

2016 ANNUAL RESULTS ANNOUNCEMENT

March 2017



636.HK



ASIA SPECIALIST
CHINA FOCUS
GLOBAL NETWORK

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TURNOVER HK\$M

24,036

+14%

SEGMENT PROFIT HK\$M

IL	IFF
1,653	448
+1%	+24%

PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS HK\$M

1,877

+4%

CORE OPERATING PROFIT HK\$M

1,878

+4%

NET ASSET VALUE PER SHARE HK\$

9.76

GROSS GEARING

41.9%

CORE NET PROFIT HK\$M

1,104

+4%

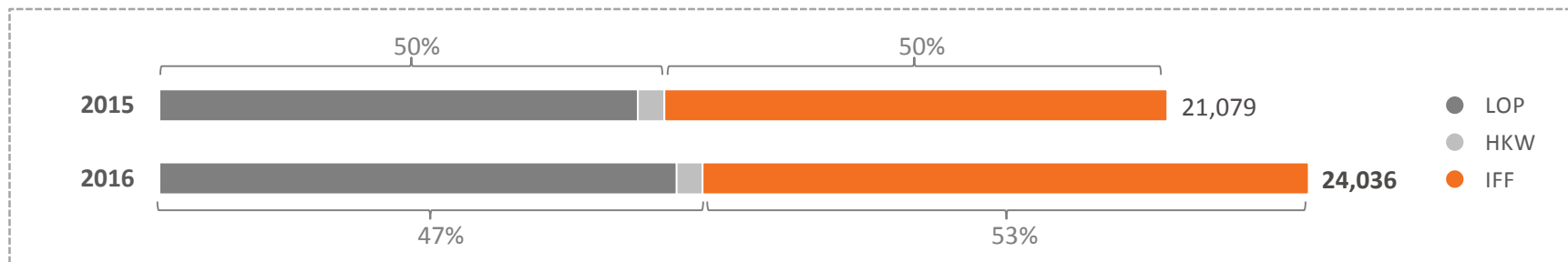
FINAL DIVIDEND 12 HK CENTS PER SHARE

DIVIDEND PAYOUT RATIO

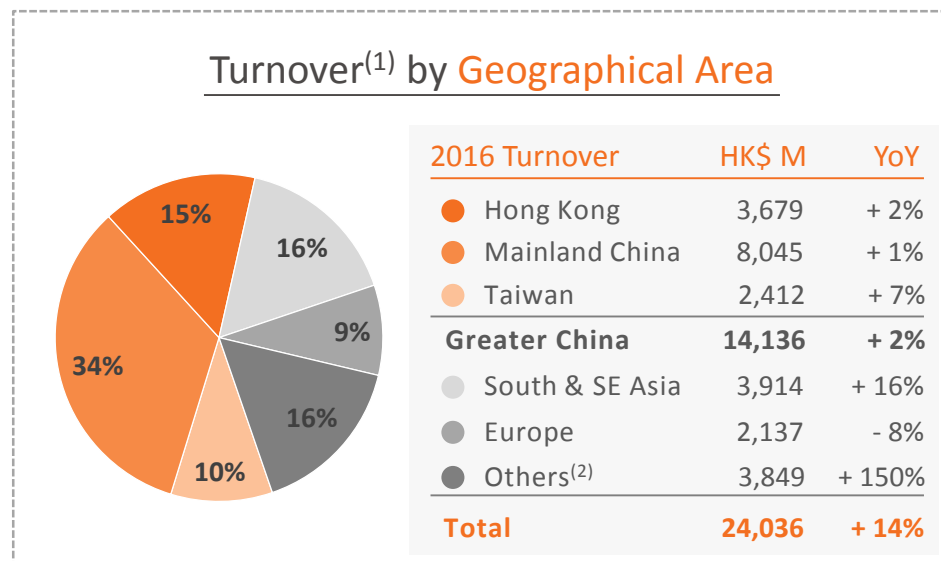
29%

HK\$M	2016 FY	2015 FY	YoY
Segment EBIT			
IL	1,653	1,636	+ 1%
- Logistics Operations	1,131	1,125	+ 1%
- Hong Kong Warehouse	522	511	+ 2%
IFF	448	361	+ 24%
Total segment EBIT	2,101	1,997	+ 5%
Unallocated administrative expenses	(223)	(192)	
Core operating profit	1,878	1,805	+ 4%
Core net profit	1,104	1,061	+ 4%
Valuation gain on investment properties, net of deferred tax	773	743	
Profit attributable to the Shareholders	1,877	1,804	+ 4%

TURNOVER⁽¹⁾ **HK\$ 24,036M** + 14% YoY



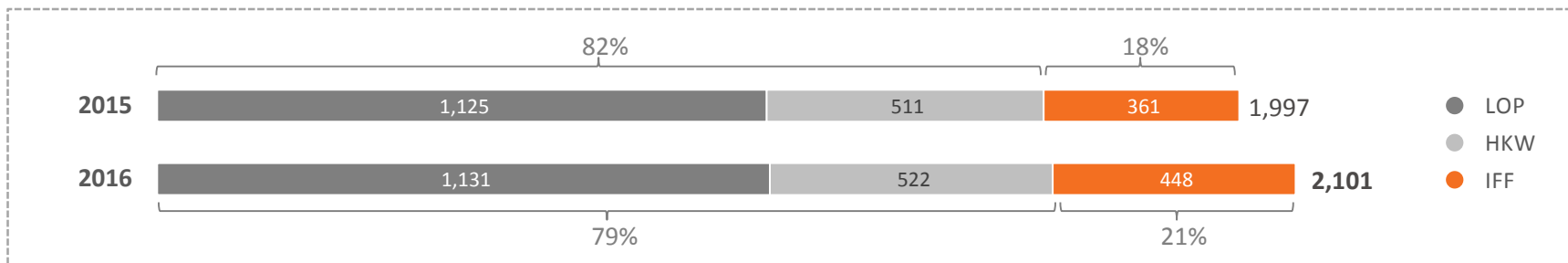
2016 Turnover	HK\$ M	YoY
● IL	11,358	+ 8%
● LOP	10,820	+ 8%
● HKW	538	- 3%
● IFF	12,678	+ 21%



⁽¹⁾ Turnover after elimination of inter-segment transactions

⁽²⁾ Includes Oceania, Middle East, the Americas, Japan, Korea, Russia and Senegal

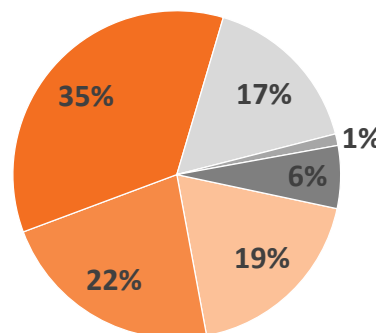
SEGMENT PROFIT **HK\$ 2,101M + 5% YoY**



2016 Segment Profit HK\$ M YoY

● IL	1,653	+ 1%
● LOP	1,131	+ 1%
● HKW	522	+ 2%
● IFF	448	+ 24%

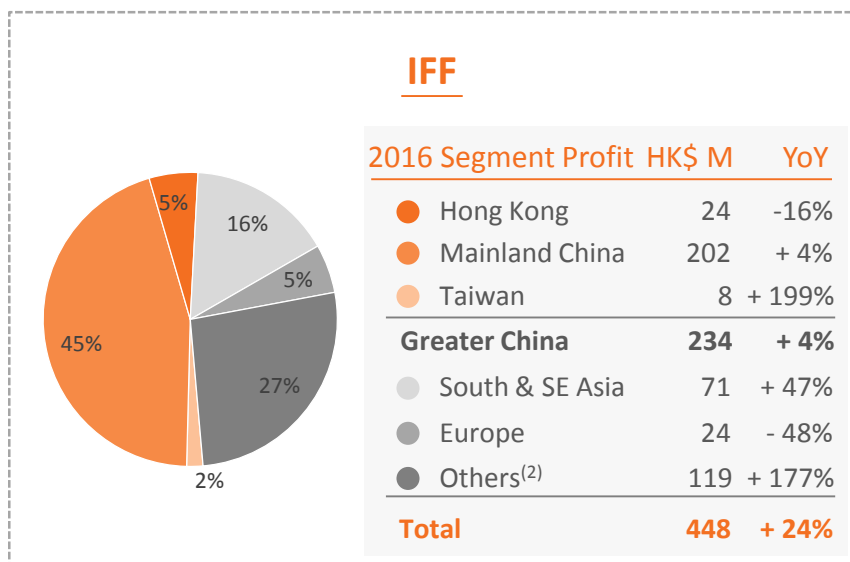
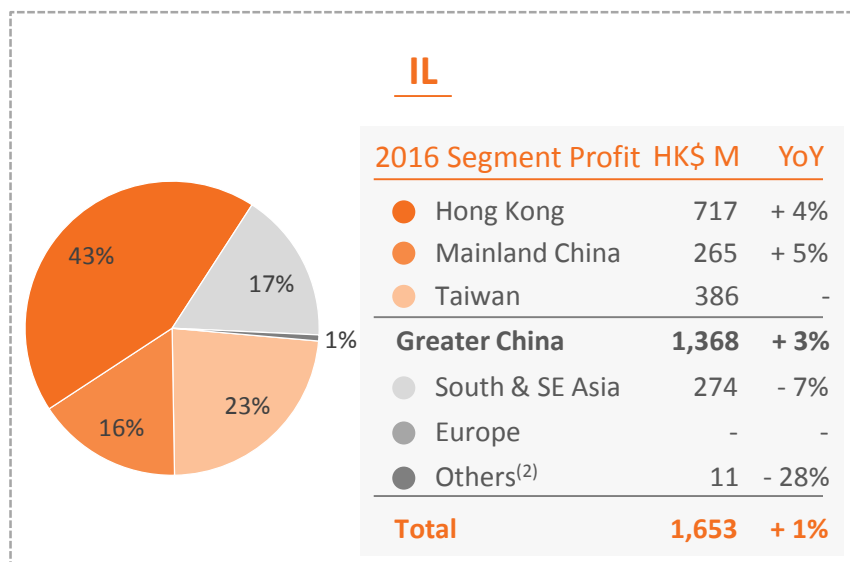
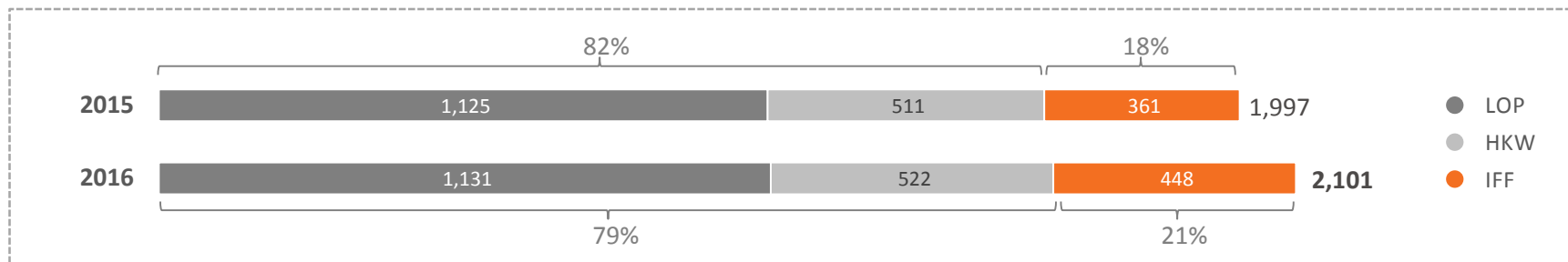
Segment Profit by Geographical Area



2016 Segment Profit	HK\$ M	YoY
● Hong Kong	741	+ 4%
● Mainland China	467	+ 5%
● Taiwan	394	-
Greater China	1,602	+ 3%
● South & SE Asia	345	+ 1%
● Europe	24	- 48%
● Others ⁽²⁾	130	+ 127%
Total	2,101	+ 5%

⁽²⁾ Includes Oceania, Middle East, the Americas, Japan, Korea, Russia and Senegal

SEGMENT PROFIT **HK\$ 2,101M + 5% YoY**



⁽²⁾ Includes Oceania, Middle East, the Americas, Japan, Korea, Russia and Senegal

2016

- Hong Kong
- Mainland China
- Taiwan
- South & SE Asia
- Europe
- Others⁽²⁾

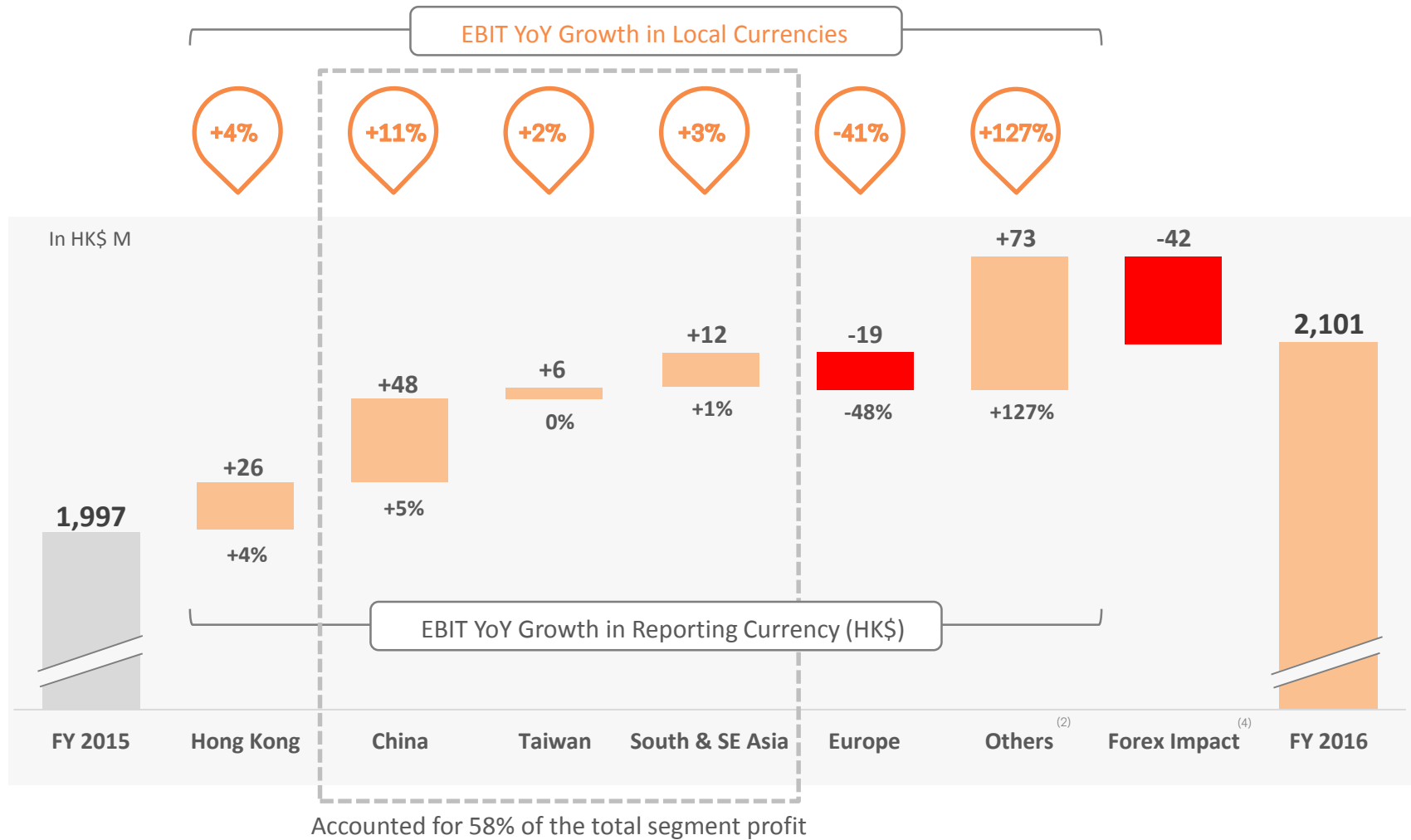
2017

- Hong Kong
- Mainland China
- Taiwan
- Asia (ex. Greater China)
- Americas
- Europe
- Others⁽³⁾

⁽²⁾ Includes Oceania, Middle East, the Americas, Japan, Korea, Russia and Senegal

⁽³⁾ Includes Oceania and Senegal

CURRENCY TRANSLATION IMPACT - SEGMENT PROFIT

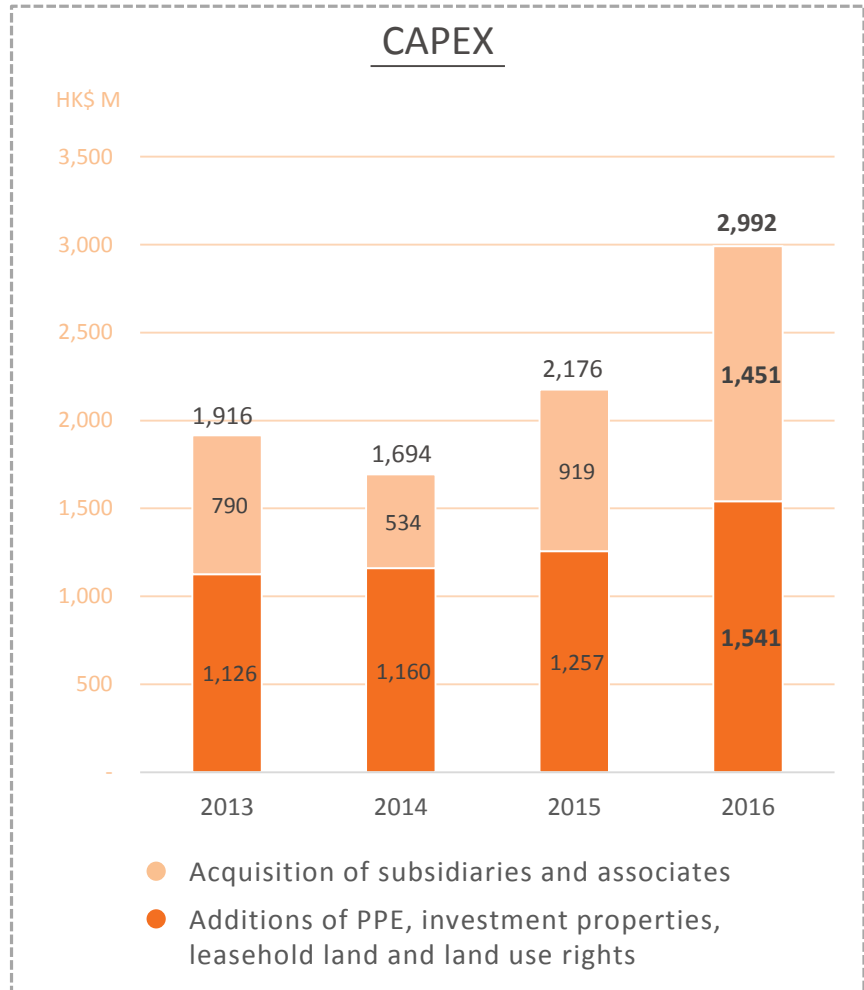
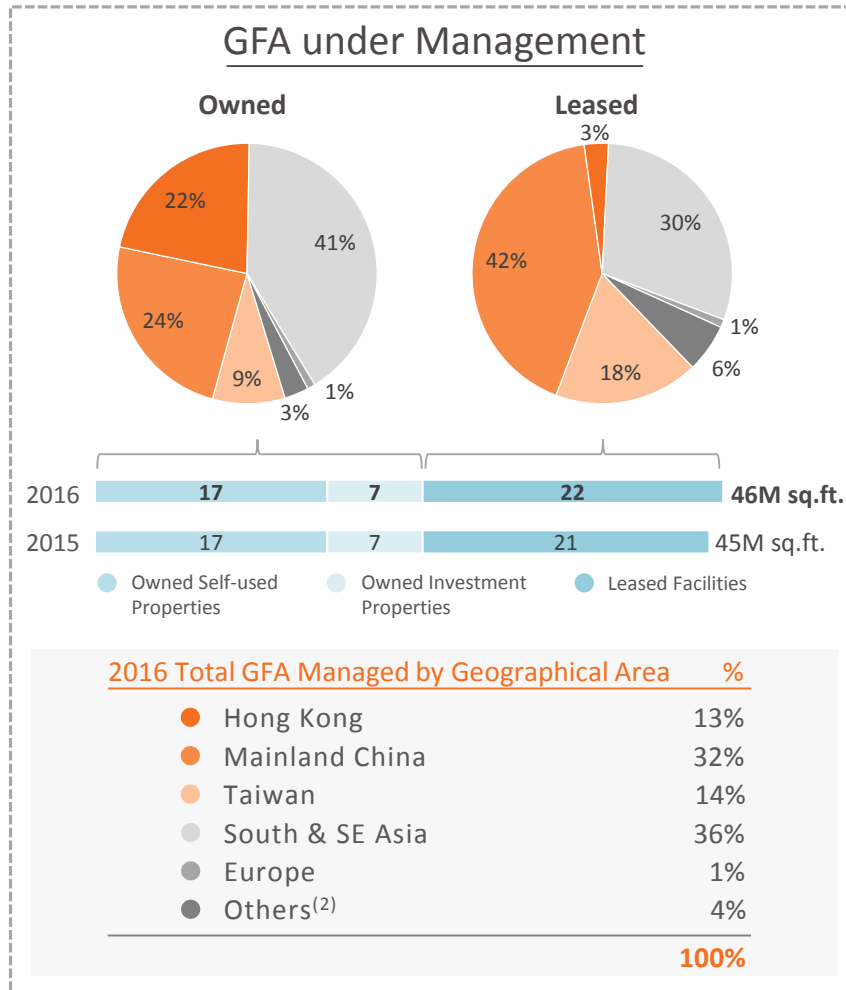


(2) Includes Oceania, Middle East, the Americas, Japan, Korea, Russia and Senegal

(4) Foreign exchange impact on translating from major 6 currencies (RMB, NTD, THB, INR, EUR, GBP) to reporting currency (HK\$)

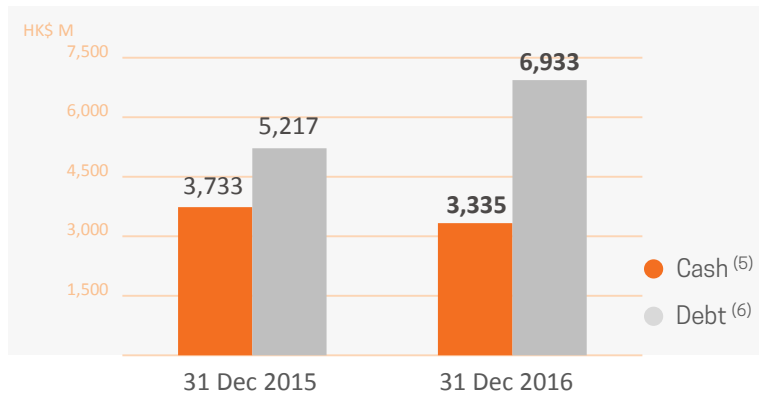
GFA 46M sq. ft.

CAPEX HK\$ 2,992M



⁽²⁾ Includes Oceania, Middle East, the Americas, Japan, Korea, Russia and Senegal

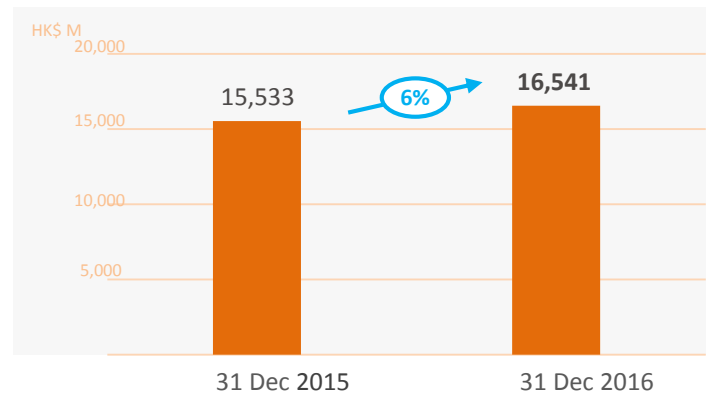
CASH & DEBT



(5) Cash and bank balances

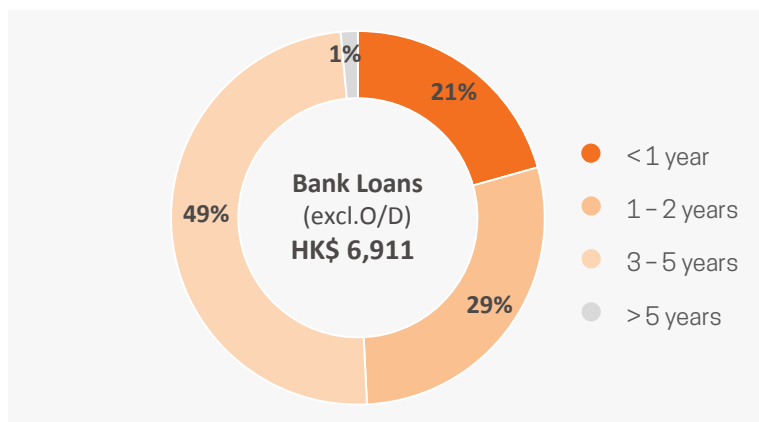
(6) Total bank loans and overdrafts

SHAREHOLDERS' EQUITY(7)

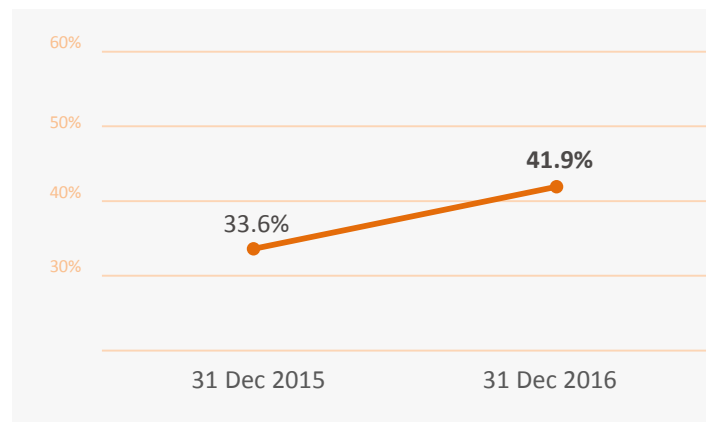


(7) Excluding Put option written on non-controlling interests

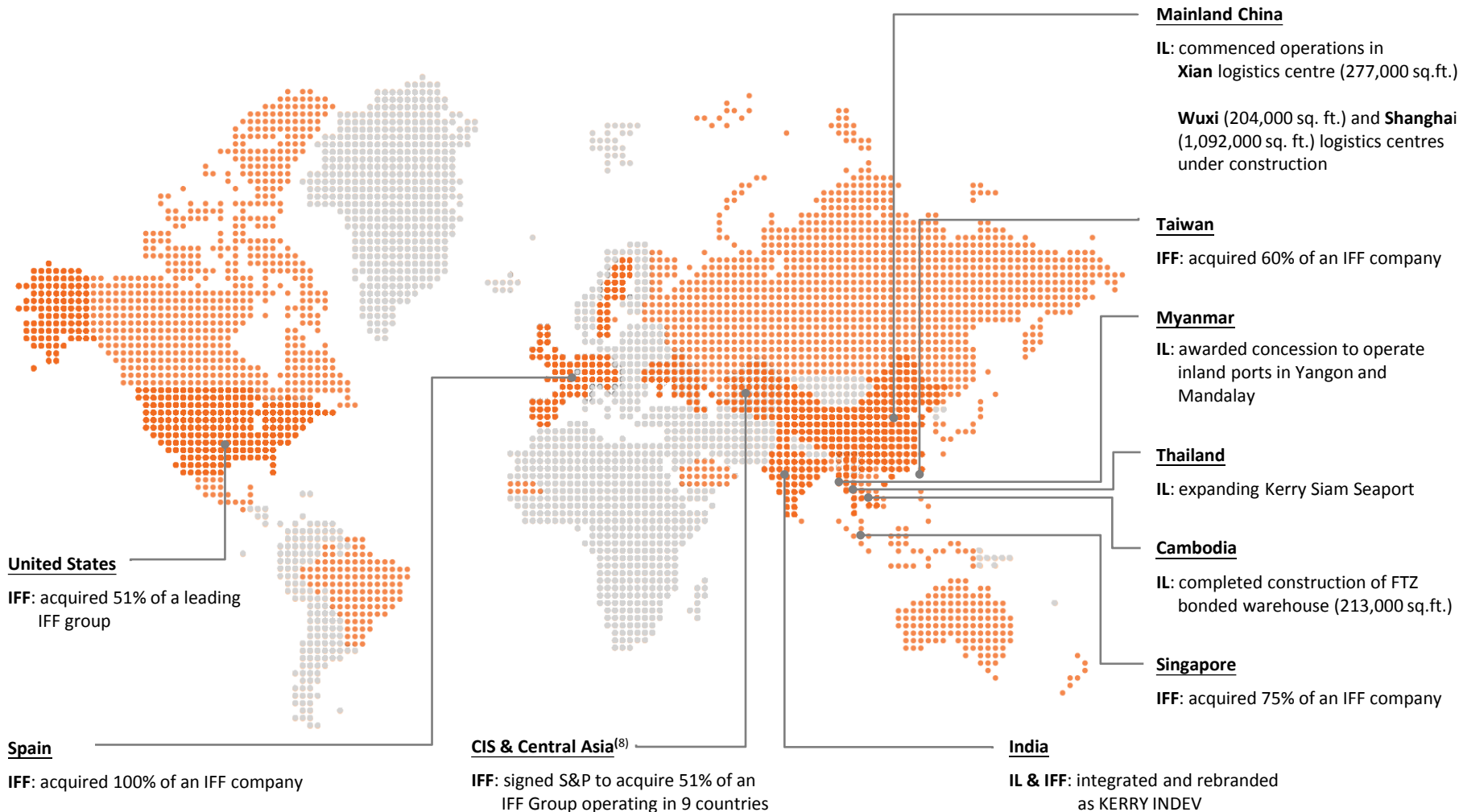
DEBT MATURITY



GEARING RATIO

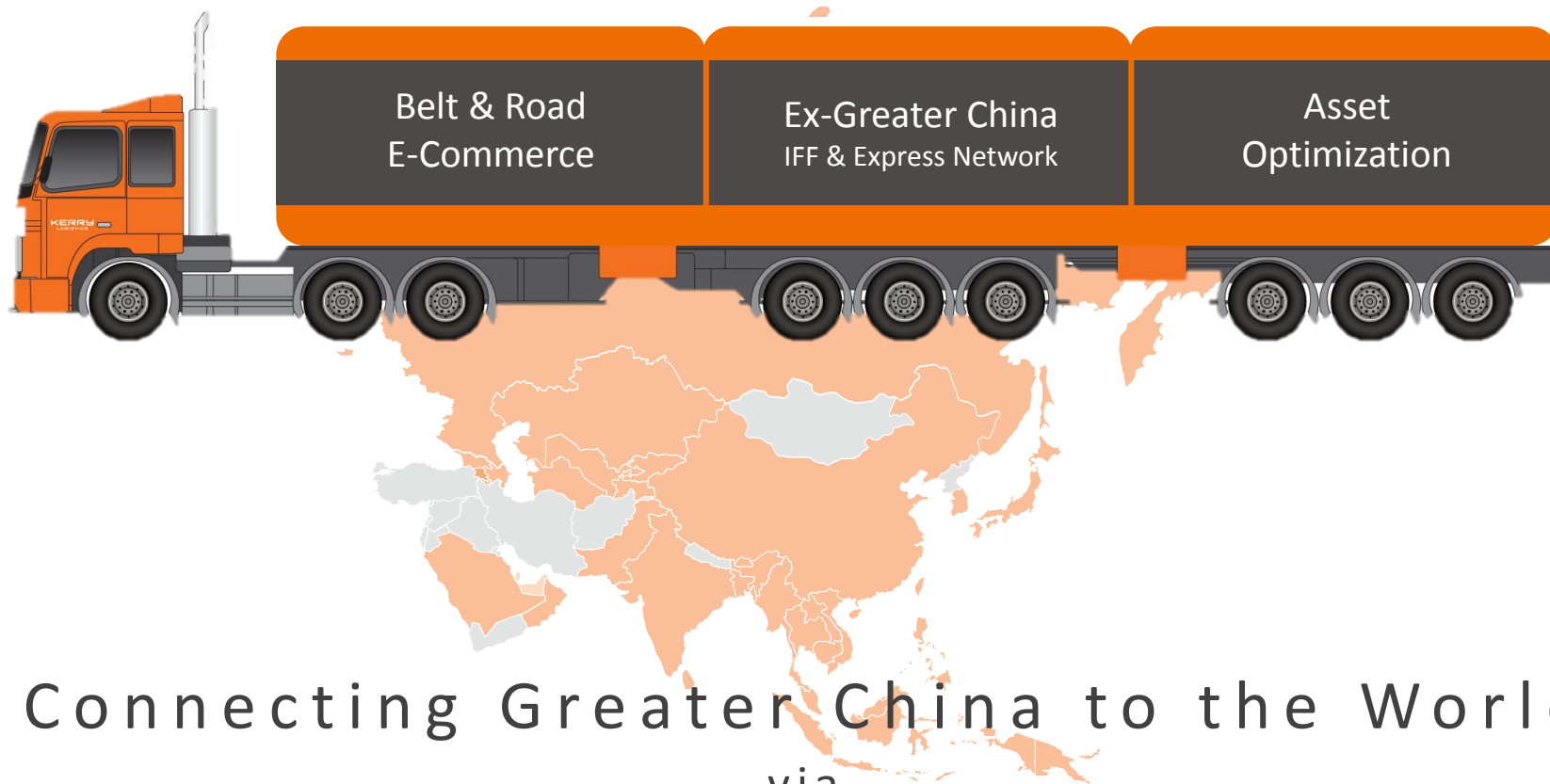


2016 NETWORK EXPANSION



⁽⁸⁾ CIS stands for the Commonwealth of Independent States

The Strongest Servicing Network in Asia



Connecting Greater China to the World
via
Sea, Air, Road, Rail and Express.

Q&A



FORGING AHEAD ALONG
THE NEW SILK ROAD

Appendix I – Consolidated Income Statement

	For the year ended 31 Dec	
	Audited 2016 HK\$'000	Audited 2015 HK\$'000
Turnover	24,035,567	21,079,494
Direct operating expenses	(20,423,980)	(17,658,619)
Gross profit	3,611,587	3,420,875
Other income and net gains	166,907	132,903
Administrative expenses	(1,871,749)	(1,720,070)
Operating profit before fair value change of investment properties	1,906,745	1,833,708
Change in fair value of investment properties	770,615	744,306
Operating profit	2,677,360	2,578,014
Finance costs	(145,209)	(134,650)
Share of results of associates	101,003	103,125
Profit before taxation	2,633,154	2,546,489
Taxation	(397,596)	(401,323)
Profit for the year	2,235,558	2,145,166
Profit attributable to:		
Company's shareholders	1,877,202	1,804,445
Non-controlling interests	358,356	340,721
	2,235,558	2,145,166
Earnings per share		
- Basic	HK\$1.11	HK\$1.07
- Diluted	HK\$1.11	HK\$1.06

ASSETS AND LIABILITIES

Non-current assets

	Audited As at 31 Dec 2016 HK\$'000	Audited As at 31 Dec 2015 HK\$'000
Intangible assets	3,224,599	2,144,064
Investment properties	8,836,851	8,118,602
Leasehold land and land use rights	560,983	538,443
Property, plant and equipment	7,868,952	7,028,223
Associates	1,185,520	1,136,543
Available-for-sale investments	97,988	105,617
Investment in convertible bonds	474,306	351,689
Deferred taxation	118,527	-
Long-term receivables	-	7,755
	22,367,726	19,430,936

Current assets

Financial assets at fair value through profit or loss	112,708	-
Inventories	282,694	317,381
Accounts receivable, prepayments and deposits	5,802,531	4,891,331
Tax recoverable	43,079	3,248
Amounts due from fellow subsidiaries	2,886	2,505
Restricted and pledged bank deposits	18,929	33,638
Cash and bank balances	3,334,729	3,733,357
	9,597,556	8,981,460

Current liabilities

Accounts payable, deposits received and accrued charges	4,366,493	3,814,011
Amounts due to fellow subsidiaries	641	12,272
Amounts due to related companies	34,768	40,664
Taxation	164,564	158,374
Short-term bank loans and current portion of long-term bank loans	1,427,399	2,368,773
Bank overdrafts	21,595	46,613
	6,015,460	6,440,707

Appendix II – Consolidated Statement of Financial Position (con't)

	Audited As at 31 Dec 2016 HK\$'000	Audited As at 31 Dec 2015 HK\$'000
Non-current liabilities		
Loans from non-controlling interests	194,715	249,311
Long-term bank loans	5,483,632	2,801,152
Deferred taxation	635,192	560,369
Retirement benefit obligations	142,853	265,265
Other non-current liabilities	1,403,253	115,080
	7,859,645	3,991,177
ASSETS LESS LIABILITIES	18,090,177	17,980,512
EQUITY		
Capital and reserves attributable to the Company's shareholders		
Share capital	847,711	847,207
Share premium and other reserves	2,012,832	2,566,845
Retained profits	13,680,087	12,118,669
	16,540,630	15,532,721
Put option written on non-controlling interests	(1,240,727)	(103,501)
	15,299,903	15,429,220
Non-controlling interest	2,790,274	2,551,292
TOTAL EQUITY	18,090,177	17,980,512

THANK YOU

VALUE CREATION
OPENNESS
INTEGRITY
COMMITMENT
EXCELLENCE

