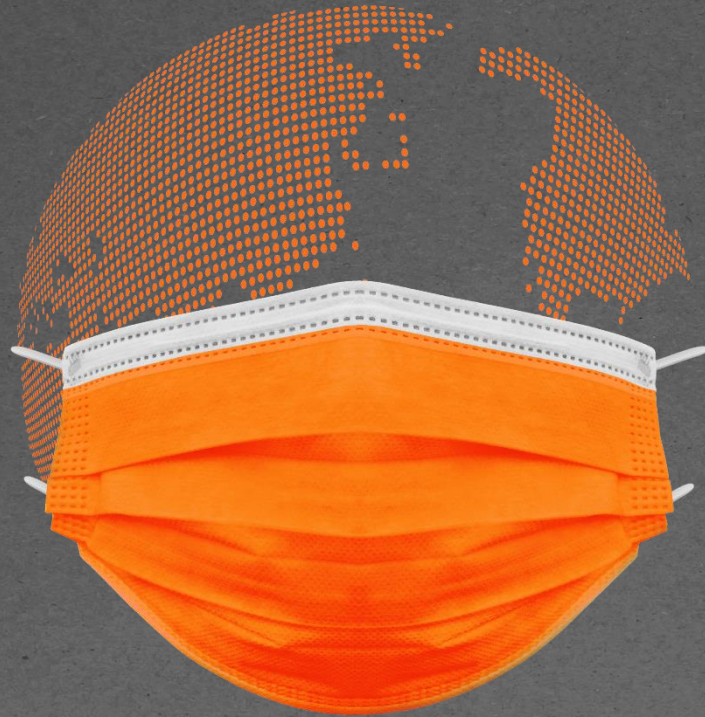


ANNUAL RESULTS 2020

THE YEAR HAUNTED BY COVID-19



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⁾

▲ **30%**

53,361

CORE OPERATING PROFIT

▲ **20%**

3,320

CORE NET PROFIT

▲ **33%**

1,828

SEGMENT PROFIT

IL

▲ **8%** ▲ **6%**
NORMALISED STATUTORY

2,583

IFF

▲ **64%**

1,017

PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS

▲ **58%** ▼ **24%**
NORMALISED STATUTORY

2,896

FINAL DIVIDEND

23.8

HK CENTS PER SHARE

TOTAL DIVIDEND⁽²⁾

48.6

HK CENTS PER SHARE

GEARING

33.6%

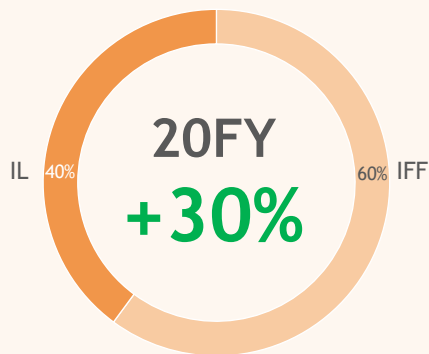
GROSS

2.8%

NET

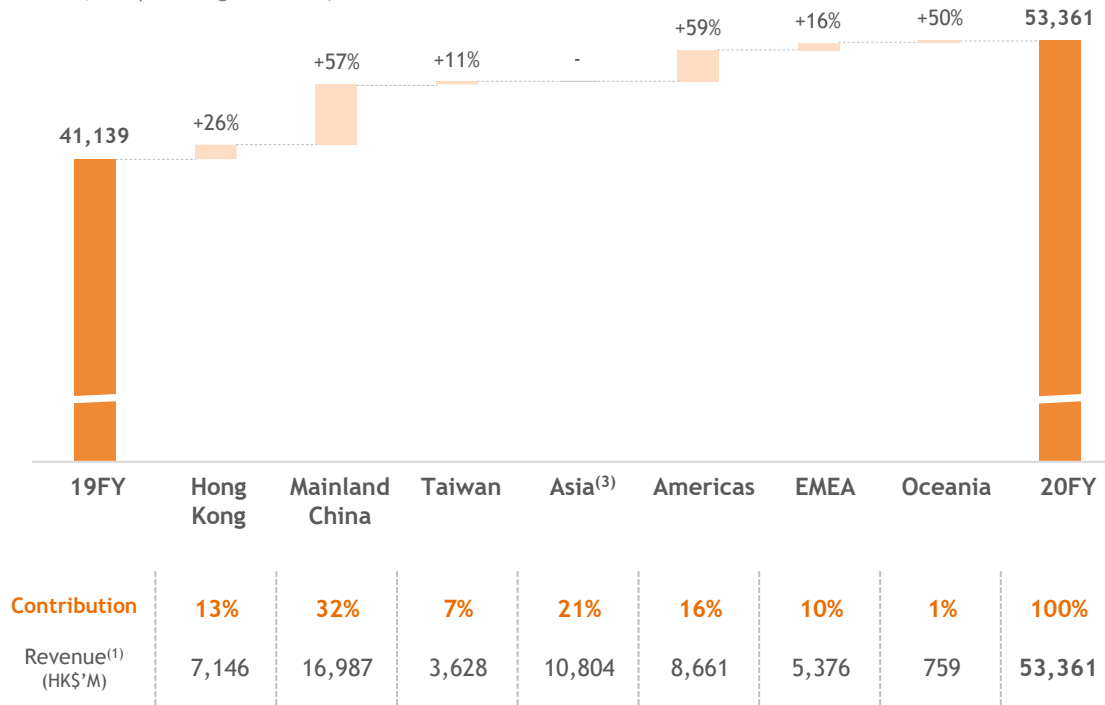
⁽¹⁾ Revenue after elimination of inter-segment transactions.

⁽²⁾ Including 2020 Interim Dividend, Special Dividend and Final Dividend.



Revenue⁽¹⁾ Change by Region

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



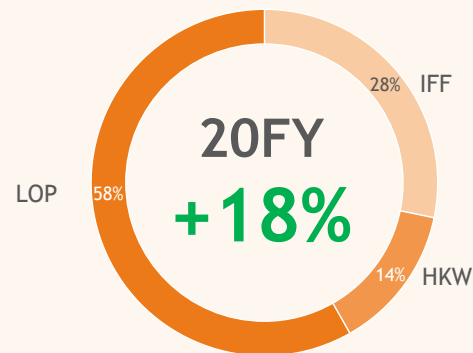
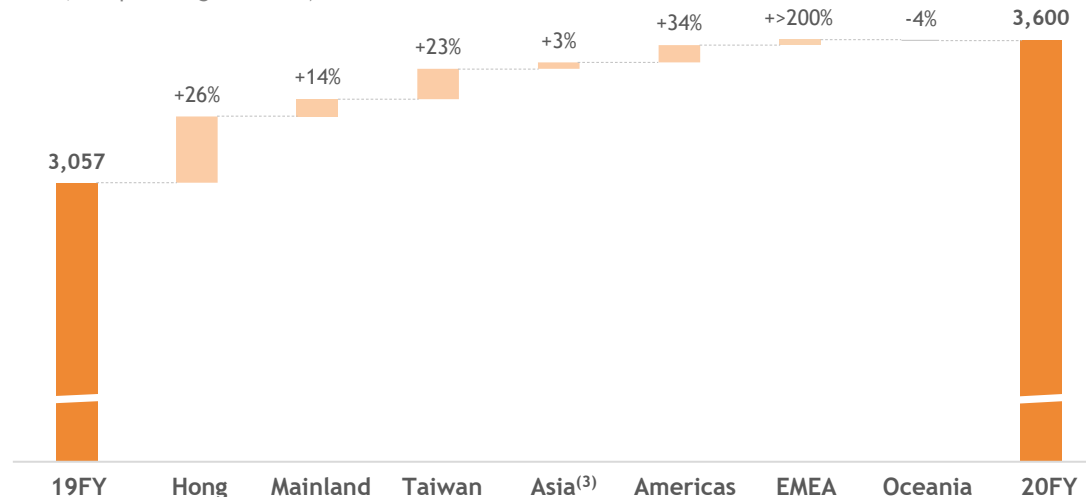
	HK\$ M	YoY
IL	21,280	+9%
IFF	32,081	+48%
Total	53,361	+30%

⁽¹⁾ Revenue after elimination of inter-segment transactions.

⁽³⁾ Asia ex-Greater China.

Segment Profit Change by Region

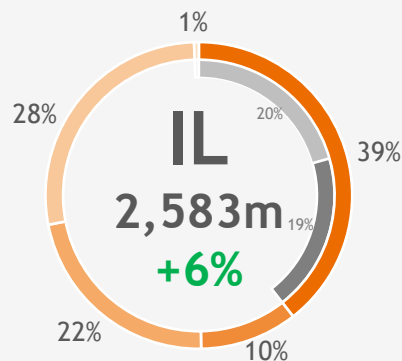
(in HK\$'M, comparable growth in %)



	HK\$ M	YoY
IL	2,583	+6%
- Logistics Operations	2,096	+11%
- HK Warehouse	487	-10%
IFF	1,017	+64%
Total	3,600	+18%

	Hong Kong	Mainland China	Taiwan	Asia ⁽³⁾	Americas	EMEA	Oceania	20FY
Contribution	34%	15%	17%	24%	7%	1%	2%	100%
Segment Profit (HK\$'M)	1,234	537	617	870	257	20	65	3,600

⁽³⁾ Asia ex-Greater China.



Segment Profit	HK\$ M	YoY
● Hong Kong	1,019	+10%
● LOP	532	+37%
● HKW	487	-10%
● Mainland China	266	-
● Taiwan	573	+19%
● Greater China	1,858	+11%
● Asia (ex-Greater China)	712	-
● Oceania	13	-72%
Total	2,583	+6%

HONG KONG

- LOP leveraged on the rise in demand for home-delivered daily necessities, electronic products and pharmaceutical logistics
- Warehouse business contracted due to the disposal of two warehouses in 2019

MAINLAND CHINA

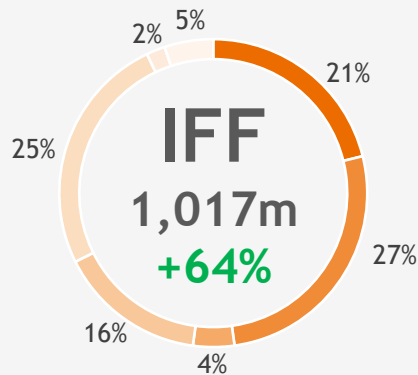
- Business activities bounced back in 2020 2H due to the resumption of manufacturing activities, recovery of local consumption and the rapid growth of the e-commerce market

TAIWAN

- Capitalized on the growth of semi-conductors and electronics manufacturing activities, the increasing demand in pharmaceutical logistics as well as the rise in e-commerce business

ASIA (ex-Greater China)

- Despite the impact of severe lockdowns and stop-and-go across the region, business was sustained by the switch from consumer goods business to the essential supply sectors



Segment Profit	HK\$ M	YoY
● Hong Kong	215	+>200%
● Mainland China	271	+31%
● Taiwan	44	+113%
● Greater China	530	+91%
● Asia (ex-Greater China)	158	+19%
● Americas	257	+34%
● EMEA	20	+>200%
● Oceania	52	+141%
Total	1,017	+64%

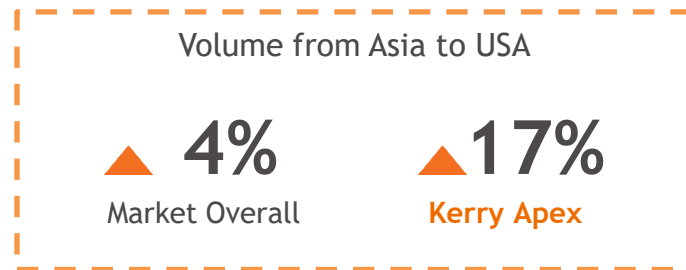
POWERHOUSE OF THE GROWTH

- Captured opportunities from unprecedented volatile global freight market, in terms of rates, capacity and equipment availability
- Growth mainly driven by a high global demand for pandemic-related products, and by production and export demand from Mainland China

HIGH COMPETITIVENESS IN CHALLENGING TIMES

- Damage in global supply chain and logistics infrastructure resulted into high demand for creative and efficient logistics solutions

Kerry Apex strengthened its market position in the Transpacific Trade Lane⁽⁴⁾



⁽⁴⁾ From Datamyne - Asia to USA NVOCC Ranking.

Pandemic Disruption Will Continue

Global supply chain is not likely to see normality until after 2021
Demand for IFF will remain strong

Vaccination Programmes Will Bring Recovery to IL

Reopening of economies will boost domestic consumption

Scale and Technology are Keys to Competitiveness

Extended reach and greater R&D capabilities

More Diversified Product Offerings

Through possible integration with S.F. in 2022

KLN & SF PROPOSED TIMELINE



Q & A



VALUE CREATION
 OPENNESS
 INTEGRITY
 COMMITMENT
 EXCELLENCE

Appendix I: Consolidated Income Statement



	For the year ended 31 Dec	
	2020	2019
	HK\$'000	HK\$'000
Revenue	53,360,540	41,139,102
Direct operating expenses	(47,187,538)	(35,736,601)
Gross profit	6,173,002	5,402,501
Other income and net gains	257,573	199,801
Administrative expenses	(3,072,541)	(2,841,723)
Operating profit before gain on disposal of warehouses and fair value change of investment properties	3,358,034	2,760,579
Gain on disposal of warehouses	-	1,957,540
Change in fair value of investment properties	1,069,162	482,873
Operating profit	4,427,196	5,200,992
Finance costs	(303,095)	(358,171)
Share of results of associates and joint ventures	118,164	85,530
Profit before taxation	4,242,265	4,928,351
Taxation	(772,746)	(588,951)
Profit for the year	3,469,519	4,339,400
Profit attributable to:		
Company's shareholders	2,895,757	3,788,323
Non-controlling interests	573,762	551,077
	3,469,519	4,339,400
Earnings per share		
- Basic	HK\$1.63	HK\$2.21
- Diluted	HK\$1.63	HK\$2.21

Appendix II: Consolidated Statement of Financial Position



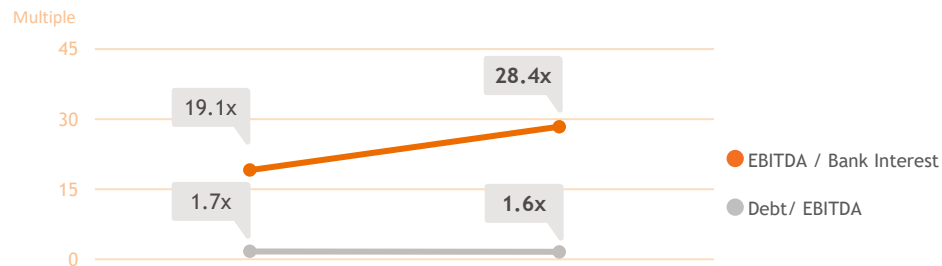
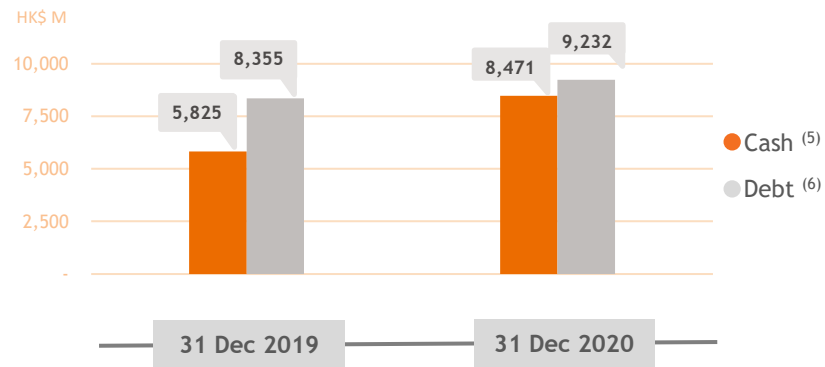
ASSETS AND LIABILITIES	As at 31 Dec 2020	As at 31 Dec 2019
	HK\$'000	HK\$'000
Non-current assets		
Intangible assets	4,771,897	4,764,904
Investment properties	11,503,215	10,308,139
Property, plant and equipment	11,693,226	11,343,539
Right-of-use assets	4,766,030	3,985,642
Associates and joint ventures	1,970,719	1,386,733
Financial assets at fair value through other comprehensive income	359,189	150,843
Investment in convertible bonds	5,875	191,789
Deferred taxation	98,476	73,878
	35,168,627	32,205,467
Current assets		
Financial assets at fair value through profit or loss	122,244	119,731
Investment in convertible bond	347,507	349,194
Inventories	404,879	504,671
Accounts receivable, prepayments and deposits	12,358,582	10,148,966
Tax recoverable	10,205	24,849
Amounts due from fellow subsidiaries	3,017	5,223
Restricted and pledged bank deposits	14,143	20,622
Cash and bank balances	8,470,843	5,825,246
	21,731,420	16,998,502
Current liabilities		
Lease liabilities	1,012,901	961,585
Accounts payable, deposits received and accrued charges	9,269,189	7,387,785
Amounts due to fellow subsidiaries	4,366	9,788
Amounts due to related companies	23,757	28,729
Taxation	435,719	411,331
Short-term bank loans and current portion of long-term bank loans	3,941,835	1,947,820
Bank overdrafts	220,865	233,750
	14,908,632	10,980,788

Appendix II: Consolidated Statement of Financial Position (cont'd)



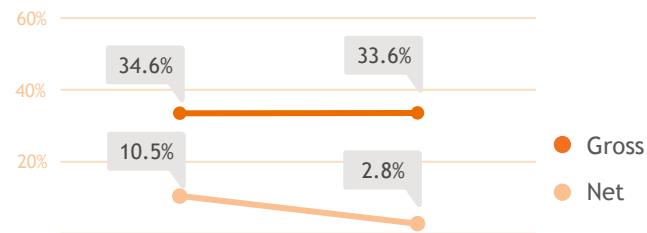
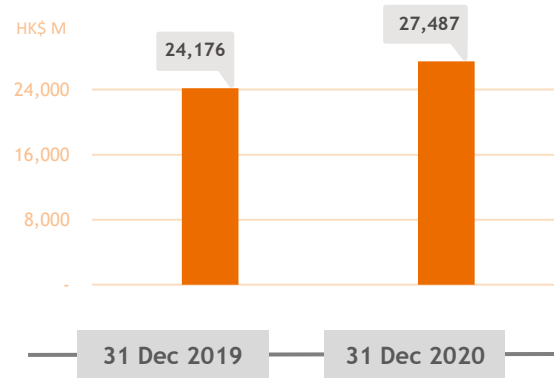
	As at 31 Dec 2020 HK\$'000	As at 31 Dec 2019 HK\$'000
Non-current liabilities		
Loans from non-controlling interests	233,654	223,805
Long-term bank loans	5,069,439	6,173,790
Lease liabilities	3,178,122	2,545,880
Deferred taxation	744,467	656,212
Retirement benefit obligations	143,419	124,389
Other non-current liabilities	142,379	1,424,610
	9,511,480	11,148,686
ASSETS LESS LIABILITIES	32,479,935	27,074,495
EQUITY		
Capital and reserves attributable to the Company's shareholders		
Share capital	898,600	858,102
Share premium and other reserves	4,158,329	2,992,215
Retained profits	22,430,563	20,325,662
	27,487,492	24,175,979
Put option written on non-controlling interests	(4,593)	(1,162,630)
	27,482,899	23,013,349
Non-controlling interests	4,997,036	4,061,146
TOTAL EQUITY	32,479,935	27,074,495

CASH & DEBT



DEBT RATIOS

SHAREHOLDERS EQUITY



GEARING RATIO

Creating the leading Asia-based global logistics platform



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



Wider network and scale	<ul style="list-style-type: none"> Global presence across 59 countries and territories with a solid foothold in half of the world's emerging markets 74 million square feet⁽⁷⁾ of land and facilities 	<ul style="list-style-type: none"> Strong network in Mainland China with a direct management model Comprehensive logistics service network of “aviation +ground + information” network with both domestic and overseas coverage⁽⁹⁾ Nationwide warehousing service network of 2.34 million square meters
Stronger capabilities	<ul style="list-style-type: none"> Leading integrated logistics solution provider in Asia One of the leading global freight forwarders Leading last mile delivery capabilities in Hong Kong and Thailand 	<ul style="list-style-type: none"> Leader in B2B express delivery, LTL and cold chain transport Largest cargo airline in China with a fleet of 73 cargo aircraft and 46% stake in China's first freight airport in Ezhou, Hubei
Enhanced technology and innovation	<ul style="list-style-type: none"> Implementing innovative technologies with focus on automation, analytics, data to drive optimization and supply chain visibility for customers 	<ul style="list-style-type: none"> Actively investing in developing smart logistics, big data ecosystem, AI smart decision-making and automation Named as one of the world's 50 Smartest Companies by MIT Technology Review
Leading brands	<ul style="list-style-type: none"> Numerous industry recognitions and long-term relationship with world's top brands attesting to high quality services 	<ul style="list-style-type: none"> Recognized brand for providing high quality services in Mainland China to premium customers of both to-B and to-C

Source: Company filings

⁽⁷⁾ As of 2020 H1 including the company's Taiwan business.

⁽⁸⁾ S.F. Holding figures as of 2020 H1.

⁽⁹⁾ Domestic business covers 335 prefecture-level cities in China with urban coverage ratio at 99.4% and covers 2,835 county-level cities with county coverage ratio at 96.7%. The international standard express and international economy express businesses cover 71 countries overseas. The international small parcel business covers 225 countries and regions around the world.