

STARTING A NEW CHAPTER

ANNUAL
RESULTS
2021



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⁾

▲ 53%

81,771

CORE OPERATING PROFIT

▲ 88%

6,229

CORE NET PROFIT

▲ 102%

3,692

SEGMENT PROFIT

IL

▼ 29%

1,868

IFF

▲ 389%

4,860

PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS

▲ 174%

7,939

GEARING

29.0%

GROSS

FINAL DIVIDEND

50

HK CENTS PER SHARE

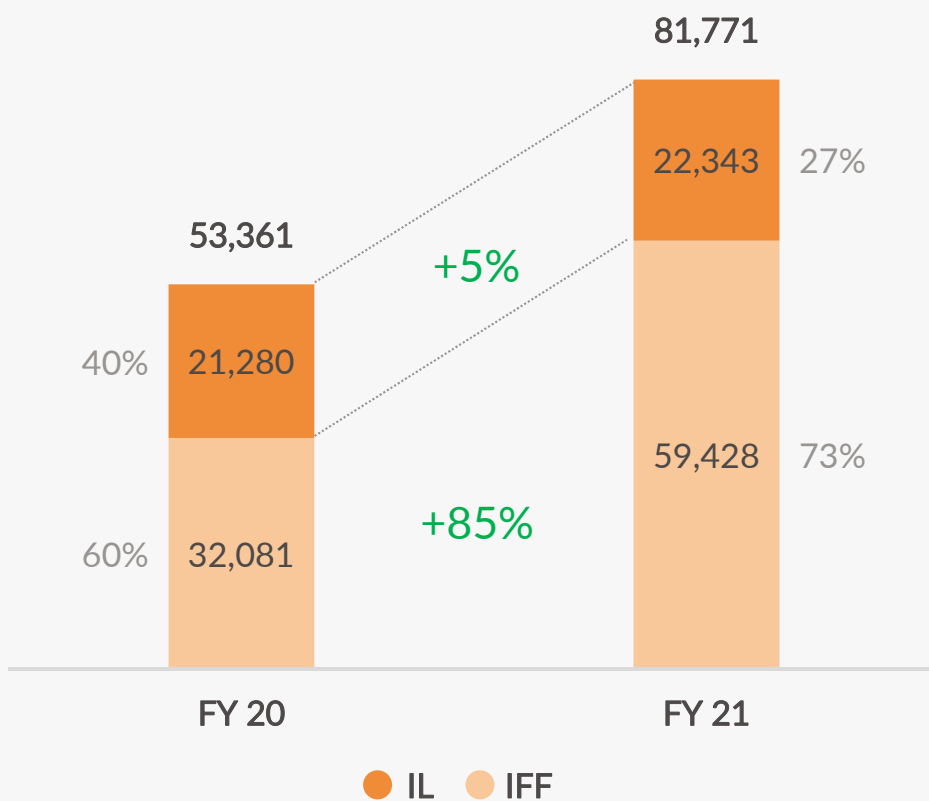
REVENUE ANALYSIS

Revenue⁽¹⁾ Change by Segment

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

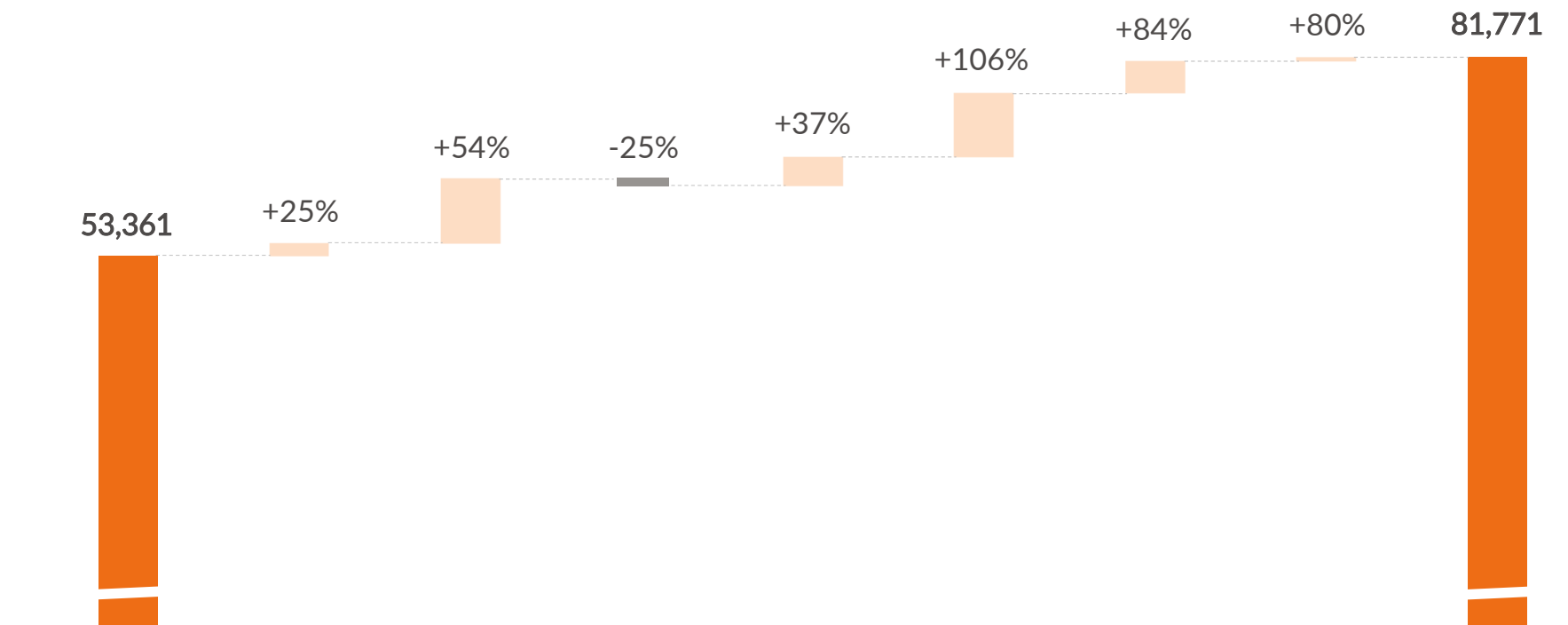
▲ **53%**

81,771



Revenue⁽¹⁾ Change by Region

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



	FY 20	Hong Kong	Mainland of China	Taiwan	Asia ⁽²⁾	Americas	EMEA	Oceania	FY 21
Contribution		11%	32%	3%	18%	22%	12%	2%	100%
Revenue⁽¹⁾ (HK\$'M)		9,005	26,177	2,649	14,830	17,850	9,893	1,367	81,771

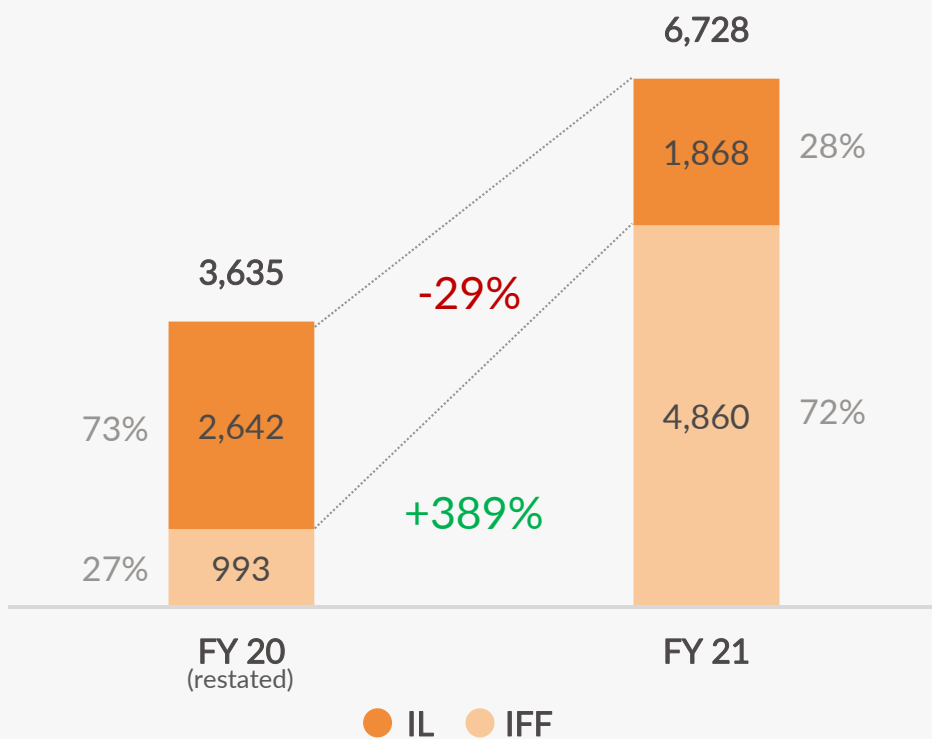
⁽¹⁾ Includes revenue generated from discontinued operations and after elimination of inter-segment transactions
⁽²⁾ Asia ex-Greater China

SEGMENT PROFIT ANALYSIS

Segment Profit Change by Segment

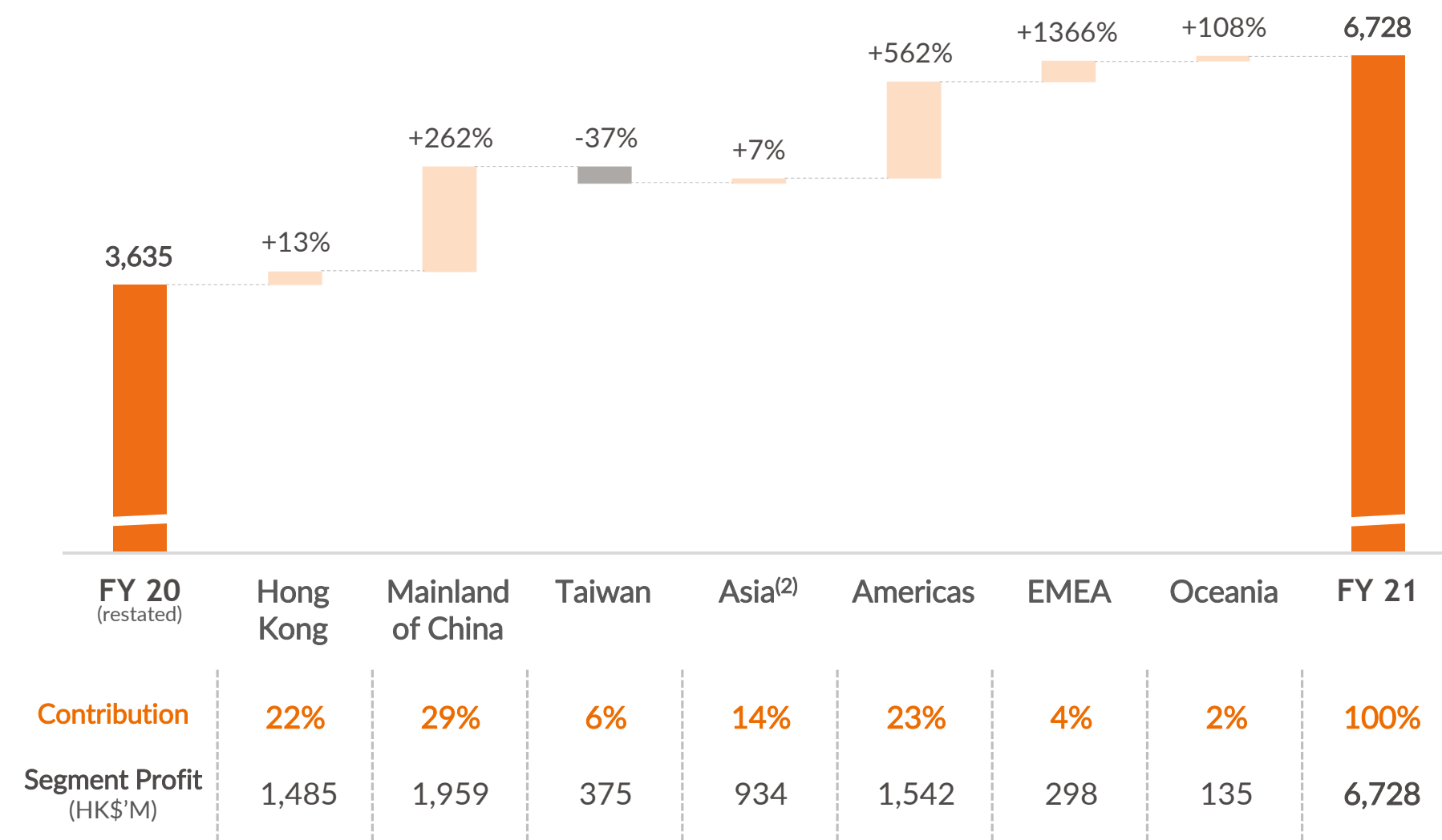
(in HK\$'M, comparable growth in %)

▲ **85%**
6,728

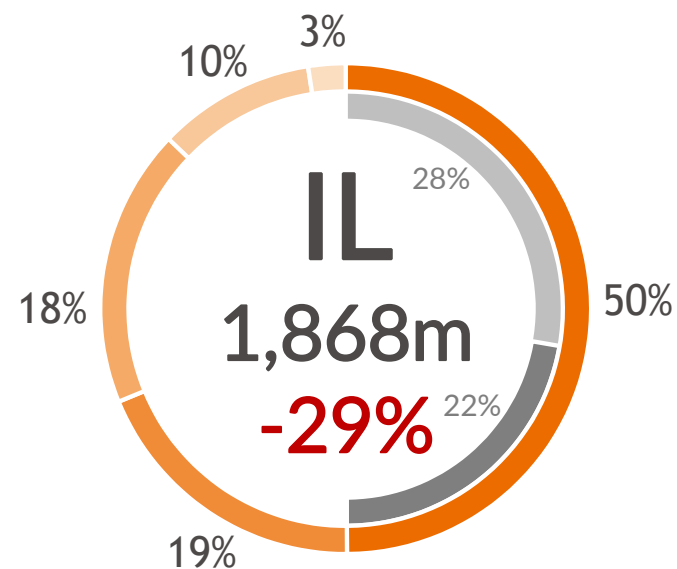


Segment Profit Change by Region

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



IL SEGMENT PROFIT



Segment Profit	HK\$'M	YoY
● Hong Kong	932	-14%
● LOP	518	-4%
● HKW	414	-23%
● Mainland of China	353	+33%
● Taiwan	343	-40%
● Greater China	1,628	-15%
● Asia (ex-Greater China)	194	-73%
● Oceania	46	+258%
Total	1,868	-29%

HONG KONG

- Logistics operations contracted due to the depression in particular retail activities caused by the pandemic-induced social distancing measures
- Disposal of HKW at end of Sep 2021

MAINLAND OF CHINA

- IL business rebounded due to the increase of manufacturing activities as purchase orders shifted back to the Mainland from many Asian countries

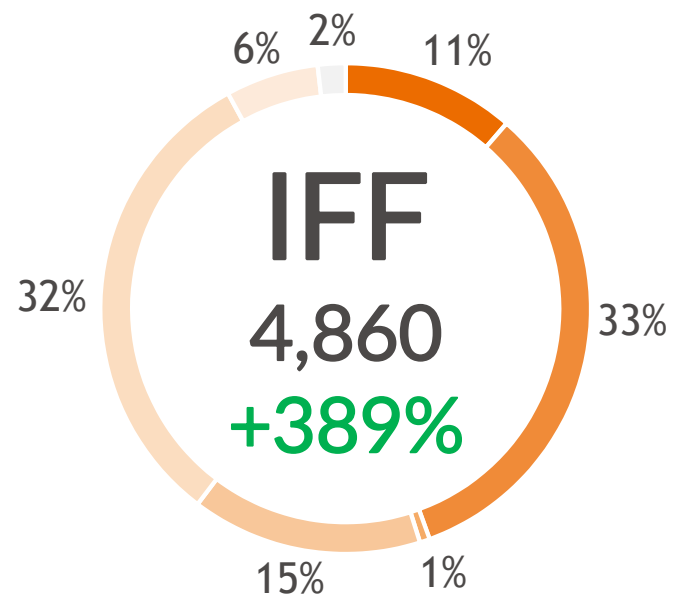
TAIWAN

- Disposal of Taiwan businesses at end of Aug 2021

ASIA (ex-Greater China)

- IL dipped due to the depressed manufacturing activities caused by prolonged lockdowns across many countries in Asia
- Kerry Express Thailand faced pricing pressure and fierce competition in Thailand

IFF SEGMENT PROFIT



Segment Profit	HK\$'M	YoY
● Hong Kong	553	+139%
● Mainland of China	1,606	+483%
● Taiwan	32	+39%
● Greater China	2,191	+314%
● Asia (ex-Greater China)	740	+369%
● Americas	1,542	+562%
● EMEA	298	+1366%
● Oceania	89	+71%
Total	4,860	+389%

IFF BUSINESS EXPANDED

- Disruptions in supply chain, especially for export from Asia to North America & Europe
- Increase in urgent fulfilment orders with complex demands from customers
- Leverage on industry know-how, extensive connections and global network

RUSSIA-UKRAINE CONFLICT

- Direct business exposure to the conflict is limited
- Close monitor all sanctions affecting the region

PRO FORMA SEGMENT PROFIT

Unaudited Pro Forma Segment Profit

(in HK\$'M)	IL			IFF			Consolidated		
	FY 21	FY 20 (restated)	YoY	FY 21	FY 20 (restated)	YoY	FY 21	FY 20 (restated)	YoY
Hong Kong	1 518	541	-4%	553	231	140%	1,071	772	39%
Mainland of China	353	266	33%	1,606	276	483%	1,959	542	262%
Taiwan	2 -	-	-	2 -	-	-	-	-	-
Asia ⁽²⁾	194	712	-73%	740	158	369%	934	870	7%
Americas	-	-	-	1,542	233	562%	1,542	233	562%
EMEA	-	-	-	298	20	1366%	298	20	1366%
Oceania	46	13	258%	89	52	71%	135	65	108%
Pro Forma	1,111	1,532	-27%	4,828	970	398%	5,939	2,502	137%
Statutory	1,868	2,642	-29%	4,860	993	389%	6,728	3,635	85%

Pro Forma Adjustments

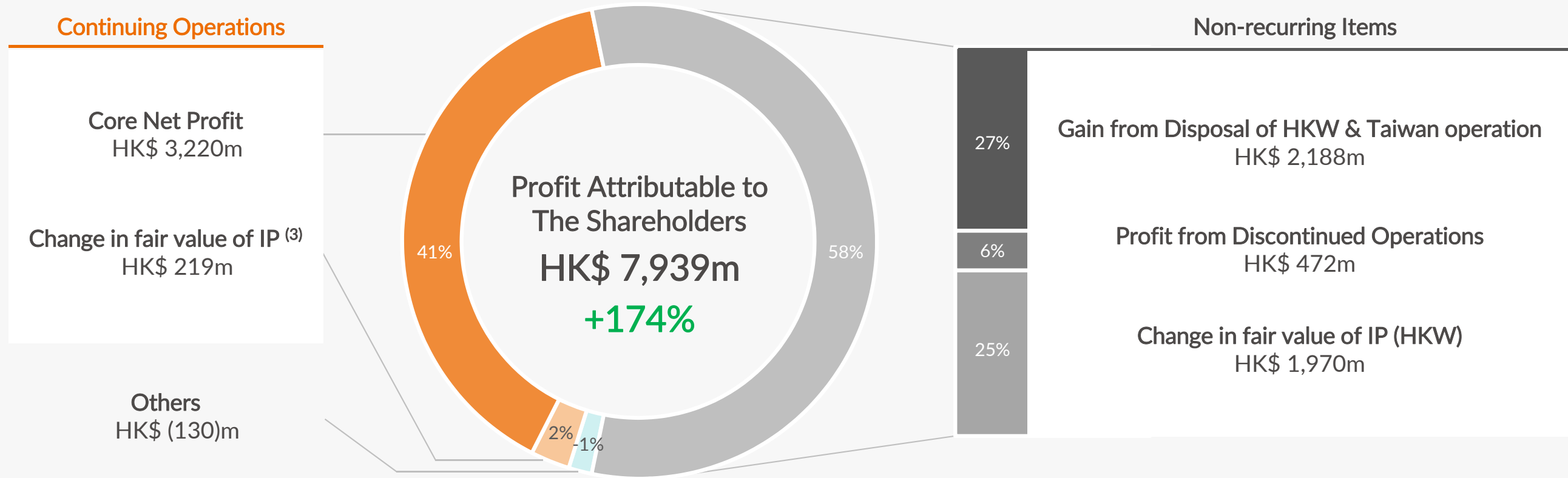
1 Disposal of HKW

HK\$'M	FY 21	FY 20
IL	414	537

2 Disposal of Taiwan Businesses

HK\$'M	FY 21	FY 20
IL	343	573
IFF	32	23
	<u>375</u>	<u>596</u>

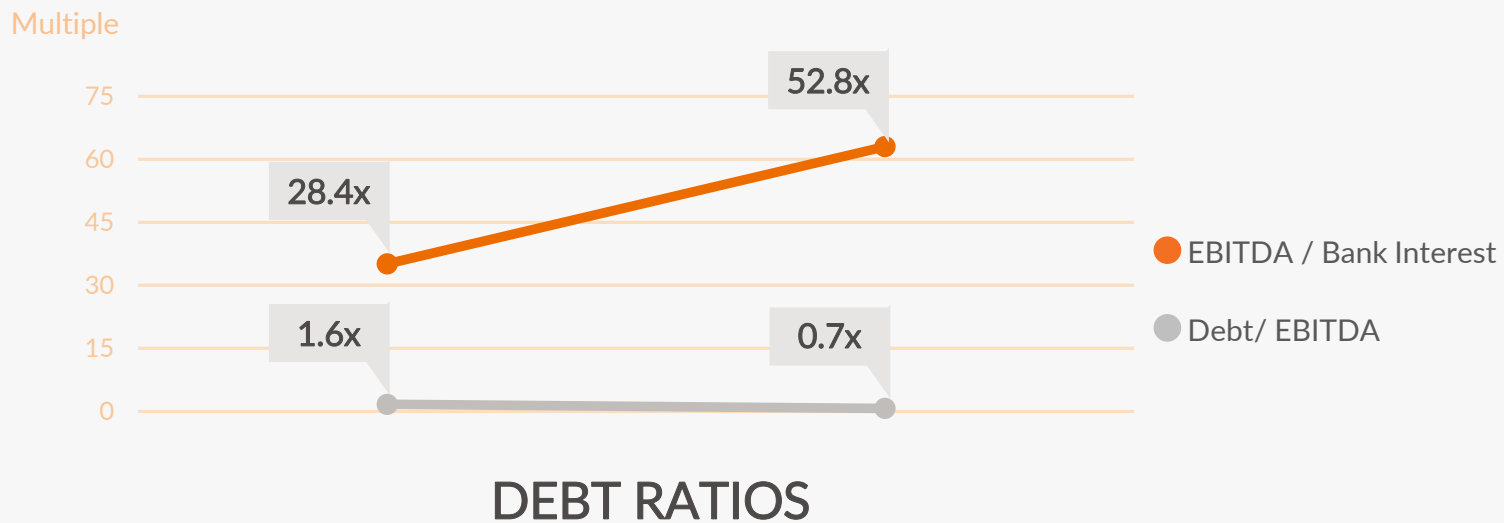
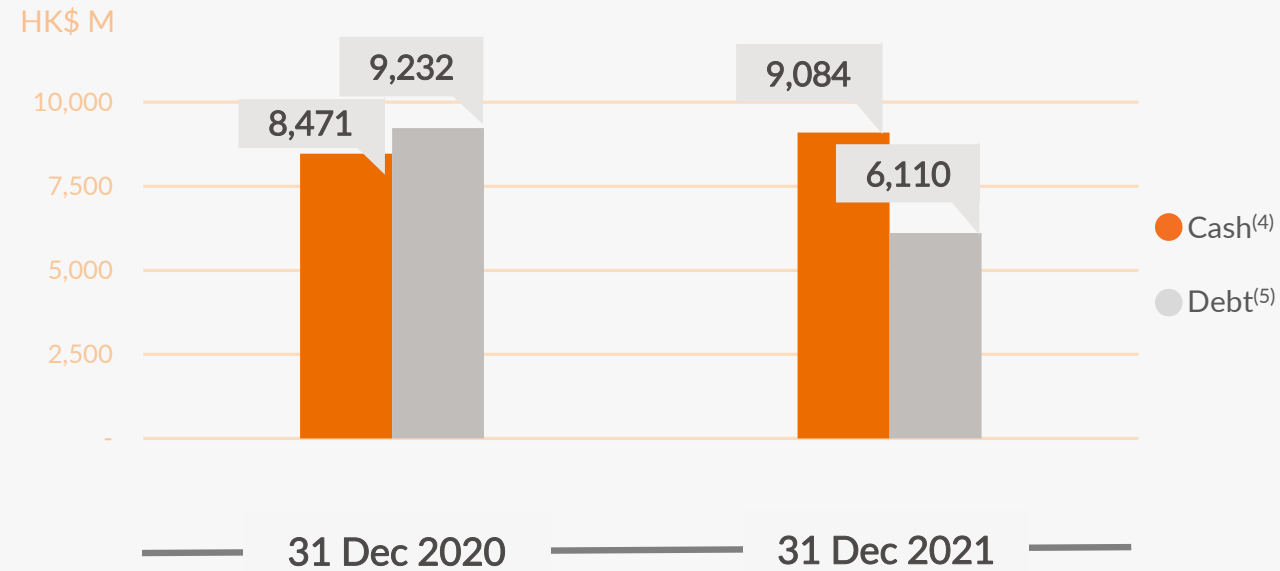
PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS



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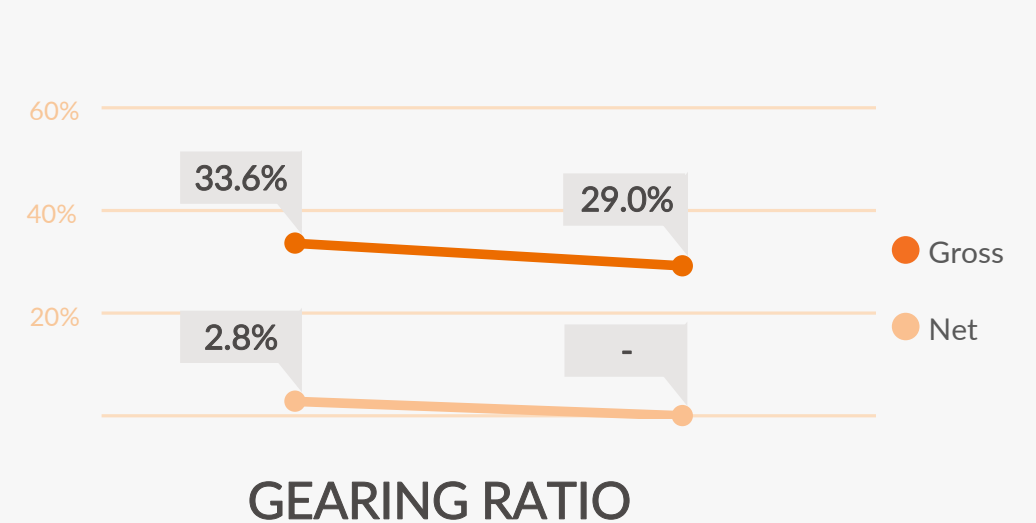
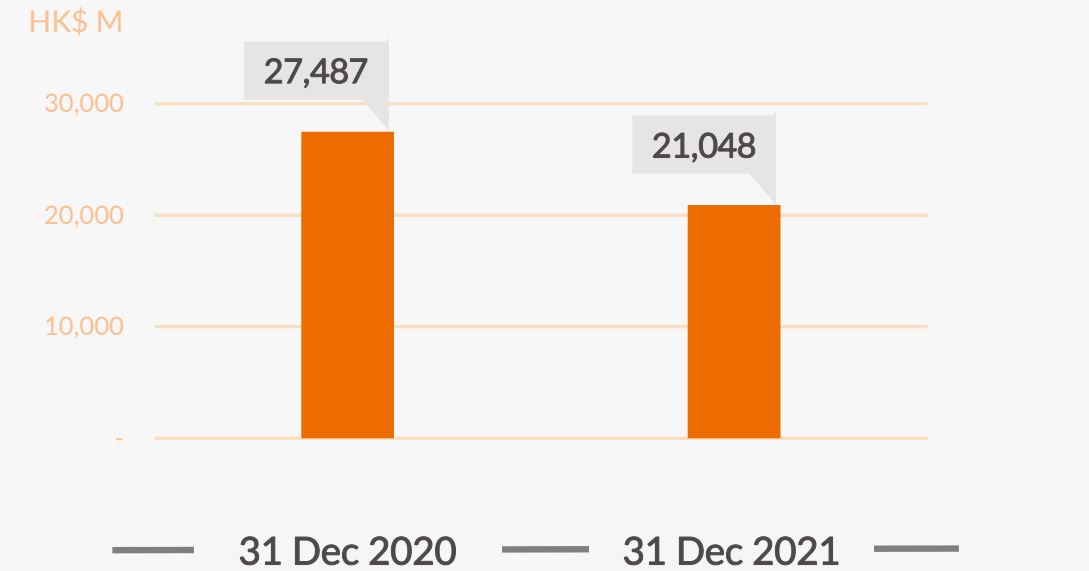
CASH, DEBT & EQUITY

CASH & DEBT



DEBT RATIOS

SHAREHOLDERS EQUITY



GEARING RATIO

OUTLOOK

The COVID-19 Induced Supply Chain Disruptions will Continue

- An ever-increasing burden on importers, exporters, manufacturers and retailers with a divergence in pandemic responses and policies worldwide

Global Mobility is Restricted

- Contribute to a higher share of the value chain as KLN Group is able to marshal its resources to serve customers consistently

Strategic Partnership with S.F.

- The cooperation will give KLN Group an unparalleled advantage as Asia's largest 3PL provider
- By 2022 Q2, KLN Group will serve as the exclusive cargo General Sales Agent (GSA) for S.F. Airlines, and the principal service provider outside Mainland of China for S.F. international express business



Q&A



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



ASIA SPECIALIST
CHINA FOCUS
GLOBAL NETWORK

Appendix I : Consolidated Income Statement

	For the year ended 31 Dec	
	2021 HK\$'000	2020 HK\$'000 (restated)
Continuing operations		
Revenue	78,954,724	49,617,150
Direct operating expenses	(69,950,781)	(44,987,548)
Gross profit	9,003,943	4,629,602
Other income and net (losses)/gains	(18,805)	229,412
Administration expenses	(3,626,933)	(2,633,918)
Operating profit before fair value change of investment properties	5,358,205	2,225,096
Change in fair value of investment properties	298,850	7,454
Operating profit	5,657,055	2,232,550
Finance expenses	(250,756)	(250,624)
Share of results of associates and joint ventures	157,958	118,843
Profit before taxation	5,564,257	2,100,769
Taxation	(1,299,167)	(593,004)
Profit for the year from continuing operations	4,265,090	1,507,765
Discontinued operations:		
Profit for the year from discontinued operations	4,765,506	1,961,754
Profit for the year	9,030,596	3,469,519
Non-controlling interests	(1,091,943)	(573,762)
Profit for the year attributable to shareholders	7,938,653	2,895,757
Profit attributable to:		
Company's shareholders		
From continuing operations	3,308,813	1,160,059
From discontinued operations	4,629,840	1,735,698
Non-controlling interests	1,091,943	573,762
	9,030,596	3,469,519
Earnings per share from continuing operations		
Basic	HK\$1.84	HK\$0.65
Diluted	HK\$1.83	HK\$0.65
Earnings per share from discontinued operations		
Basic	HK\$2.57	HK\$0.98
Diluted	HK\$2.56	HK\$0.98

Appendix II : Consolidated Statement of Financial Position

	As at 31 Dec 2021 HK\$'000	As at 31 Dec 2020 HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Intangible assets	4,303,119	4,771,897
Investment properties	1,939,636	11,503,215
Property, plant and equipment	7,526,228	11,693,226
Right-of-use assets	4,348,205	4,766,030
Associates and joint ventures	2,281,222	1,970,719
Financial assets at fair value through other comprehensive income	587,337	359,189
Investment in convertible bonds	5,911	5,875
Deferred taxation	155,944	98,476
	21,147,602	35,168,627
Current assets		
Financial assets at fair value through profit or loss	800,068	122,244
Financial assets at fair value through other comprehensive income	17,166	-
Investment in convertible bond	-	347,507
Inventories	374,775	404,879
Accounts receivable, prepayments and deposits	16,662,937	12,358,582
Tax recoverable	63,972	10,205
Amounts due from fellow subsidiaries	3	3,017
Restricted and pledged bank deposits	11,748	14,143
Cash and bank balances	9,084,105	8,470,843
	27,014,774	21,731,420
Current liabilities		
Lease liabilities	1,377,209	1,012,901
Accounts payable, deposits received and accrued charges	11,694,873	9,269,189
Amounts due to fellow subsidiaries	-	4,366
Amounts due to related companies	140,842	23,757
Taxation	752,201	435,719
Loan from non-controlling interests	27,703	-
Short-term bank loans and current portion of long-term bank loans	3,648,671	3,941,835
Bank overdrafts	199,201	220,865
	17,840,700	14,908,632

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

	As at 31 Dec 2021 HK\$'000	As at 31 Dec 2020 HK\$'000
Non-current liabilities		
Loans from non-controlling interests	205,594	233,654
Long-term bank loans	2,261,839	5,069,439
Lease liabilities	2,384,652	3,178,122
Deferred taxation	406,072	744,467
Retirement benefit obligations	50,028	143,419
Other non-current liabilities	176,775	142,379
	5,484,960	9,511,480
ASSETS LESS LIABILITIES	24,836,716	32,479,935
EQUITY		
Capital and reserves attributable to the Company's shareholders		
Share capital	903,655	898,600
Share premium and other reserves	4,333,941	4,158,329
Retained profits	15,810,884	22,430,563
	21,048,480	27,487,492
Put option written on non-controlling interests	(4,593)	(4,593)
	21,043,887	27,482,899
Non-controlling interests	3,792,829	4,997,036
TOTAL EQUITY	24,836,716	32,479,935