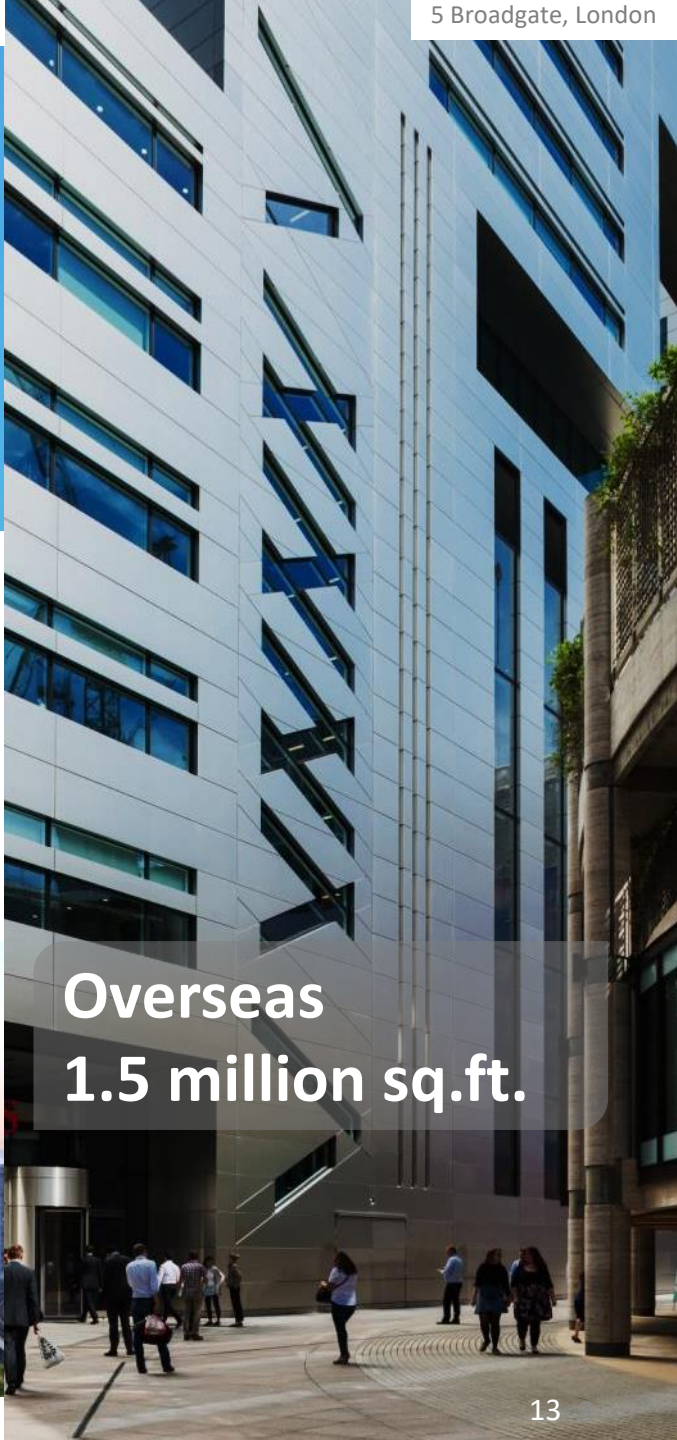


Hong Kong
13.0 million sq.ft.

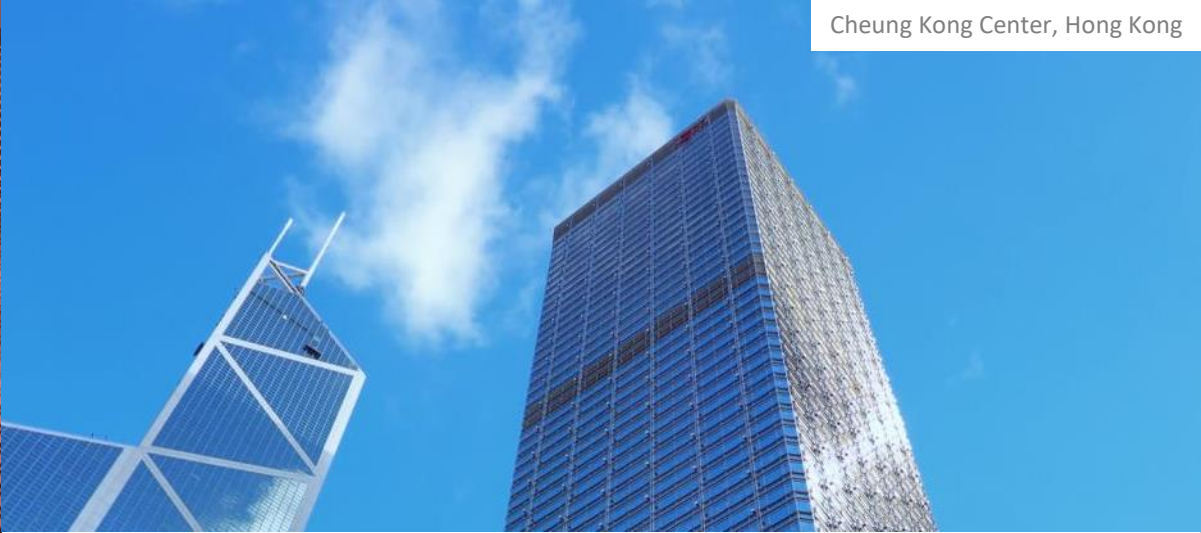
16.4 million sq.ft. of investment properties



The Mainland
1.9 million sq.ft.



Overseas
1.5 million sq.ft.



Decrease in fair value of investment properties of HK\$809 million



4% - 8% cap rate



Hotel and Serviced Suite Operation

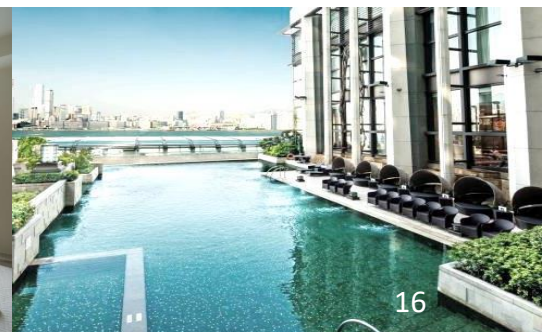
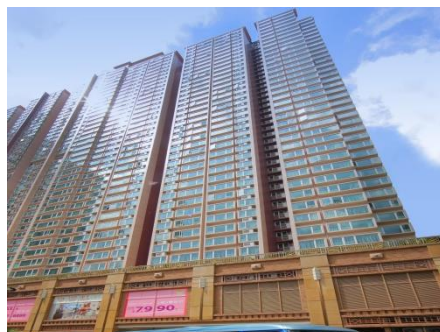


Hotel and Serviced Suite Operation

Hotel operation severely hit by the COVID-19 pandemic



HK\$ Million	2020	2019	Change
Revenue	992	2,374	-58%
Profit contribution	33	876	-96%
Margin	3.3%	36.9%	

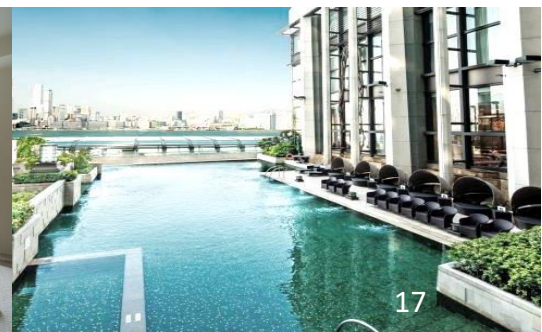
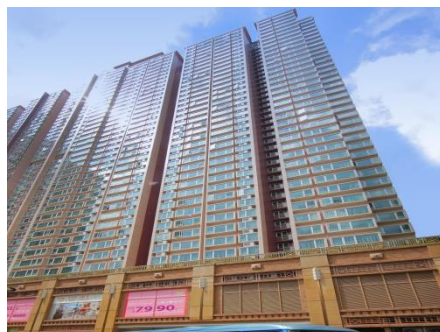


Hotel and Serviced Suite Operation

Serviced suite operation managed to protect its occupancy



HK\$ Million	Profit Contribution	
	2020	2019
Hong Kong	90	897
The Mainland	(57)	(21)
Total	33	876

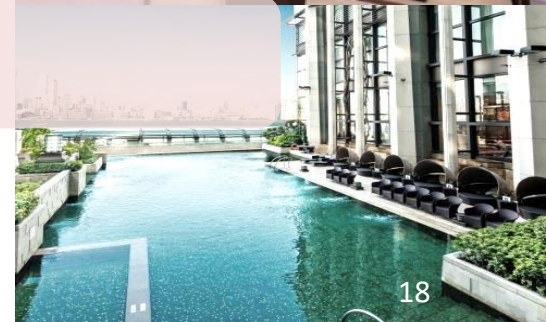


Hotel and Serviced Suite Operation

Approximately 15,000 rooms and serviced suites

23% Average hotel occupancy rate

86% Average serviced suites occupancy rate



Property and Project Management



Property and Project Management



HK\$ Million	2020	2019	Change
Revenue	403	432	-7%
Profit contribution	173	183	-5%
Margin	42.9%	42.4%	



1881 HERITAGE, Hong Kong



Aircraft Leasing



Aircraft Leasing



COVID-19 travel restrictions leading to slump in travel demand

HK\$ Million	2020	2019	Change
Revenue	1,520	1,556	-2%
Profit contribution	733 ⁽¹⁾	717	+2%
Margin	48.2%	46.1%	

Note:

(1) Profit Contribution for 2020 includes a gain of HK\$195 million on disposal of aircraft.



HK\$ Million	Profit Contribution	
Lessee's Place of Operation	2020	2019
Asia	256	272
Europe	164	219
North America	256	174
Latin America	57	52
Total	733	717

126 Aircraft

(121 narrow body;
5 wide body)

**Average remaining
lease term**

4.6 years

Average age

6.3 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	3,078	310	474	3,862	-	-
Profit contribution	(1,574)	(35)	(329)	(1,938) ⁽¹⁾	-	-
Margin	-51.1%	-11.3%	-69.4%	-50.2%	N/A	

Note:

(1) Profit contribution for Pub Operation includes HK\$910 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	2,020	1,782	2,807	-	6,609	6,658	-1%
Profit contribution	707	553	890	306	2,456	2,542	-3%
<i>Margin</i>	35.0%	31.0%	31.7%	-	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\$347 million⁽¹⁾ total distribution received



HK\$ Million	2020	2019
Share of profit of Hui Xian REIT	99	166
Cash distributions received from Fortune REIT and Prosperity REIT	157	156
	256	322

	Hui Xian REIT	Fortune REIT	Prosperity REIT
Interest as of 30 June 2020	31.9%	27.0%	18.2%
Asset under management (Million sq.ft.)	11.8 ⁽²⁾	3.0 ⁽²⁾	1.3 ⁽²⁾

Note:

(1) HK\$190 million of distribution was received from Hui Xian REIT. Cash distributions received from Fortune REIT and Prosperity REIT totaled HK\$157 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	12.8
Within two to five years	47.6
Beyond five years	16.3
Total	76.7
Bank balances and deposits	58.9
Net debt	17.8

5.2% Net Debt to Shareholders' Funds

4.7% Net Debt to Net Total Capital

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

Landbank Summary

Total landbank of 144 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	83	4	92
Investment Properties	13	2	2	17
Hotels and Serviced Suites	8	1	-	9
Pub Properties	-	-	26	26
Total	26	86	32	144

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%



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Thank you

