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)

2021 Interim Results

5 August 2021



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

2021 Interim Results Highlights

HK$8,355 million of reported earnings

HK$ Million	2021	2020	Change
Revenue	**34,319**	36,323	-5.5%
Profit attributable to shareholders	**8,355**	6,360	31.4%
Earnings per share (HK$ / share)	**2.25**	1.72	30.8%

Note:

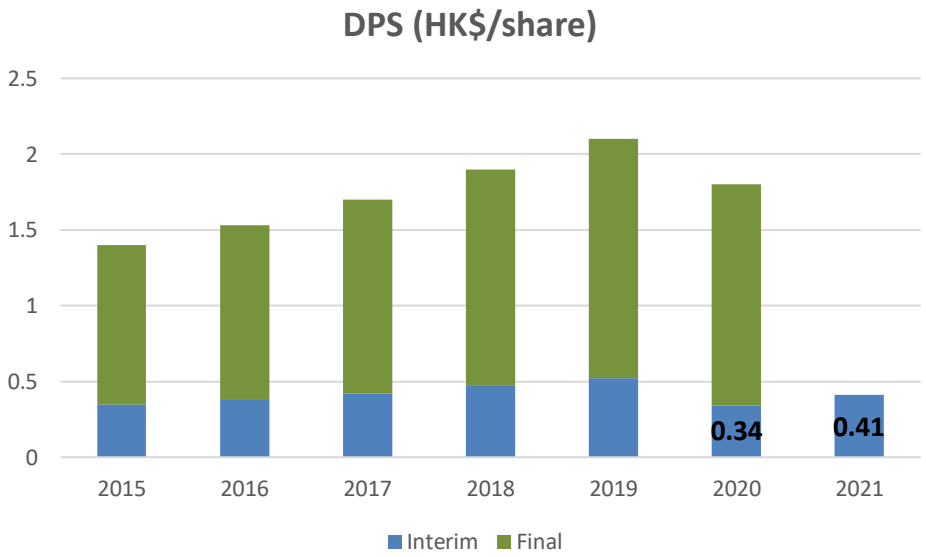
(1) Earnings per share is based on the weighted average of 3,712,221,863 shares in issue during the period.

(2) After the issuance of 333,333,333 shares for the acquisition of minority shareholding interests in four infrastructure companies, the buy-back and cancellation of 380,000,000 shares pursuant to the conditional cash offer and the subsequent on-market buy-back and cancellation of 3,150,000 shares, the number of shares in issue as of 2 July 2021 was 3,643,583,833.

2021 Interim Results Highlights

20.6% increase in DPS

Dividend per share	Net book value per share (1)
HK$0.41	HK$97.69
+20.6%	+1.7%



Note:

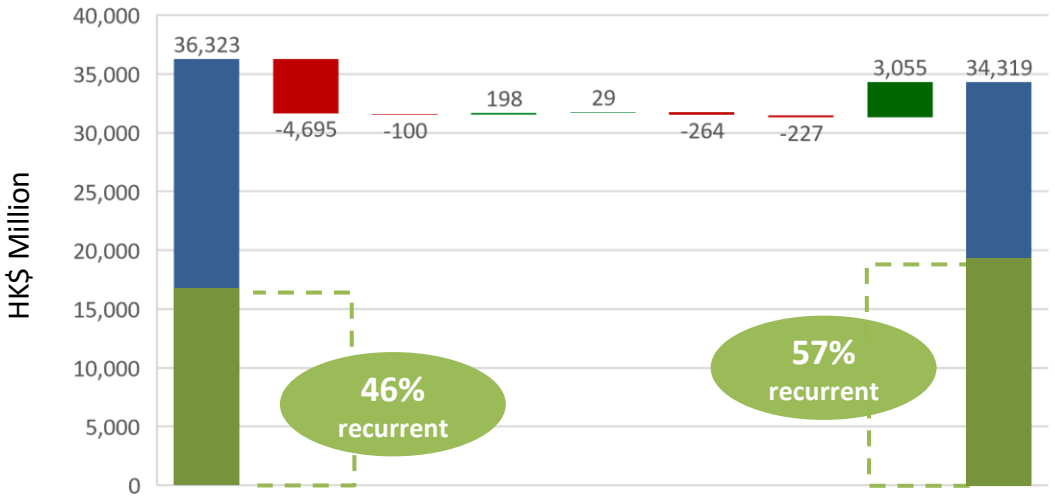
(1) Based on 3,646,733,833 shares in issue on 30 June 2021.

Principal Activities Analysis

43% of our profit contribution is recurrent in nature

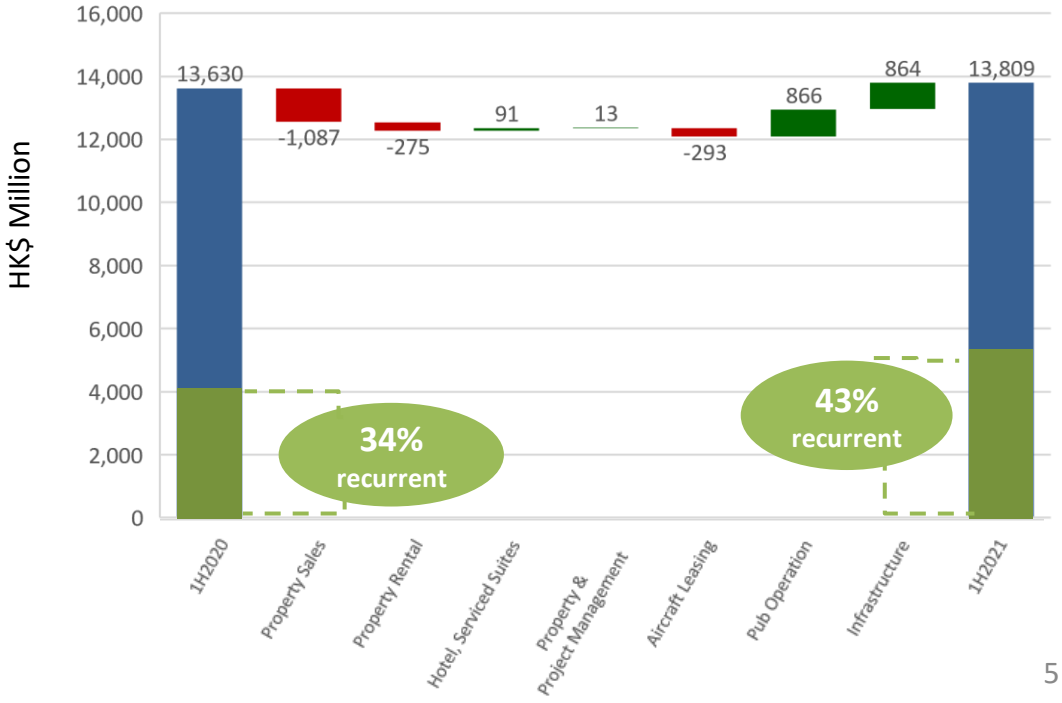
Revenue by Principal Activities

Recurrent Revenue	
1H2021	1H2020
HK$19,530M	HK$16,839M



Profit Contribution by Principal Activities

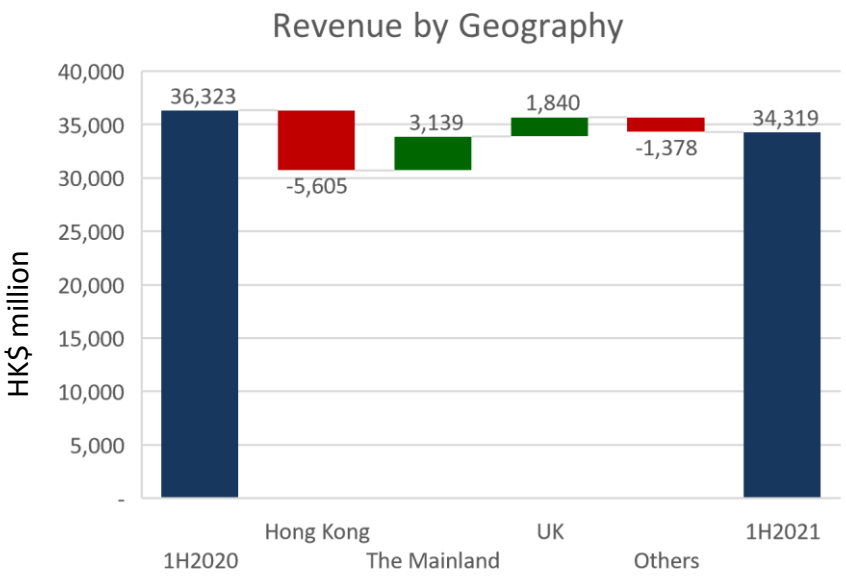
Recurrent Profit Contribution	
1H2021	1H2020
HK$5,892M	HK$4,626M

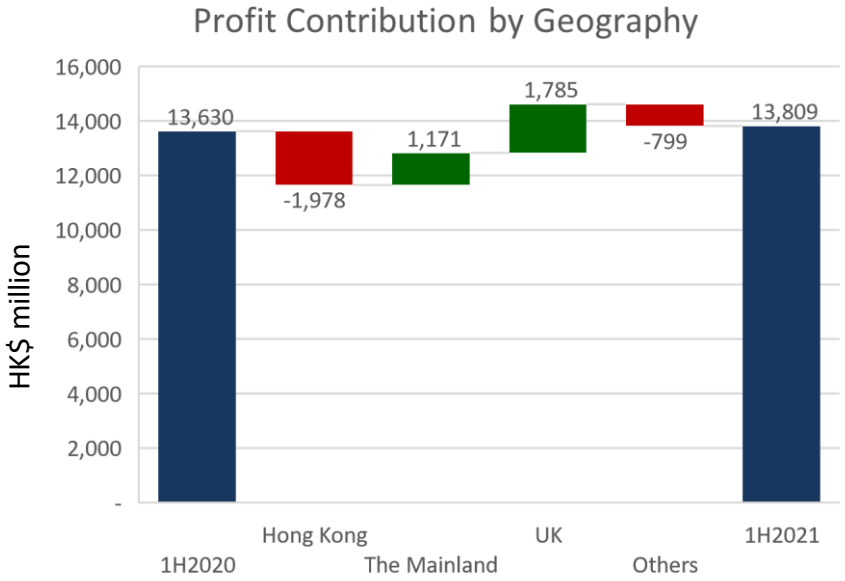


Note:
(1) Profit Contribution refers to contribution from principal activities after depreciation, impairment and absorption of overhead expenses but before interest costs and tax.

2021 Interim Results Highlights

19% contribution from HK, 59% from the Mainland, 22% from the UK and Overseas





HK$ Million	2021	
	Revenue	Profit Contribution
Hong Kong	**4,509**	**2,652**
The Mainland	**14,726**	**8,099**
UK	**6,415**	**362**
Others	**8,669**	**2,696**
Total	**34,319**	**13,809**

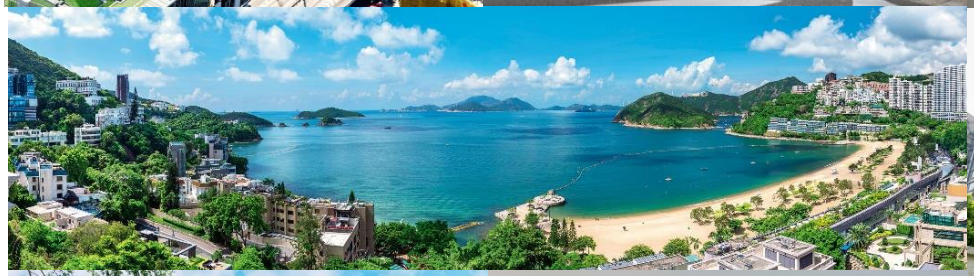
Note:

(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

Respectable overall contribution margin

HK$ Million	2021	2020	Change
Revenue	**14,789**	19,484	-24%
Profit contribution	**7,917**	9,004	-12%
Margin	***53.5%***	*46.2%*	





Property Sales

Majority of contribution from the Mainland

HK$ Million	Revenue		Profit Contribution & Margin			
	2021	2020	**2021**		2020	
Hong Kong	**609**	6,116	**112**	***18.4%***	1,768	*28.9%*
The Mainland	**14,036**	10,929	**7,787**	***55.5%***	6,638	*60.7%*
Overseas	**144**	2,439	**18**	***12.5%***	598	*24.5%*





HK$41,506M contracted sales not yet recognized

- About HK$19,826 million scheduled for recognition in 2021









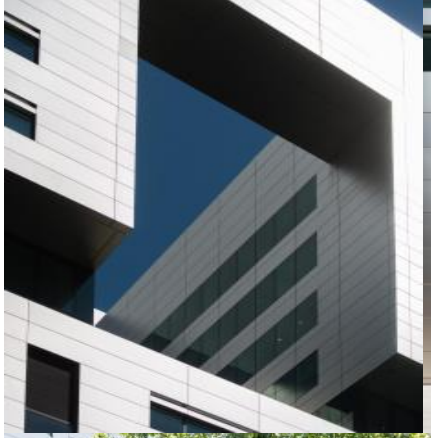
Property Rental

5 Broadgate, London

Property Rental

Healthy overall margin

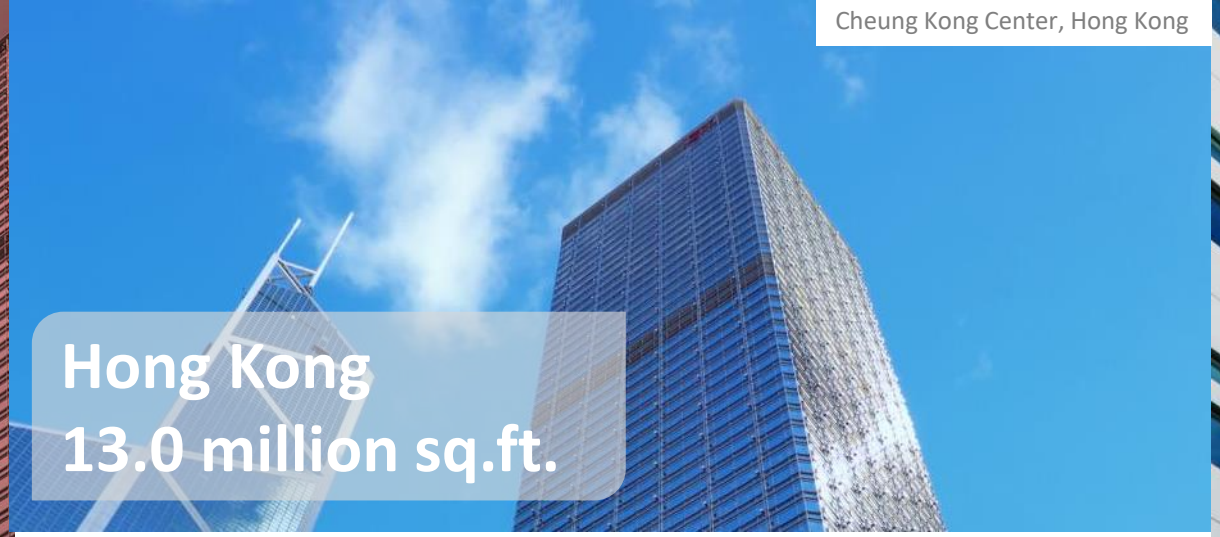
HK$ Million	**2021**	2020	Change
Revenue	**3,353**	3,453	-3%
Profit contribution	**2,894**	3,169	-9%
Margin	***86.3%***	*91.8%*	

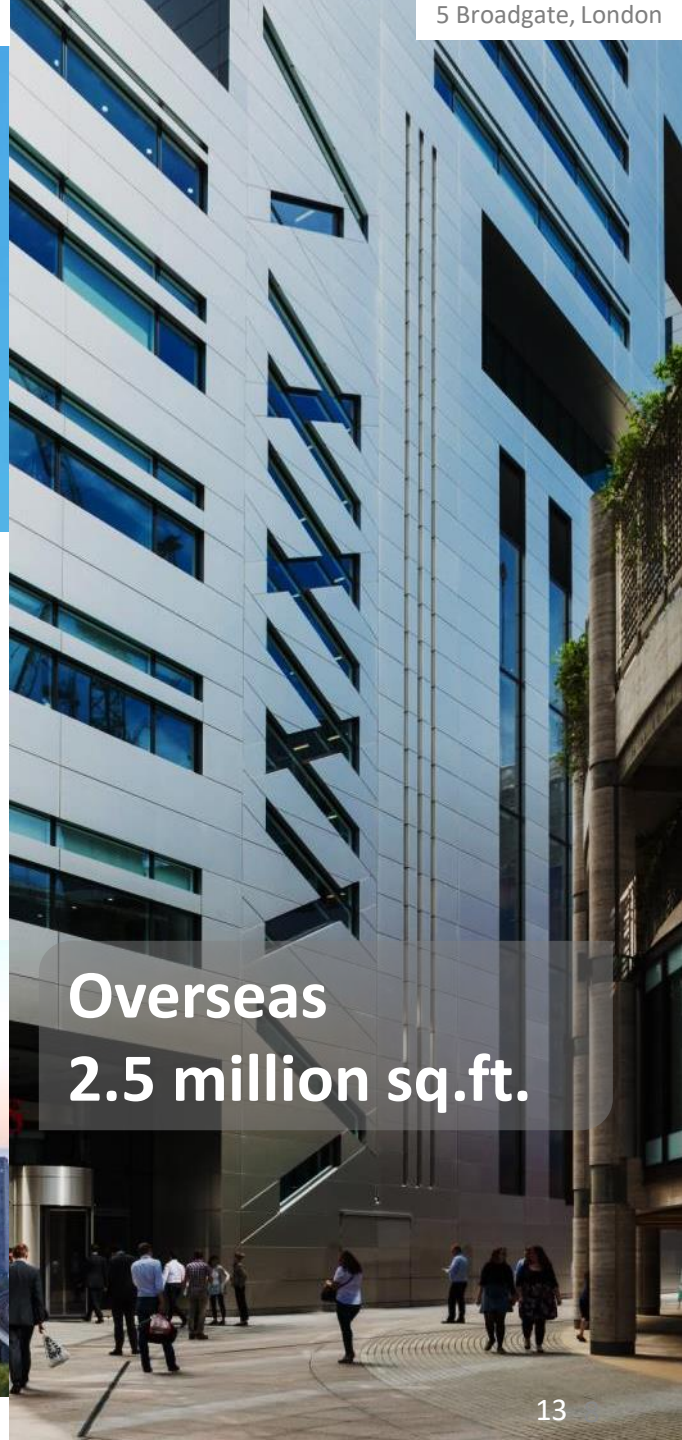






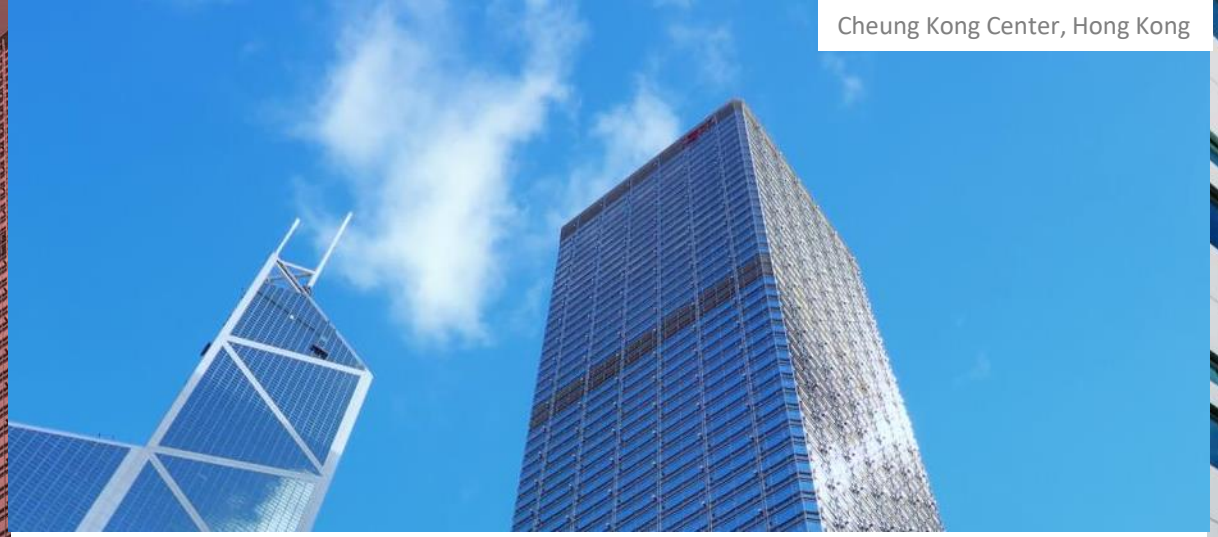
5 Broadgate, London





17.4 million sq.ft. of investment properties





Cheung Kong Center, Hong Kong

5 Broadgate, London

Increase in fair value of investment properties of HK$121 million



M+, Wuhan

4% - 8% cap rate



Hotel and Serviced Suite Operation





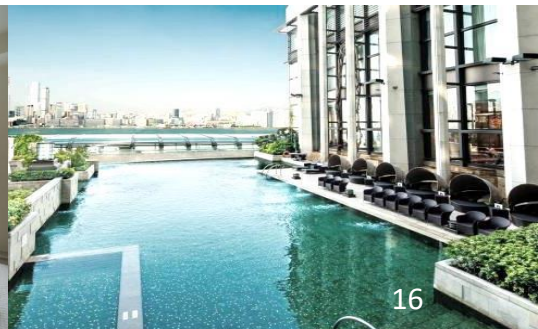
Hotel and Serviced Suite Operation

Improvement in occupancy for both daily hotels and serviced suites

HK$ Million	**2021**	2020	Change
Revenue	**1,190**	992	+20%
Profit contribution	**124**	33	+276%
Margin	***10.4%***	*3.3%*	







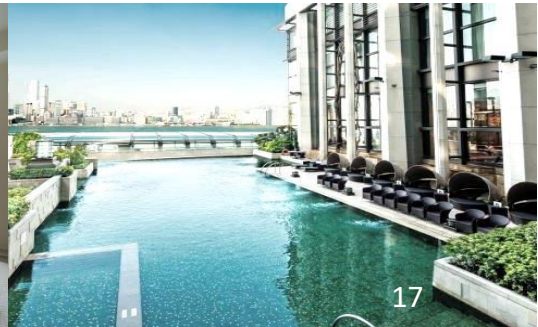
Hotel and Serviced Suite Operation

Majority of contribution from HK operations

HK$ Million	Profit Contribution	
	2021	2020
Hong Kong	**162**	90
The Mainland	**(38)**	(57)
Total	**124**	33





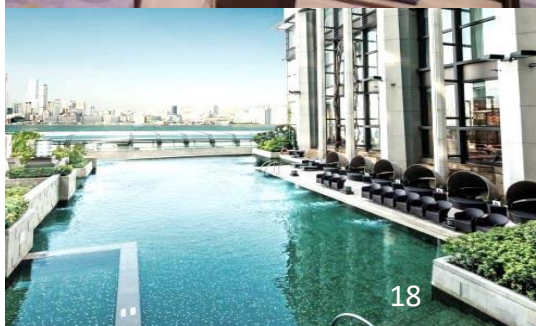


Hotel and Serviced Suite Operation









Approximately 15,000 rooms and serviced suites

30% Average hotel occupancy rate

90% Average serviced suites occupancy rate

Property and Project Management



Stars by the Harbour, Hong Kong

Property and Project Management

HK$ Million	2021	2020	Change
Revenue	**432**	403	+7%
Profit contribution	**186**	173	+8%
Margin	***43.1%***	*42.9%*	



1881 HERITAGE, Hong Kong



Aircraft Leasing



Aircraft Leasing

Contribution margin affected by lease restructuring support and lack of trading activity

HK$ Million	2021	2020	Change
Revenue	**1,256**	1,520	-17%
Profit contribution	**440**	733 (1)	-40%
Margin	***35.0%***	*48.2%*	

Note:
(1) Profit contribution in 2020 included disposal gain of HK$195 million.



Aircraft Leasing

HK$ Million	Profit Contribution	
Lessee's Place of Operation	**2021**	**2020**
Asia	**99**	256
Europe	**87**	164
North America	**227**	256
Latin America	**27**	57
Total	**440**	733

125 Aircraft

(120 narrow body;
5 wide body)

Average remaining lease term

4.8 years

Average age

7.3 years







Pub Operation







Pub Operation

GREENE KING
BURY ST EDMUNDS

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

Major impact caused by over four months of lockdown

	Pub Company HK$ Million	Pub Partners HK$ Million	Brewing & Brands HK$ Million	2021 Total HK$ Million	2020 Total HK$ Million	Change
Revenue	**2,724**	**349**	**562**	**3,635**	**3,862**	**-6%**
Profit contribution	**(922)**	**4**	**(154)**	**(1,072)**	**(1,938)**	**+45%**
Margin	***-33.8%***	***1.1%***	***-27.4%***	***-29.5%***	***-50.2%***	

Note:
(1) Full trading resumed on 19 July 2021 following the lifting of legal restrictions in the UK.











Infrastructure and Utility Asset Operation



Infrastructure and Utility Asset Operation



The acquisition of minority shareholding interests in four infrastructure companies from the Li Ka Shing Foundation was completed in May 2021.

UK Power Networks



NORTHUMBRIAN WATER living water



WALES&WEST UTILITIES



AVR.



Infrastructure and Utility Asset Operation



	Principal Activity	Interest in Joint Venture
CK William JV	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom	40%
CKP (Canada) JV	A building equipment and service provider under the consumer brand identity of “Reliance Home Comfort” in Canada	75%
Sarvana JV	A fully integrated energy management service provider operated by ista Group in Europe	65%
UK Power Networks JV	A power distributor that serves London, the South East and East of England	20%
Northumbrian Water JV	A regulated water and sewerage company in England and Wales	36%
Dutch Enviro Energy JV	An energy-from-waste company in the Netherlands	24%
Wales & West Utilities JV	A gas distributor that serves Wales and the South West of England	22%

Infrastructure and Utility Asset Operation

Significant increase in income from infrastructure and utility assets

	Revenue (HK$ Million)	Profit Contribution (HK$ Million)	Margin
CK William JV (DUET Group)	2,048	629	*30.7%*
CKP (Canada) JV (Reliance Group)	2,063	638	*30.9%*
Sarvana JV (ista Group)	3,146	863	*27.4%*
UK Power Networks JV	962	521	*54.2%*
Northumbrian Water JV	936	246	*26.3%*
Dutch Enviro Energy JV	193	46	*23.8%*
Wales & West Utilities JV	316	142	*44.9%*
Others	-	235	-
2021 Total	**9,664**	**3,320**	***34.4%***
2020 Total	6,609	2,456	
Change	+46%	+35%	

Interests in Real Estate Investment Trusts

HK$306 million(1) total distribution received

HK$ Million	2021	2020
Share of profit of Hui Xian REIT	153	99
Cash distributions received from Fortune REIT and Prosperity REIT	154	157
	307	256

	Hui Xian REIT	Fortune REIT	Prosperity REIT
Interest as of 30 June 2021	32.5%	26.8%	18.0%
Asset under management (Million sq.ft.)	11.8 (2)	3.0 (2)	1.3 (2)

Note:

(1) HK$152 million of distribution was received from Hui Xian REIT. Cash distributions received from Fortune REIT and Prosperity REIT totaled HK$154 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	23.7
Within two to five years	52.7
Beyond five years	16.8
Total	**93.2**
Bank balances and deposits	**43.9**
Net debt	**49.3**

13.8% Net Debt to Shareholders' Funds

11.8% 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	6	70	4	80
Investment Properties	13	2	2	17
Hotels and Serviced Suites	8	1	-	9
Pub Properties	-	-	26	26
Total	27	73	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
February 2021	Kai Tak Area 4E, Site 2, Kai Tak, Kowloon (New Kowloon Inland Lot No. 6604)	648,137	100%
May 2021	Lot No. 2206 in D.D. 109, Kam Tai Road, Kam Tin, Yuen Long	137,584	100%

ESG – Sustainability Highlights

Establishment of the Sustainability Committee

Board level Sustainability Committee established in Dec 2020 to oversee management and advise the Board of Directors on the development and implementation of the sustainability initiatives of the Group

Adoption of Governance Policies



Covid-19 Measures

Adopted various Covid-19 measures with the aim to protect our staff, support the community and maintaining our operations. The key measures adopted can be found in our Sustainability Report

ESG – Business Unit Highlights

Property Development

West Rail Tsuen Wan West Station TW5 Bayside development project awarded BEAM Plus Gold rating

Oil Street, North Point IL8920 project awarded BEAM Plus Bronze rating

Hotel and Serviced Suite Operation

Adoption of energy conservation designs at the Harbourfront Horizon All-suite hotel to maximise the utilisation of natural light for interior lighting

Achieved lower carbon emissions, electricity, heat and water consumption

Property Management

Goodwell Property Management Limited received the "BOCHK Corporate Environmental leadership Awards" from the Federation of Hong Kong Industries and Bank of China (Hong Kong)

Aircraft Leasing

Investment in new technology, fuel efficient aircraft and lease to our airline customers

Pub Operation

Greene King was the first pub company in the UK to meet the Carbon Trust's Zero Waste to Landfill Standard

"Leadership of the Year" awarded to Greene King by the UK Social Mobility Awards

Infrastructure

Clear emission and carbon footprint target setting by UK Power Networks, Wales & West Utilities

AVR was the first European energy-from-waste company capable of large-scale CO_2 capture and delivery

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Thank you

