

INTERIM RESULTS 2021

NAVIGATING DELTA



Kerry Logistics
Network Limited
嘉里物流聯網有限公司

0636.HK

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FINANCIAL HIGHLIGHTS (HK\$'M)

REVENUE⁽¹⁾

▲ **68%**

36,709

CORE OPERATING PROFIT

▲ **70%**

2,536

CORE NET PROFIT

▲ **81%**

1,530

SEGMENT PROFIT

IL

▲ **13%**

1,292

IFF

▲ **279%**

1,437

PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS

▲ **215%**

3,380

GEARING

30.8%

GROSS

7.1%

NET

INTERIM DIVIDEND

21.1

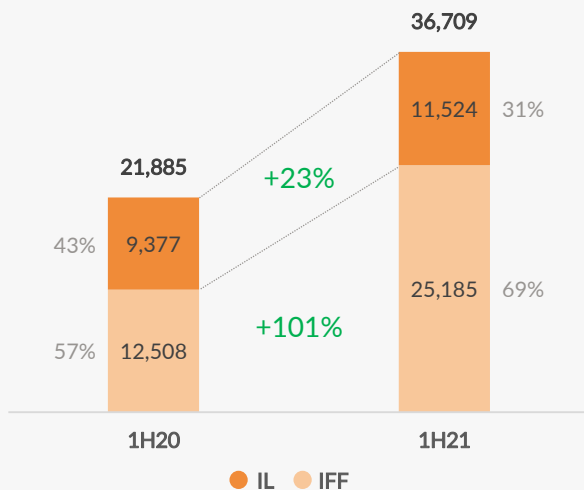
HK CENTS PER SHARE

REVENUE ANALYSIS

Revenue⁽¹⁾ Change by Segment

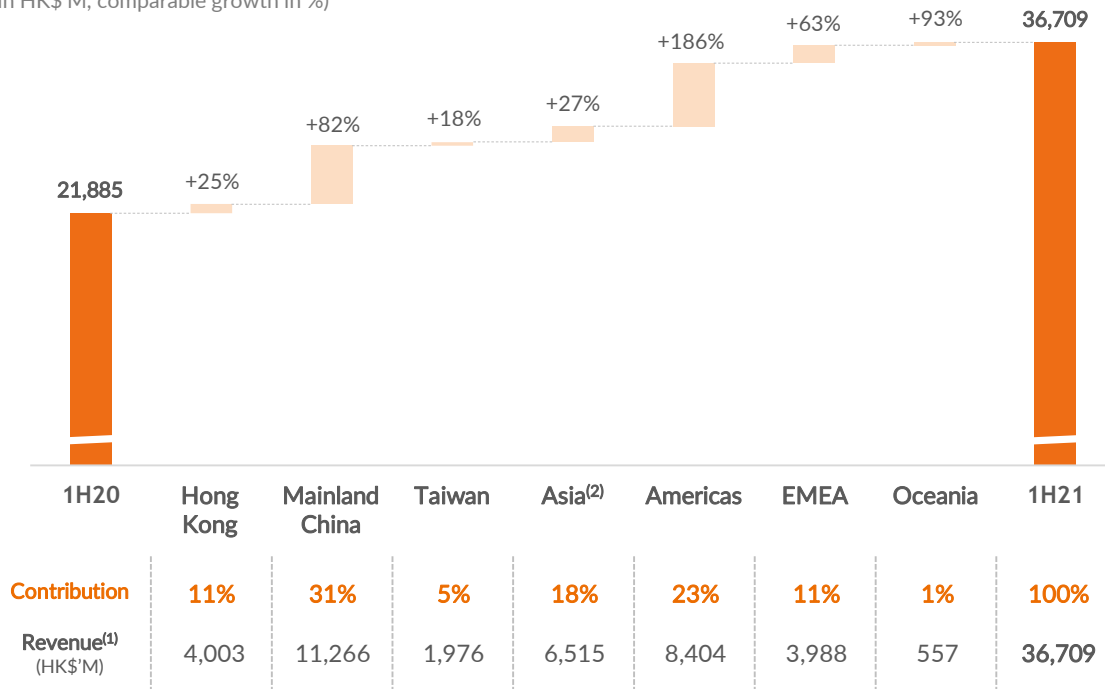
(in HK\$'M, comparable growth in %)

68%
36,709



Revenue⁽¹⁾ Change by Region

(in HK\$'M, comparable growth in %)

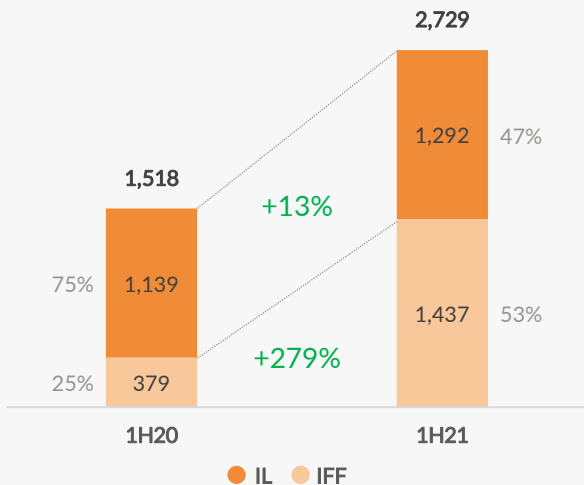


SEGMENT PROFIT ANALYSIS

Segment Profit Change by Segment

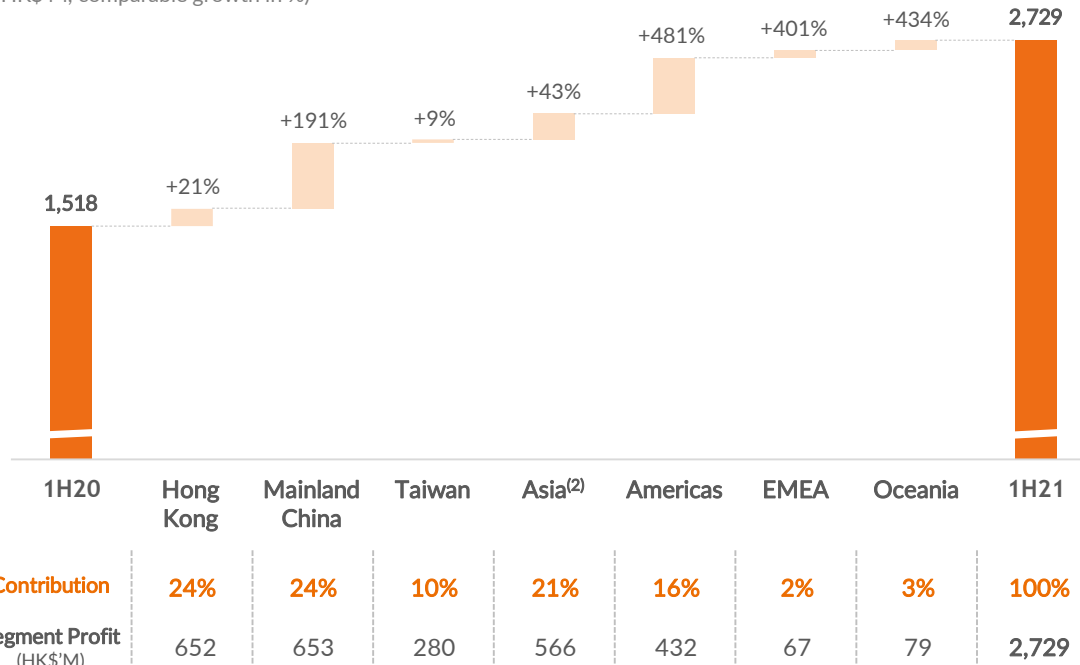
(in HK\$'M, comparable growth in %)

80%
2,729

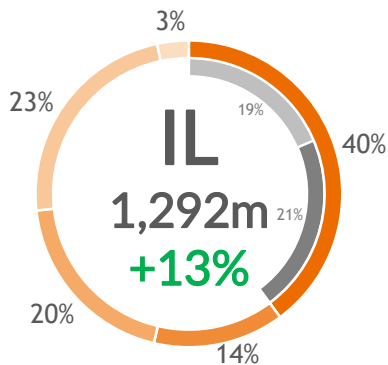


Segment Profit Change by Region

(in HK\$'M, comparable growth in %)



IL SEGMENT PROFIT



Segment Profit	HK\$'M	YoY
● Hong Kong	515	+14%
● LOP	240	+9%
● HKW	275	+18%
● Mainland China	178	+82%
● Taiwan	253	+5%
● Greater China	946	+20%
● Asia (ex-Greater China)	303	-12%
● Oceania	43	+1519%
Total	1,292	+13%

HONG KONG

- Logistics operations business recorded a growth as the pandemic remained largely under control since 2021 Q2
- Warehousing business grew backed by a higher occupancy

MAINLAND CHINA

- The performance rebound was supported by the accelerated resumption of production, revived domestic consumption and thriving online shopping

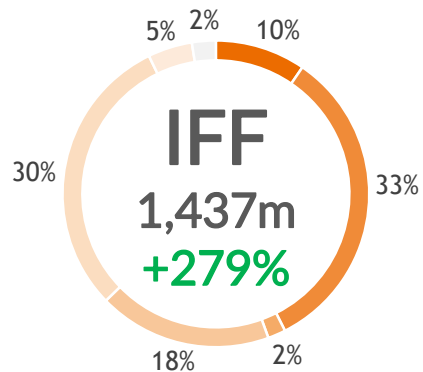
TAIWAN

- Taiwan has maintained a stable growth

ASIA (ex-Greater China)

- The pandemic continued to rumble across the region with prolonged lockdowns, restrictions and quarantine measures

IFF SEGMENT PROFIT



Segment Profit	HK\$'M	YoY
● Hong Kong	137	+61%
● Mainland China	475	+276%
● Taiwan	27	+56%
● Greater China	639	+179%
● Asia (ex-Greater China)	263	+417%
● Americas	432	+481%
● EMEA	67	+401%
● Oceania	36	+197%
Total	1,437	+279%

HIGH GLOBAL DEMAND

- Change in consumer behaviours and strong exports from Mainland China to the World

SWIFT RESPONSE TO A RAPIDLY CHANGING MARKET

- React towards a combination of the widespread port congestion, scarce capacity and container equipment shortage

LEADING POSITION IN THE TRANSPACIFIC TRADE LANE⁽³⁾



OUTLOOK

Navigate the Highly Inefficient and Volatile Global Supply Situation

Ride on our broad customer mix, diversified business portfolio and broad exposure in key gateways across continents

E-Commerce Business Continues to Grow

The pandemic continues to shape shopping habits to move online

Continued Support to Humanitarian Programmes

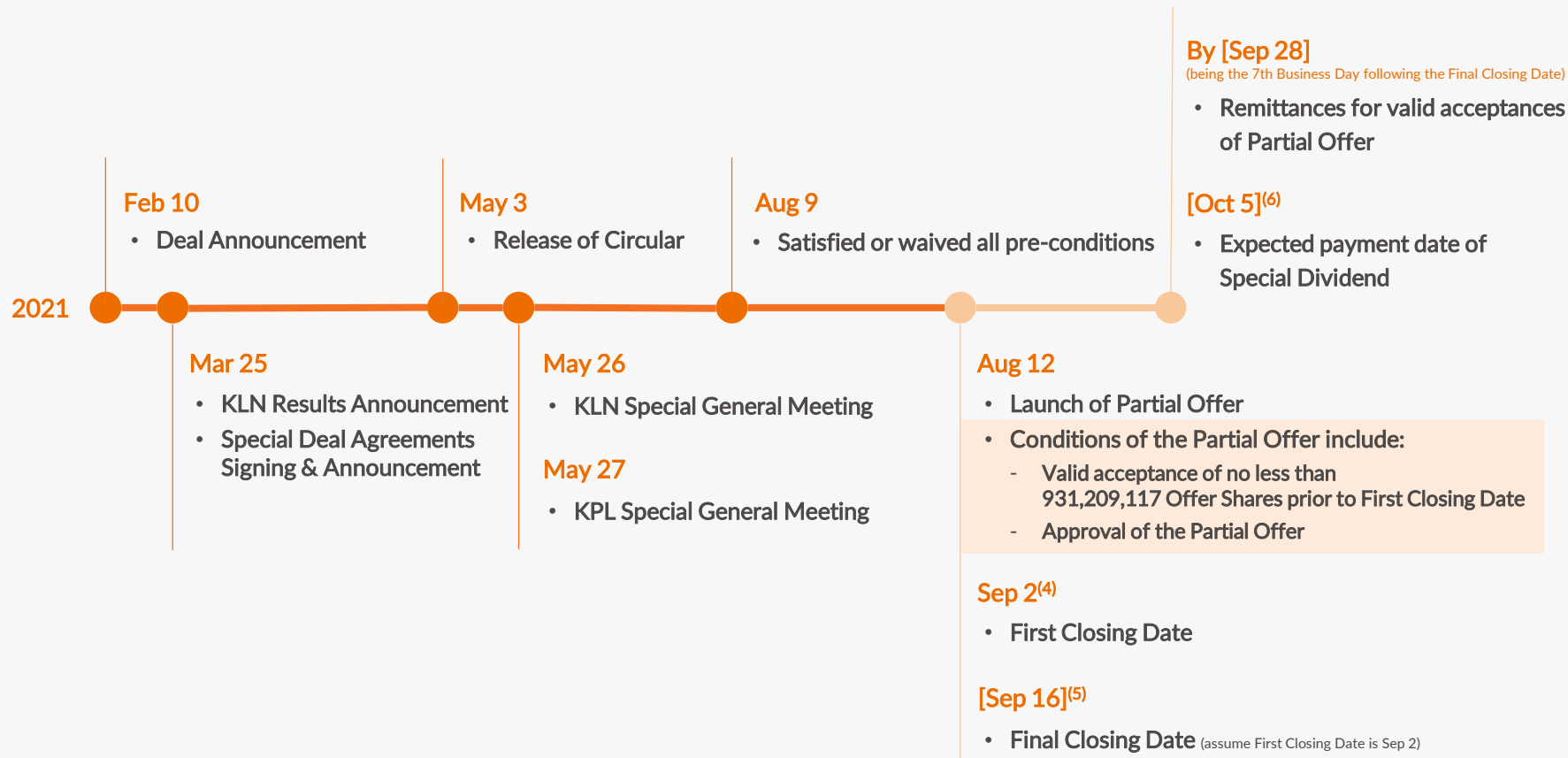
Facilitate the rapid response and aid in disaster and emergency relief operations

Proposed Strategic Investment from S.F.

The cooperation will bring together the core competencies of S.F. and KLN across multiple verticals to create a leading Asia-based global logistics platform to meet ever-changing demands



KLN & SF ESTIMATED TIMELINE



⁽⁴⁾ Where the Offers have not become or been declared unconditional as to acceptances by the First Closing Date, the Offeror may extend the closing date of the Offers in accordance with the Takeovers Code

⁽⁵⁾ Final Closing Date will be the 14th day after the date on which the Partial Offer becomes or is declared unconditional in all respects.

Scenario presented assumes the Partial Offer will become or will be declared unconditional in all respects on Sep 2

⁽⁶⁾ As the final timetable of the Partial Offer has not yet been determined, the Record Date for the purpose of determining the entitlement of Shareholders to, and the expected payment date of, the Special Dividend are subject to change

THANK YOU



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ASIA SPECIALIST
CHINA FOCUS
GLOBAL NETWORK

Appendix I : Condensed Consolidated Interim Income Statement

	For the six months ended 30 Jun	
	Unaudited 2021 HK\$'000	Unaudited 2020 HK\$'000
Revenue	36,708,739	21,884,967
Direct operating expenses	(32,441,115)	(19,174,211)
Gross profit	4,267,624	2,710,756
Other income and net gains	(23,991)	158,569
Administrative expenses	(1,821,692)	(1,364,576)
Operating profit before fair value change of investment properties	2,421,941	1,504,749
Change in fair value of investment properties	1,980,553	227,931
Operating profit	4,402,494	1,732,680
Finance costs	(149,478)	(160,103)
Share of results of associates and joint ventures	81,422	41,673
Profit before taxation	4,334,438	1,614,250
Taxation	(480,680)	(278,861)
Profit for the period	3,853,758	1,335,389
Profit attributable to:		
Company's shareholders	3,380,348	1,072,849
Non-controlling interests	473,410	262,540
	3,853,758	1,335,389
Earnings per share		
- Basic	HK\$1.88	HK\$0.61
- Diluted	HK\$1.87	HK\$0.61

Appendix II : Condensed Consolidated Interim Statement of Financial Position

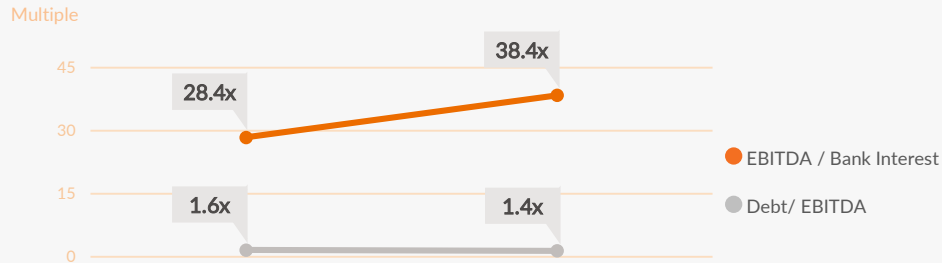
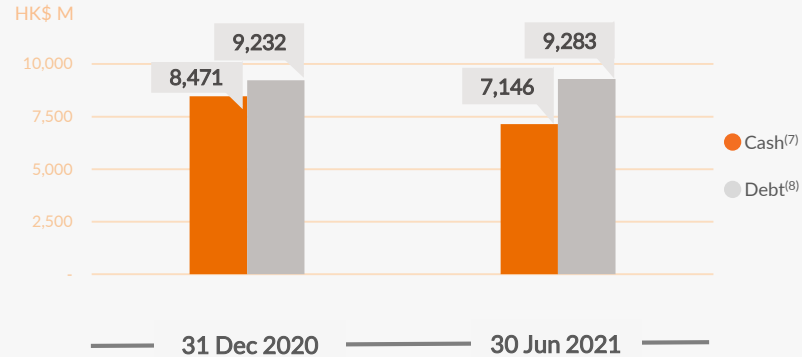
	Unaudited As at 30 Jun 2021 HK\$'000	Audited As at 31 Dec 2020 HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Intangible assets	4,901,197	4,771,897
Investment properties	13,319,409	11,503,215
Property, plant and equipment	11,660,261	11,693,226
Right-of-use assets	4,922,322	4,766,030
Associates and joint ventures	2,376,879	1,970,719
Financial assets at fair value through other comprehensive income	345,262	359,189
Investment in convertible bonds	5,716	5,875
Deferred taxation	115,071	98,476
	37,646,117	35,168,627
Current assets		
Financial assets at fair value through profit or loss	1,266,193	122,244
Investment in convertible bond	-	347,507
Inventories	422,438	404,879
Accounts receivable, prepayments and deposits	13,935,253	12,358,582
Tax recoverable	35,319	10,205
Amounts due from fellow subsidiaries	4,027	3,017
Restricted and pledged bank deposits	13,754	14,143
Cash and bank balances	7,145,858	8,470,843
	22,822,842	21,731,420
Current liabilities		
Lease liabilities	1,146,429	1,012,901
Accounts payable, deposits received and accrued charges	9,534,933	9,269,189
Amounts due to fellow subsidiaries	7,257	4,366
Amounts due to related companies	21,758	23,757
Taxation	605,025	435,719
Short-term bank loans and current portion of long-term bank loans	5,321,397	3,941,835
Loans from non-controlling interests	35,755	-
Bank overdrafts	244,658	220,865
	16,917,212	14,908,632

Appendix II : Condensed Consolidated Interim Statement of Financial Position (Cont'd)

	Unaudited As at 30 Jun 2021 HK\$'000	Audited As at 31 Dec 2020 HK\$'000
Non-current liabilities		
Loans from non-controlling interests	186,777	233,654
Long-term bank loans	3,717,049	5,069,439
Lease liabilities	3,174,513	3,178,122
Deferred taxation	784,499	744,467
Retirement benefit obligations	144,048	143,419
Other non-current liabilities	231,732	142,379
	8,238,618	9,511,480
ASSETS LESS LIABILITIES	35,313,129	32,479,935
EQUITY		
Capital and reserves attributable to the Company's shareholders		
Share capital	902,010	898,600
Share premium and other reserves	3,892,745	4,158,329
Retained profits	25,328,119	22,430,563
	30,122,874	27,487,492
Put option written on non-controlling interests	(4,593)	(4,593)
	30,118,281	27,482,899
Non-controlling interests	5,194,848	4,997,036
TOTAL EQUITY	35,313,129	32,479,935

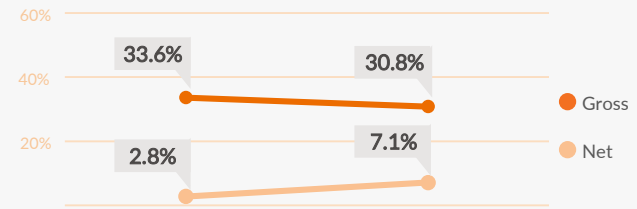
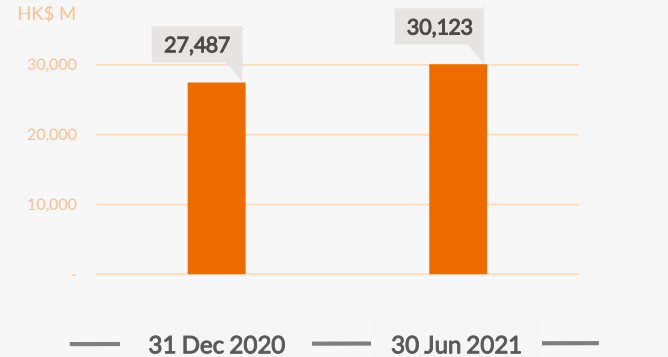
Appendix III : Cash, Debt & Equity

CASH & DEBT



DEBT RATIOS

SHAREHOLDERS EQUITY



GEARING RATIO