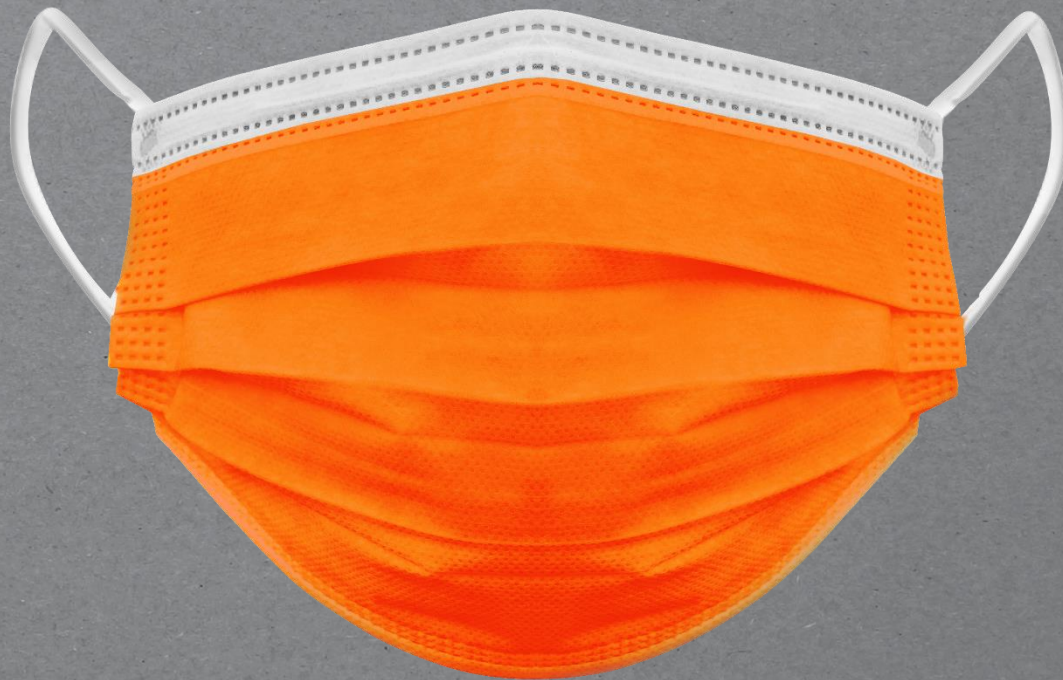


INTERIM RESULTS 2020

EVOLVING THROUGH COVID-19



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

0636.HK

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REVENUE⁽¹⁾

21,885

▲ 10%

CORE OPERATING PROFIT

1,489

▲ 12%

CORE NET PROFIT

845

▲ 26%

SEGMENT PROFIT

IL

1,139

▲ 2% ▼ 2%
NORMALISED STATUTORY

IFF

403

▲ 40%

PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS

1,073

▲ 29% ▼ 62%
NORMALISED STATUTORY

INTERIM DIVIDEND

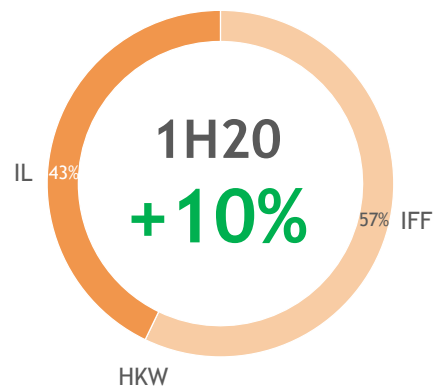
HK CENTS PER SHARE

11

GEARING

37%
GROSS

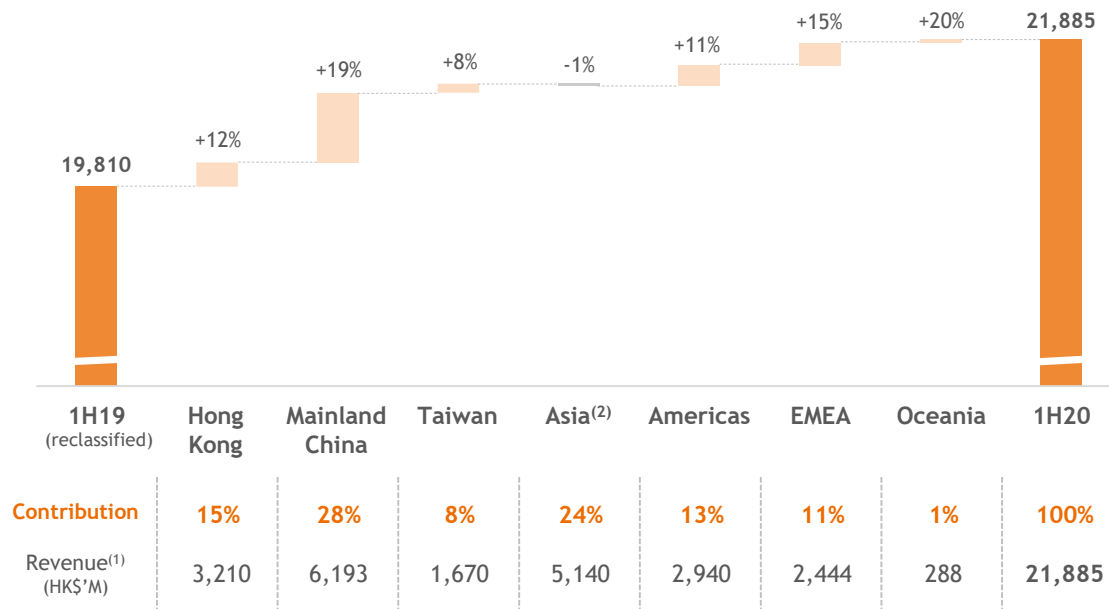
12%
NET



	HK\$ M	YoY
IL	9,377	-1%
IFF	12,508	+22%
Total	21,885	+10%

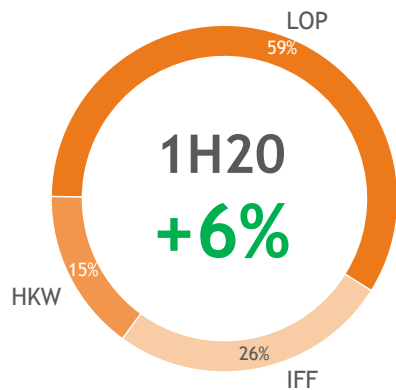
Revenue⁽¹⁾ Change by Region

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



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

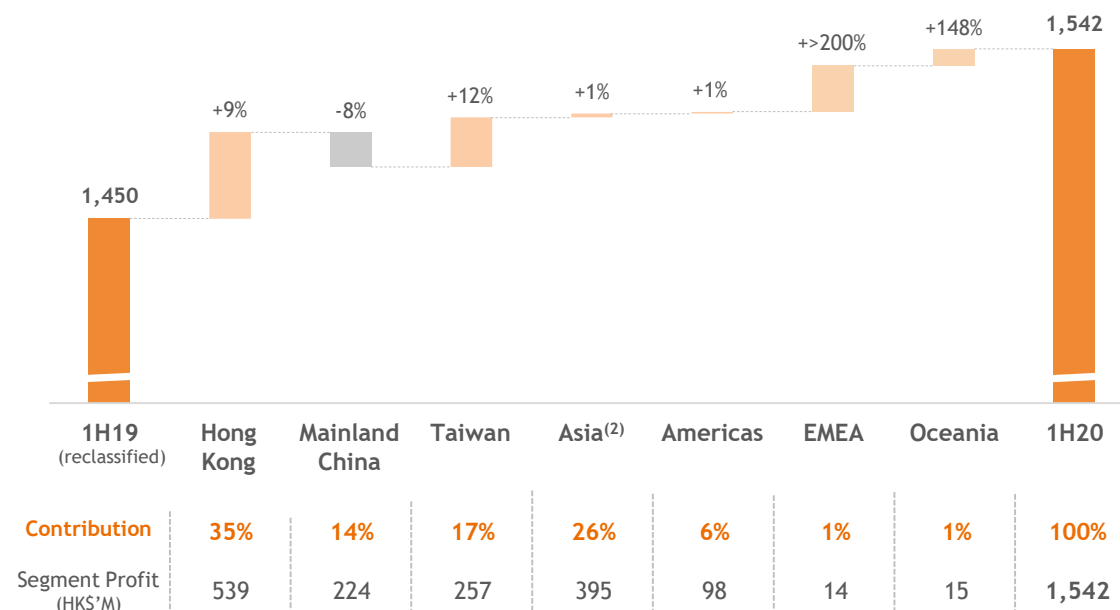
⁽²⁾ Asia ex-Greater China.



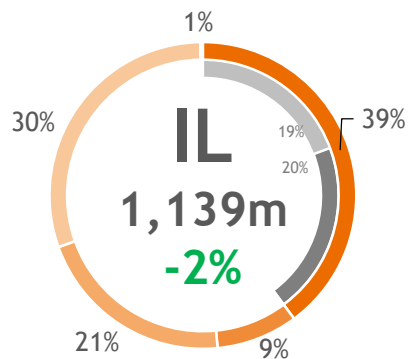
	HK\$ M	YoY
IL	1,139	-2%
- Logistics Operations	905	+1%
- HK Warehouse	234	-13%
IFF	403	+40%
Total	1,542	+6%

Segment Profit Change by Region

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



⁽²⁾ Asia ex-Greater China.



Segment Profit	HK\$ M	YoY
● Hong Kong	454	-2%
● LOP	220	+13%
● HKW	234	-13%
● Mainland China	98	-37%
● Taiwan	240	+11%
● Greater China	792	-6%
● Asia (ex-Greater China)	344	+6%
● Oceania	3	+>200%
Total	1,139	-2%

HONG KONG

- LOP focused on fulfilling pandemic-related institutional demands and expanding the essential supply sector

MAINLAND CHINA

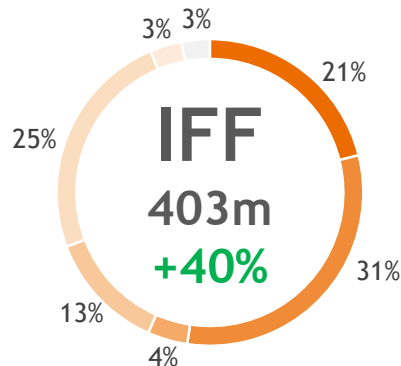
- Business activities picked up since Q2 2020 with the swift recovery of the domestic consumer segment

TAIWAN

- Results driven by the strong last-mile capabilities, bonded operations and pharma logistics

ASIA (ex-Greater China)

- KETH achieved 36% YoY growth in the bottom line in 1H20
- LOP in Asia has been severely impacted due to the widespread lockdowns causing a drastic drop in non-essential products



Segment Profit	HK\$ M	YoY
● Hong Kong	85	+>200%
● Mainland China	126	+44%
● Taiwan	17	+35%
● Greater China	228	+80%
● Asia (ex-Greater China)	51	-26%
● Americas	98	+1%
● EMEA	14	+>200%
● Oceania	12	+90%
Total	403	+40%

LEVERAGING OUR UNIQUE MARKET POSITION

- Air freight business surged from Mar to May, with a total of 372 chartered flights from Asia to worldwide and within EMEA
- Ocean freight caught up in mid-May and Jun as customers replenish their dwindling inventories

EURASIAN LAND & RAIL FREIGHT NETWORK

- Sizable volume gain for land-bridge services between China and Europe, China and Indochina Peninsula

Apex becomes the Leading Player in the Transpacific Trade Lane⁽³⁾



Volume from Asia to USA

▼ **7%**
Market Overall

▲ **6%**
Apex

⁽³⁾ From Datamyne - Asia to USA NVOCC Ranking.

Cross-border E-commerce

2020 1H



21M+
consignments handled



5,700+
tons

2019 1H

17M+
consignments handled

5,100+
tons

1M+
fulfilment & sorting
sq. ft.



20+
locations
worldwide



HONG KONG

- Local fulfilment transactions surged by 300%+
- Local delivery volume increased by 122% including self-pick up

MAINLAND CHINA

- Phase 2 of K-Parcel sortation center expansion to be completed by end of Sep 2020
- Handling capacity will ramp up to 700,000 consignments per day

TAIWAN

- Volume surged by 38%

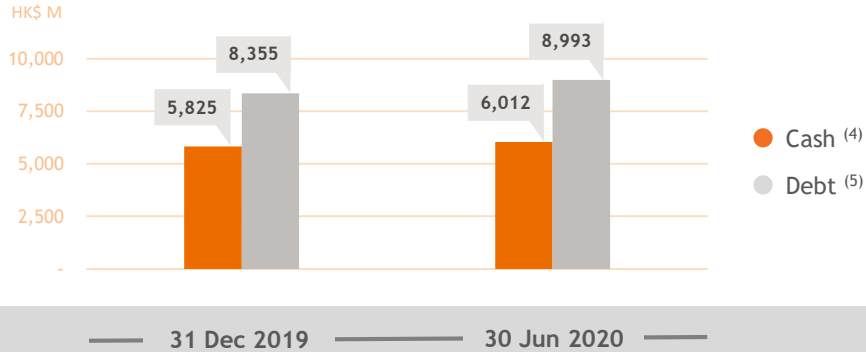
ASIA (ex-Greater China)

- Acquired 42% interest in one of the largest private express companies in Vietnam, handling approximately 800,000 parcels per day

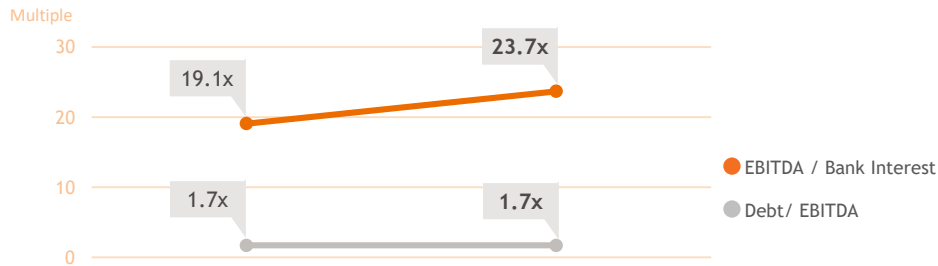
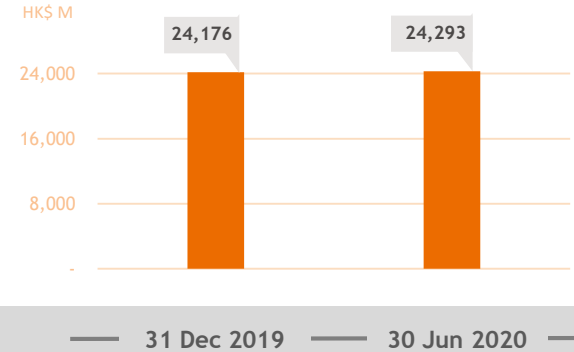
EUROPE

- Major customs brokerage business in progress

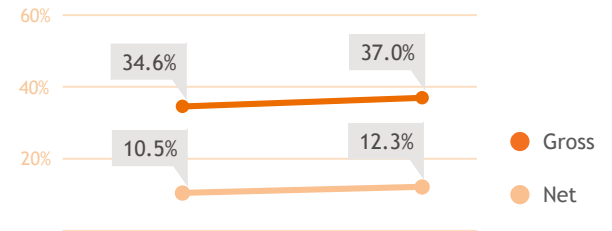
CASH & DEBT



SHAREHOLDERS EQUITY



DEBT RATIOS



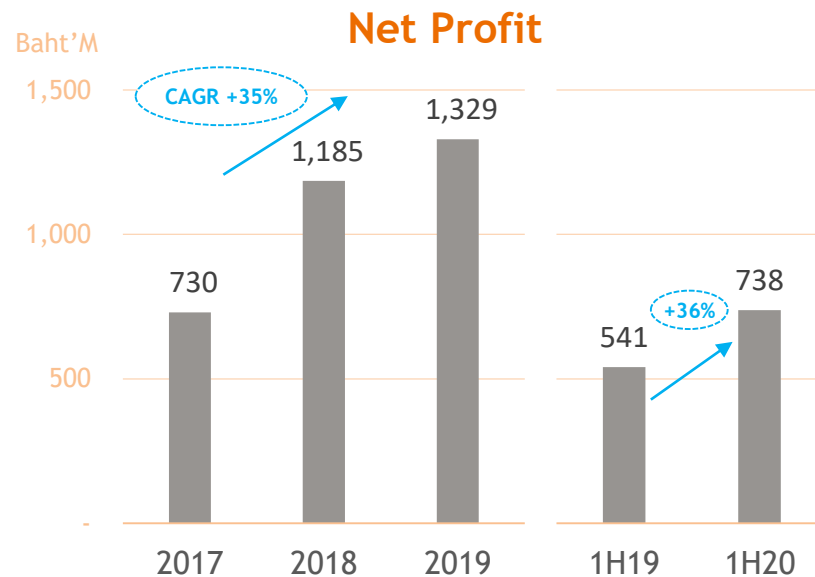
GEARING RATIO

Timeline

- Under the manual for the approval process issued by the Security and Exchange Committee (“SEC”) Office, 165 days is the maximum time for the normal approval process
- SEC accepted our IPO Filing on 25 Aug 2020 and Thai Filing documents are available online for potential investors’ review
- PN15 application was approved by Hong Kong Stock Exchange on 14 Jun 2019

Profitability

Delivered over **150 million parcels** in 1H 2020, on average, **1.2 million parcels** per business day.



Moving Forward

Focus on:



Supporting institutional and commercial demands for all Covid-19 related needs



Preparing for global and domestic vaccine distribution



Expanding exposure in Humanitarian Logistics

Upstream Logistics

Energy & Environmental
Chemical & Raw Material
Equipment & Parts
Oil & Gas
Construction & Infrastructure

Cross Border e-commerce
Micro-fulfilment, Origin Export Sorting
Scanning & Declaration
Line Haul Management
Destination Customs Clearance
Last-mile Management

Downstream Logistics

Q & A



VALUE CREATION
 OPENNESS
 INTEGRITY
 COMMITMENT
 EXCELLENCE

Appendix I: Condensed Consolidated Interim Income Statement



	For the six months ended 30 Jun	
	Unaudited 2020 HK\$'000	Unaudited 2019 HK\$'000
Revenue	21,884,967	19,810,329
Direct operating expenses	(19,174,211)	(17,284,673)
Gross profit	2,710,756	2,525,656
Other income and net gains	158,569	112,131
Administrative expenses	(1,364,576)	(1,331,567)
Operating profit before gain on disposal of warehouses and fair value change of investment properties	1,504,749	1,306,220
Gain on disposal of warehouses	-	1,957,540
Change in fair value of investment properties	227,931	205,020
Operating profit	1,732,680	3,468,780
Finance costs	(160,103)	(161,724)
Share of results of associates and joint ventures	41,673	45,934
Profit before taxation	1,614,250	3,352,990
Taxation	(278,861)	(295,049)
Profit for the period	1,335,389	3,057,941
Profit attributable to:		
Company's shareholders	1,072,849	2,789,744
Non-controlling interests	262,540	268,197
	1,335,389	3,057,941
Earnings per share		
- Basic	HK\$0.61	HK\$1.63
- Diluted	HK\$0.61	HK\$1.63

Appendix II: Condensed Consolidated Interim Statement of Financial Position



ASSETS AND LIABILITIES	Unaudited As at 30 Jun 2020 HK\$'000	Audited As at 31 Dec 2019 HK\$'000
Non-current assets		
Intangible assets	4,641,639	4,764,904
Investment properties	10,499,279	10,308,139
Property, plant and equipment	11,034,478	11,343,539
Right-of-use assets	3,935,372	3,985,642
Associates and joint ventures	1,886,117	1,386,733
Financial assets at fair value through other comprehensive income	327,269	150,843
Investment in convertible bonds	5,704	191,789
Deferred taxation	82,218	73,878
	32,412,076	32,205,467
Current assets		
Financial assets at fair value through profit or loss	107,667	119,731
Investment in convertible bond	347,424	349,194
Inventories	517,888	504,671
Accounts receivable, prepayments and deposits	9,636,953	10,148,966
Tax recoverable	25,506	24,849
Amounts due from fellow subsidiaries	5,427	5,223
Restricted and pledged bank deposits	21,024	20,622
Cash and bank balances	6,012,473	5,825,246
	16,674,362	16,998,502
Current liabilities		
Lease liabilities	973,785	961,585
Accounts payable, deposits received and accrued charges	7,122,407	7,387,785
Amounts due to fellow subsidiaries	9,159	9,788
Amounts due to related companies	21,696	28,729
Taxation	404,580	411,331
Short-term bank loans and current portion of long-term bank loans	3,477,607	1,947,820
Bank overdrafts	150,036	233,750
	12,159,270	10,980,788

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



	Unaudited As at 30 Jun 2020 HK\$'000	Audited As at 31 Dec 2019 HK\$'000
Non-current liabilities		
Loans from non-controlling interests	223,362	223,805
Long-term bank loans	5,364,965	6,173,790
Lease liabilities	2,414,282	2,545,880
Deferred taxation	659,692	656,212
Retirement benefit obligations	136,472	124,389
Other non-current liabilities	139,689	1,424,610
	8,938,462	11,148,686
ASSETS LESS LIABILITIES	27,988,706	27,074,495
EQUITY		
Capital and reserves attributable to the Company's shareholders		
Share capital	896,994	858,102
Share premium and other reserves	2,352,294	2,992,215
Retained profits	21,043,880	20,325,662
	24,293,168	24,175,979
Put option written on non-controlling interests	(4,593)	(1,162,630)
	24,288,575	23,013,349
Non-controlling interests	3,700,131	4,061,146
TOTAL EQUITY	27,988,706	27,074,495

THANK YOU



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