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# 嘉里建設有限公司\*

## KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

website: [www.kerryprops.com](http://www.kerryprops.com)

(Stock Code: 683)

### FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board is pleased to announce the consolidated final results of the Group for the year ended 31 December 2024. The Audit and Corporate Governance Committee of the Company has met to review the audited consolidated results and the consolidated financial statements of the Group for the year ended 31 December 2024 prior to recommending them to the Board for approval.

	2024	2023	% Change
	HK\$ Million	HK\$ Million	
<b>Combined revenue <sup>(1)</sup></b>	<b>21,361</b>	18,127	18%
Property sales	13,830	10,416	33%
Property rental and others	5,355	5,450	-2%
Hotel operations	2,176	2,261	-4%
<b>Revenue <sup>(2)</sup></b>	<b>19,499</b>	13,090	49%
<b>Underlying profit <sup>(3)</sup></b>	<b>3,973</b>	3,189	25%
<b>Profit attributable to shareholders</b>	<b>808</b>	3,243	-75%
<b>Financial information</b>	<b>2024</b>	2023	% Change
	HK\$	HK\$	
<b>EPS</b>	<b>0.56</b>	2.23	-75%
<b>Adjusted EPS</b>	<b>2.74</b>	2.20	25%
<b>Dividend per share</b>	<b>1.35</b>	1.35	Maintain
Interim	0.40	0.40	Maintain
Final	0.95	0.95	Maintain

Note:

- (1) Combined revenue includes revenue from the Company, its subsidiaries and share of associates and joint ventures in the Mainland and Hong Kong.
- (2) Revenue includes revenue from the Company and its subsidiaries only.
- (3) Underlying profit represents profit attributable to shareholders excluding the one-off provision in 2024 for certain land lots held by the Group in the Kwu Tung North New Development Area, impairment provision for development properties and the non-cash change in fair value of investment properties.

\* For identification purpose only

## CHAIRMAN'S STATEMENT

I am pleased to present our 2024 annual results on behalf of Kerry Properties Limited.

### Business Environment

The property market in Hong Kong remained subdued throughout the year. Despite a brief rebound in transaction volumes following the removal of all property cooling measures in February 2024, residential prices fell by 7% year over year <sup>(1)</sup> and there continues to be a significant overhang of completed residential inventory. Homebuyers remained cautious and focused mainly on projects in good locations offered at meaningful discounts to secondary prices. Consumption also remained weak, with retail sales dropping by 7% year over year and private consumption decreasing by 0.6% year over year <sup>(2)</sup> due to lower consumer confidence and changing consumption patterns among residents and tourists.

In the Mainland, persistently low business and consumer confidence continued to weigh heavily on the market. This is evidenced by a surge in RMB bank deposits, which exceeded RMB300 trillion in December 2024, marking an increase of over 6% from December 2023 and more than a 33% rise since June 2021 <sup>(3)</sup>, during when economic sentiment in the Mainland was at a multi-year peak. Potential homebuyers, despite having the financial means, remained hesitant to invest in properties. Additionally, the trend of consumption downgrading continues, with consumers becoming more price-sensitive and selective in their spending. Corporates have also adopted a cautious approach, focusing on cost control and consolidating their rental footprint.

### Operational Performance

Against this economic environment, I am pleased to report encouraging results. Our Hong Kong development properties sold well, and we feel grateful for the positive response to our products. This performance highlights our heavy weighting of premium developments and the appropriate sales and marketing strategies adopted by our teams. In the Mainland, despite the headwinds, our investment properties performed decently. We continued to upgrade our retail positioning and launched various initiatives during the year to raise awareness of our malls and optimise tenant mix, allowing us to grow our retail sales.

In 2024, we achieved contracted sales of HK\$12,605 million (2023: HK\$14,071 million). The decrease was mainly due to fewer saleable resources in the Mainland, which was partially offset by a higher contribution from Hong Kong.

The Group recorded combined revenue of HK\$21,361 million (2023: HK\$18,127 million), representing an increase of 18% year-on-year, primarily driven by higher attributable sales recognition for development properties of HK\$13,830 million (2023: HK\$10,416 million).

*Note:*

*(1) Source: Rating and Valuation Department of Hong Kong Special Administrative Region*

*(2) Source: Census and Statistics Department of Hong Kong Special Administrative Region*

*(3) Source: The People's Bank of China*

Combined rental income from investment properties, excluding hotels, saw a 2% year-on-year decline to HK\$5,355 million (2023: HK\$5,450 million) but remained largely unchanged in local currency terms. The performance of our hotels, which had substantially recovered from the effects of COVID-19 in 2023, normalised in 2024, declining 4% year-on-year in combined revenue to HK\$2,176 million (2023: HK\$2,261 million), representing a 2% year-on-year decrease in local currency terms.

## **Financial Results and Dividend**

The Group reported profit attributable to shareholders of HK\$808 million in 2024 (2023: HK\$3,243 million), representing a 75% year-on-year decline. In view of the challenging environment of the property sector in the Mainland and Hong Kong, we are taking a more conservative approach in marking the value of our development and investment properties. Adjusting for the impact of exceptional items <sup>(4)</sup>, underlying profit increased by 25% year-on-year to HK\$3,973 million (2023: HK\$3,189 million). This growth in underlying profit was primarily driven by higher revenue from development properties. EPS for 2024 was HK\$0.56 per share (2023: HK\$2.23 per share), while adjusted EPS based on underlying profit was HK\$2.74 per share (2023: HK\$2.20 per share).

The Board has recommended the payment of a final dividend of HK\$0.95 per share for the year. Together with the interim dividend of HK\$0.40 per share, the total dividend for the year amounts to HK\$1.35 per share (2023: HK\$1.35 per share).

## **Sustainable Development**

2024 marked another positive year for our sustainable development progress. We have been recognised as both the Regional Sector Leader and Regional Listed Sector Leader in the Asia Diversified sector in the Global Real Estate Sustainability Benchmark (“GRESB”). This achievement highlights our ongoing commitment to ESG best practices. We piloted biodiversity assessments at Shenzhen Qianhai Kerry Centre and Hong Kong Kerry Centre, with plans to expand this programme across the Group. Through this initiative, we aim to gain valuable insights into the natural habitats surrounding our properties, thereby enhancing our ability to conserve local species. We have also completed climate risk vulnerability assessments for all our investment properties, identifying key risks to guide our mitigation and adaptation strategies.

We are pleased to announce our 2030 mid-term decarbonisation target, which aims for a 2% reduction in our operational emissions every year from now until 2030. We recognise that collaboration is crucial to achieving our sustainability goals and will continue to actively engage with our value chain partners as we move forward on our decarbonisation journey.

*Note:*

(4) *Exceptional items refer to the one-off non-cash provision in 2024 for certain land lots held by the Group in the Kwu Tung North New Development Area, the non-cash impairment provision for development properties and the non-cash change in fair value of investment properties.*

## **Outlook**

Looking further ahead, we remain positive on the Mainland's long-term growth prospects. Structurally, the level of urbanisation in the Mainland remains meaningfully lower than that of its more developed peers, as does consumption as a proportion of GDP. The further growth and development of Mainland cities and the emerging consumption power of the middle class, coupled with the advancement of industries and innovation to globally competitive levels will continue to play a crucial role in the Mainland's future economic expansion. We are also optimistic about Hong Kong's prospects as the sole financial gateway between the Mainland and the world. Its unique role as the Mainland's international financial centre will become increasingly important as Mainland businesses seek access to global markets and international investors continue to invest in the Mainland.

However, over the shorter term, there is very low visibility on when business and consumer confidence will recover meaningfully in both Hong Kong and the Mainland. Trade tensions and geopolitical headwinds continue to create a challenging environment while US interest rates are expected to remain high in the foreseeable future. We therefore continue to hold a conservative stance with a focus on deleveraging our balance sheet and delivering stable dividends.

On behalf of the Board, I extend my sincere gratitude and heartfelt appreciation to our dedicated colleagues for delivering a set of decent results. I would also like to express my sincere appreciation to my fellow Directors for their insightful counsel and support.

**Kuok Khoon Hua**

Chairman

Hong Kong, 19 March 2025

# MANAGEMENT DISCUSSION & ANALYSIS

## BUSINESS REVIEW

### PRESENCE ON THE MAINLAND AND IN HONG KONG

#### Landbanking Strategy

The Group maintains a diversified landbank of development properties and investment properties in Hong Kong and key cities in the Mainland, including Beijing, Hangzhou, Shanghai, Shenzhen and Shenyang.

The Group's landbanking strategy focuses on building a portfolio of premium mixed-use projects, comprising office, retail, hotel and apartments-for-lease primarily in the Mainland, while also operating a balanced pipeline of development properties in both the Mainland and Hong Kong. The Group presides over a robust landbank capable of driving growth for years to come, and will pursue a prudent and selective landbanking strategy to support long-term sustainable growth.

#### Property Portfolio Composition

The Group's property portfolio comprised 50.1 million sq ft of attributable GFA as of 31 December 2024 (31 December 2023: 50.9 million sq ft) across the Mainland, Hong Kong and elsewhere overseas.

Of the 17.7 million sq ft of attributable GFA of properties under development in the Mainland, approximately 5.1 million sq ft is allocated for a mixed-use project in Shanghai's Huangpu district, which includes residential and commercial components. This strategic project is expected to generate healthy revenue from development properties while enhancing the investment property portfolio in downtown Shanghai with progressively increasing recurrent rental revenue.

In 2024, the Group announced a transaction involving existing and new landbank in Wuhan. With this transaction, the Wuhan mixed-use project is positioned with a higher-quality residential and commercial GFA mix, comprising approximately 3.6 million sq ft of for-sale development properties (including properties held for sale and properties under development) and 1.2 million sq ft of investment properties. A summary of the Group's property portfolio in attributable GFA follows:

The Group's property portfolio in attributable GFA					
('000 sq ft)	As of 31 December 2024				As of 31 December 2023
	Mainland	Hong Kong	Overseas	Total	Total
Properties under development	17,706	1,793	4,607	24,106	26,256
Investment properties	10,836	3,073	1,990	15,899	15,765
Hotel properties	4,634	38	504	5,176	5,009
Properties held for sale	4,603	322	1	4,926	3,874
<b>Total GFA</b>	<b>37,779</b>	<b>5,226</b>	<b>7,102</b>	<b>50,107</b>	50,904

## Development Property Pipeline

Based on its portfolio of properties under development, the Group runs a robust sales pipeline supported by upcoming development property projects sufficient for the next five years and beyond. As of 31 December 2024, the total attributable GFA of for-sale development properties in the Mainland and Hong Kong stood at 8.9 million sq ft.

Meanwhile, the Group's pipeline in the Mainland will yield 7.2 million sq ft of attributable GFA. All of the Mainland development properties are part of a master-planned mixed-use development in key city areas, offering convenient access to transport networks. They will feature high-quality homes with the added benefit of amenities from the commercial components, such as shopping malls and well-designed public spaces.

In Hong Kong, the Group oversees a landbank of high-quality projects totalling approximately 1.7 million sq ft of attributable GFA. This allows the Group to maintain a balanced pipeline comprising a diverse mix of ultra-luxury, premium and middle-market developments.

<b>The Group's attributable development property completion pipeline</b>				
<b>Target completion</b>	<b>Location</b>	<b>Region</b>	<b>Equity stake</b>	<b>Attributable GFA (<i>'000 sq ft</i>)</b>
2025	Shenyang	Mainland	60%	1,387
2025	Wong Chuk Hang	Hong Kong	50%	319
2025	Yuen Long	Hong Kong	100%	282
2025	Shanghai Pudong	Mainland	40%	205
2025	Tianjin	Mainland	49%	147
2025	Shenzhen Qianhai	Mainland	70%	42
2025 onwards	Wuhan	Mainland	100%	2,823
2026 onwards	Qinhuangdao	Mainland	60%	1,340
2027	Tseung Kwan O	Hong Kong	25%	387
2027 onwards	Shanghai Huangpu	Mainland	100%	1,329
2028	To Kwa Wan	Hong Kong	100%	370
2029	Tsuen Wan	Hong Kong	100%	314
				<b>8,945</b>
Mainland Total				7,273
Hong Kong Total				1,672
<b>Group Total</b>				<b>8,945</b>

## Investment Property and Hotel Pipeline

As of 31 December 2024, the Group held 18.6 million sq ft of attributable GFA within its major investment property and hotel portfolio, which includes office, retail, apartment, hotel and warehouse assets in Hong Kong and the Mainland. The Mainland accounted for 83% or 15.5 million sq ft, while Hong Kong accounted for 17% or 3.1 million sq ft of the major investment property and hotel portfolio. The portfolio's composition follows:

<b>The Group's investment property and hotel portfolio in Hong Kong and the Mainland (attributable GFA)*</b>									
As of 31 December 2024									As of 31 December 2023
( <i>'000 sq ft</i> )	Hong Kong	Beijing	Shanghai	Shenzhen	Hangzhou	Shenyang	Others	Total	Total
<b>Office</b>	778	711	1,519	3,003	102	354	195	<b>6,662</b>	6,662
<b>Retail</b>	1,197	98	959	361	811	486	1,186	<b>5,098</b>	5,087
<b>Hotel</b>	38	500	759	121	448	395	2,411	<b>4,672</b>	4,505
<b>Apartment</b>	799	277	774	-	-	-	-	<b>1,850</b>	1,850
<b>Warehouse</b>	299	-	-	-	-	-	-	<b>299</b>	299
<b>Total</b>	<b>3,111</b>	<b>1,586</b>	<b>4,011</b>	<b>3,485</b>	<b>1,361</b>	<b>1,235</b>	<b>3,792</b>	<b>18,581</b>	18,403

Note: \* Excludes 2,494,000 sq ft of attributable GFA from investment properties and hotels overseas.

Over the next six years, the Group expects to add 10.4 million sq ft of GFA to its investment property and hotel portfolio from major mixed-use projects. This includes approximately 5.7 million sq ft for office properties, 4.1 million sq ft for retail and 0.6 million sq ft for hotels and apartments. Key cities driving this growth are Shanghai (Pudong and Huangpu districts), Hangzhou, Wuhan and Shenyang.

<b>The Group's major mixed-use projects under development in the Mainland (attributable GFA)</b>						
Target completion	City	Office	Retail	Hotel	Apartment	Total
<i>(<i>'000 sq ft</i>)</i>						
2025	Hangzhou	235	996	173	197	1,601
2025	Tianjin	489	92	-	-	581
2025	Shenzhen Qianhai	503	76	-	-	579
From 2025	Shenyang	447	594	-	-	1,041
2026	Shanghai Pudong	110	981	-	-	1,091
From 2026	Zhengzhou	349	-	226	-	575
From 2028	Shanghai Huangpu	2,396	1,332	-	-	3,728
From 2030	Wuhan	1,163	-	-	-	1,163
	<b>Total</b>	<b>5,692</b>	<b>4,071</b>	<b>399</b>	<b>197</b>	<b>10,359</b>

The Group has developed a solid pipeline of mixed-use projects in major cities due to its strategic vision and disciplined landbanking. The upcoming launches of malls, premium offices, apartments and hotels will act as growth catalysts, providing steadily increasing recurrent revenue. Additionally, the Group will focus on asset enhancement to keep its properties competitive. Efficient management of existing assets and high-quality tenant service will also support rental levels of the Group, occupancies and tenant loyalty.

## Group Financial Highlights

HK\$ Million	2024	2023	% Change
<b>Combined revenue</b>	<b>21,361</b>	18,127	18%
<b>Combined results</b>	<b>6,850</b>	7,916	-13%
<i>Gross margin (%)</i>	<i>32%</i>	<i>44%</i>	<i>-12% pts</i>
<b>Underlying profit</b>	<b>3,973</b>	3,189	25%
<b>Provision on development properties</b>	<b>(1,397)</b>	(671)	108%
<b>Underlying profit including provision on development properties</b>	<b>2,576</b>	2,518	2%
<b>Fair value changes of investment properties</b>	<b>(1,768)</b>	725	n/a
<b>Profit attributable to shareholders</b>	<b>808</b>	3,243	-75%
<b>Net finance costs</b>	<b>(378)</b>	(600)	-37%
<b>Taxation</b>	<b>(1,070)</b>	(2,696)	-60%
<b>Contracted sales</b>	<b>12,605</b>	14,071	-10%
<b>Gearing ratio (%)</b>	<b>41.5%</b>	34.1%	+7.4% pts

### Combined revenue

Combined revenue rose by 18% to HK\$21,361 million (2023: HK\$18,127 million), with a breakdown below. Combined revenue for development properties increased by 33% year-on-year to HK\$13,830 million (2023: HK\$10,416 million) primarily due to higher revenue recognition from the Mainland. Combined revenue for investment properties and hotels slightly declined by 2% year-on-year to HK\$7,531 million (2023: HK\$7,711 million) and remained stable on a constant exchange rate basis.

### Combined revenue in the Mainland and Hong Kong

HK\$ Million	2024	2023	% Change Reporting currency basis	% Change Constant exchange rate basis
<b>Development properties</b>				
Mainland	<b>7,457</b>	3,459	+116%	+114%
Hong Kong	<b>6,373</b>	6,957	-8%	-8%
<b>Total</b>	<b>13,830</b>	10,416	+33%	+32%
<b>Investment properties and hotels</b>				
Mainland rental properties	<b>4,069</b>	4,216	-3%	-1%
Hong Kong rental properties	<b>1,286</b>	1,234	4%	4%
Hotel operations	<b>2,176</b>	2,261	-4%	-2%
<b>Total</b>	<b>7,531</b>	7,711	-2%	flat

### *Combined results*

The Group's combined results amounted to HK\$6,850 million (2023: HK\$7,916 million), with a corresponding gross margin of 32% (2023: 44%). The decline in gross margin was mainly due to a different product mix of development properties recognised.

### *Provision on development properties*

A one-off provision for certain land sites held by the Group in the Kwu Tung North New Development Area was made due to resumption of these sites by the Hong Kong government. Additionally, as a result of the weak market conditions in the residential sector, an impairment provision on development properties predominantly in the second and third-tier cities in the Mainland was recorded. These resulted in an attributable share of non-cash provision amounting to HK\$1,397 million for the year (2023: HK\$671 million).

### *Investment property revaluation*

The Group's investment property portfolio was valued at HK\$84,273 million as of 31 December 2024, including the Mainland portfolio of HK\$55,839 million and the Hong Kong portfolio of HK\$28,434 million.

Due to increased risks in the office and retail sectors particularly for the relatively new assets, an attributable share of non-cash fair value loss of investment properties (net of deferred tax) of HK\$1,768 million was recognised in 2024 (2023: gain of HK\$725 million). Capitalisation rates remained largely steady.

### *Finance costs*

Gross finance costs increased by 4% to HK\$2,660 million (2023: HK\$2,550 million) principally due to higher gross debt following the settlement of the final land payment for the Shanghai Huangpu project. Net finance costs charged to the consolidated income statement declined to HK\$378 million (2023: HK\$600 million). On the other hand, capitalised finance costs rose to HK\$2,282 million (2023: HK\$1,950 million). Upon completion of various projects, the proportion of the capitalised amount is anticipated to decrease.

Through active management of treasury activities, the effective interest rate for the year remained stable at 4.6% (2023: 4.7%). The average debt maturity as of 31 December 2024 was 2.6 years (31 December 2023: 2.7 years). Further details on the Group's treasury policies and activities can be found in the "Capital Resources and Liquidity" section.

### *Taxation*

Taxation decreased to HK\$1,070 million (2023: HK\$2,696 million) primarily due to the decline in deferred tax in relation to the fair value loss of investment properties, as well as lower land appreciation tax in the Mainland.

### *Contracted sales*

The Group achieved contracted sales of HK\$12,605 million (2023: HK\$14,071 million), a drop of 10% year-on-year, with fewer contracted sales in the Mainland partially offset by improved contracted sales in Hong Kong.

<b>Contracted sales in the Mainland and Hong Kong</b>					
HK\$ Million	<b>2024</b>	2023	% Change	<b>2024 % of total</b>	2023 % of total
<b>Development properties</b>					
Mainland	<b>2,477</b>	10,636	-77%	<b>20%</b>	76%
Hong Kong	<b>10,128</b>	3,435	+195%	<b>80%</b>	24%
<b>Total</b>	<b>12,605</b>	14,071	-10%	<b>100%</b>	100%

As of 31 December 2024, contracted sales yet to be recognised amounted to approximately HK\$10,200 million, of which 57% was generated from Hong Kong and 43% from Mainland projects. Revenue recognition is expected in 2025 upon completion of these projects and handover of the completed units to buyers.

### *Gearing ratio*

The Group's gearing ratio as of 31 December 2024 rose to 41.5% (31 December 2023: 34.1%) as a result of higher gross debt as mentioned above. The Group will continue to execute its deleveraging plan and maintain disciplined financial management to keep gearing at a reasonable level.

## MAINLAND PROPERTY DIVISION

### Overview

The Mainland Property Division recorded combined revenue of HK\$13,665 million (2023: HK\$9,900 million) and combined results of HK\$4,446 million (2023: HK\$5,585 million) for 2024. The growth in combined revenue was primarily driven by the increase in recognised sales from development properties.

### *(i) Development Property Portfolio Performance*

Combined revenue from development properties in the Mainland Property Division reached HK\$7,457 million (2023: HK\$3,459 million) due to increased sales revenue recognition on completion of relevant projects. Combined results amounted to HK\$817 million (2023: HK\$1,765 million), with a corresponding gross margin of 11% (2023: 51%). The decline in gross margin reflected a different product mix and generally soft selling prices in a weak market.

The Mainland Property Division delivered attributable contracted sales of HK\$2,477 million (2023: HK\$10,636 million). In 2024, sales launches in the Mainland were smaller in scale and mainly focused on second and third-tier cities. Key contributions came from Shenyang The Arcadia, Wuhan River Mansion and other projects in Tianjin, Shenzhen Qianhai, Qinhuangdao, Fuzhou and Kunming. A summary of major attributable contracted sales in the Mainland for 2024 follows:

Project name	Group's attributable interest	Location	Approximate total saleable area (sq ft)	Total contracted sales in 2024 (HK\$ Million)
The Arcadia	60%	Shenyang	3,283,000	842
River Mansion	100%	Wuhan	1,561,000	678
Arcadia Terrace	49%	Tianjin	299,000	190*
The Bayside	100%	Shenzhen Qianhai	459,000	186
Habitat Phase II	60%	Qinhuangdao	1,965,000	169
Fuzhou Rivercity	100%	Fuzhou	2,908,000	126
Peakview	55%	Kunming	225,000	117
Others	-	-	-	169
<b>Total</b>				<b>2,477</b>

*Note: Others include sales from projects in Qinhuangdao, Shanghai, Shenyang, Zhengzhou and other cities.*

*\* Group's attributable share in associates and joint ventures.*

## ***(ii) Investment Property and Hotel Portfolio Performance***

In the Mainland, the Group's investment property and hotel portfolio mainly comprises office, retail, apartments-for-lease and hotel properties in key cities. In 2024, combined revenue from the Mainland investment property and hotel portfolio amounted to HK\$6,208 million (2023: HK\$6,441 million).

Excluding hotels, Mainland investment properties contributed combined rental revenue of HK\$4,069 million (2023: HK\$4,216 million) and combined results of HK\$2,910 million (2023: HK\$3,043 million). The corresponding gross margin was 72% (2023: 72%), underscoring the resilience and defensive nature of our leasing portfolio. On a constant exchange rate basis, Mainland combined rental revenue recorded a slight 1% decrease, with higher retail rental revenue partially offset by lower office rental revenue. A summary of Mainland combined rental income follows:

<b>Combined rental income of the Mainland Property Division (excluding hotel revenue)</b>				
<b>Investment properties</b>	<b>2024 HK\$ Million</b>	<b>2023 HK\$ Million</b>	<b>% Change Reporting currency basis</b>	<b>% Change Constant exchange rate basis</b>
The Company and its subsidiaries	<b>3,727</b>	3,883	-4%	-2%
Share of associates and joint ventures	<b>342</b>	333	3%	5%
<b>Total</b>	<b><u>4,069</u></b>	<b><u>4,216</u></b>	-3%	-1%

The Group's retail segment experienced moderate improvement, with a slight increase in foot traffic, tenant sales and occupancy levels, despite a weak economy. This was partly due to the premium locations and quality of our assets, along with property upgrades and an effective tenant mix optimisation strategy. The office segment remained the major revenue driver for the Group's investment property portfolio. However, with low economic visibility and an oversupply of office buildings, corporate tenants have been cautious, often downsizing their office spaces. To secure recurring revenue in this challenging market, the Group focused on lease renewals, striving for favourable leasing terms based on current market prices while maintaining stable occupancy levels. Meanwhile, the residential leasing portfolio remained stable. The Group will continue to prioritise revenue management by optimising its retail brand mix and concentrating on renewals within its established blue-chip and red-chip tenant base.

There has been a minor change in the Mainland investment property portfolio GFA during 2024 due to reconfiguration of floor space. A breakdown of attributable GFA by asset type and respective occupancy rates follows:

	<b>As of 31 December 2024</b>		<b>As of 31 December 2023</b>	
	<b>Group's attributable GFA (<sup>'000</sup> sq ft)</b>	<b>Occupancy rate</b>	<b>Group's attributable GFA (<sup>'000</sup> sq ft)</b>	<b>Occupancy rate</b>
Office	<b>5,884</b>	<b>90%</b>	5,884	90%
Retail	<b>3,901</b>	<b>89%</b>	3,890	85%
Apartment	<b>1,051</b>	<b>91%</b>	1,051	92%
	<b><u>10,836</u></b>		<b><u>10,825</u></b>	

A summary of overall occupancy rates for the Group's major mixed-use developments in key Mainland cities as follows:

Property name	Occupancy rate as of 31 December 2024	Occupancy rate as of 31 December 2023
Shanghai Jing An Kerry Centre *	94%	98%
Shanghai Pudong Kerry Parkside *	97%	96%
Beijing Kerry Centre *	87%	91%
Hangzhou Kerry Centre *	90%	91%
Shenzhen Kerry Plaza	92%	92%

Note: \* Excludes the hotel portion.

The Group's hotel business in the Mainland normalised after the strong rebound earlier in 2023, recording a normalised combined revenue of HK\$2,139 million (2023: HK\$2,225 million), reflecting a 4% year-on-year decrease in reporting currency terms and 2% decline on a constant exchange rate basis.

## **HONG KONG PROPERTY DIVISION**

### **Overview**

The Hong Kong Property Division reported combined revenue of HK\$7,696 million (2023: HK\$8,227 million) and combined results of HK\$2,404 million (2023: HK\$2,331 million) in 2024, with the combined revenue decline mainly due to lower sales recognition for development properties.

### ***(i) Development Property Portfolio Performance***

The Group recorded development property combined revenue of HK\$6,373 million (2023: HK\$6,957 million), with the majority recognised in the second half of the year. Combined results amounted to HK\$1,423 million (2023: HK\$1,408 million), resulting in a gross margin of 22% (2023: 20%). The change in combined revenue and gross margin was mainly attributed to a different product mix.

Benefiting from relaxed property policies, the Hong Kong Property Division achieved total attributable contracted sales of HK\$10,128 million (2023: HK\$3,435 million) in 2024. This was largely driven by the Mont Verra high-end project, which recorded HK\$8,514 million of contracted sales. The Aster delivered contracted sales of HK\$1,053 million, while the Group's Wong Chuk Hang MTR station projects, namely La Marina and La Montagne, together recorded HK\$557 million in attributable contracted sales during the year.

A summary of Hong Kong's contracted sales achieved for 2024 follows:

<b>Project name</b>	<b>Group's attributable interest</b>	<b>Location</b>	<b>Approximate total saleable area (sq ft)</b>	<b>Total contracted sales in 2024 (HK\$ Million)</b>
Mont Verra	100%	Beacon Hill	325,000	8,514
The Aster	100%	Happy Valley	71,000	1,053
La Marina	50%	Wong Chuk Hang	425,800	508*
La Montagne	50%	Wong Chuk Hang	559,000	49*
Others	-	-	-	4
<b>Total</b>				<b>10,128</b>

\* Group's attributable share in associates and joint ventures.

## ***(ii) Investment Property Portfolio Performance***

In Hong Kong, the Group maintains an investment property portfolio of office and retail assets primarily from the MegaBox/Enterprise Square Five mixed-use development and Kerry Centre, along with apartments-for-lease mainly from the Mid-Levels residential portfolio.

For 2024, the Hong Kong investment property portfolio achieved combined rental revenue of HK\$1,286 million (2023: HK\$1,234 million) and combined results of HK\$972 million (2023: HK\$915 million), resulting in a gross margin of 76% (2023: 74%). The decrease in rental income due to challenging market conditions and disruptions at individual assets was offset by rental income from certain development property units which were or will be subsequently sold.

A summary of the Hong Kong Property Division's combined rental income follows:

<b>Combined rental income of the Hong Kong Property Division</b>			
	<b>2024</b>	2023	% Change
<b>Investment properties</b>	<b>HK\$ Million</b>	HK\$ Million	
The Company and its subsidiaries	<b>1,167</b>	1,103	6%
Share of associates and joint ventures	<b>119</b>	131	-9%
<b>Total</b>	<b>1,286</b>	1,234	4%

MegaBox performed well despite the city's tepid consumer sentiment, benefiting from its position as a family-oriented mall. However, its revenue declined due to partial refurbishment, which affected approximately 14% of net leasable area. Excluding the area under refurbishment, MegaBox was fully occupied. The office segment faced significant challenges in 2024, with lower occupancy level and downward rent adjustment amid an oversupply of office space and weak demand driven by a bleak economic outlook. The apartment portfolio remained stable, but its revenue was impacted by refurbishment works in one building and the conversion of The Aster into a development property for sale. However, this decline was offset by rental income from certain development property units which were or will be subsequently sold. Excluding these factors, Hong Kong combined rental revenue for the apartment segment experienced a slight 1% growth on a like-for-like basis.

There has been no change in the Hong Kong investment property portfolio during 2024. A breakdown of attributable GFA by asset type and respective occupancy rates follows:

	<b>As of 31 December 2024</b>		<b>As of 31 December 2023</b>	
	<b>Group's attributable GFA ('000 sq ft)</b>	<b>Occupancy rate</b>	<b>Group's attributable GFA ('000 sq ft)</b>	<b>Occupancy rate</b>
Retail <sup>(1)</sup>	<b>1,197</b>	<b>100%</b>	1,197	95%
Apartment <sup>(2)</sup>	<b>799</b>	<b>95%</b>	799	89%
Office	<b>778</b>	<b>78%</b>	778	84%
Warehouse	<b>299</b>	<b>24%</b>	299	43%
	<b>3,073</b>		3,073	

Note:

(1) As of 31 December 2024, occupancy rate excluded area undergoing refurbishment at MegaBox.

(2) As of 31 December 2024 and 31 December 2023, occupancy rate excluded Branksome Crest due to major refurbishments.

A summary of the occupancy rates for the Group's major investment properties in Hong Kong follows:

<b>Property name</b>	<b>Occupancy rate as of 31 December 2024</b>	<b>Occupancy rate as of 31 December 2023</b>
MegaBox <sup>(1)</sup> /	<b>100%</b>	95%
Enterprise Square Five	<b>77%</b>	82%
Kerry Centre	<b>82%</b>	89%
Mid-Levels Portfolio <sup>(2)</sup>	<b>95%</b>	93%

*Note:*

(1) As of 31 December 2024, occupancy rate excluded area undergoing refurbishment at MegaBox.

(2) As of 31 December 2024 and 31 December 2023, occupancy rate excluded Branksome Crest due to major refurbishments.

## **CAPITAL RESOURCES AND LIQUIDITY**

### **Treasury Policies**

The Group adopts prudent policies for liquidity and financial risk management. These treasury policies, approved by the Finance Committee of the Company and regularly reviewed by the Group's internal audit function, are designed to mitigate the liquidity, foreign exchange, interest rate and credit risks as part of normal business operations. The Group centrally coordinates and controls liquidity management and financing activities at the corporate level, ensuring better operational oversight and reduced average funding costs. It is the Group's policy to avoid entering derivatives transactions for speculative purposes.

### **Foreign Exchange Management**

The Group closely monitors its foreign exchange exposure and primarily conducts its businesses in Hong Kong and the Mainland, with related cash flows, assets and liabilities denominated mainly in HK\$ and RMB. Key foreign exchange exposure arises from property developments and investments in the Mainland denominated in RMB as well as bank loans denominated in RMB, AUD and JPY.

As at 31 December 2024, the total foreign currency borrowings (excluding RMB bank loans) amounted to the equivalent of HK\$1,295 million. RMB bank loans amounted to the equivalent of HK\$20,305 million. As such, non-RMB foreign currency borrowings and RMB bank loans represented approximately 2% and 34% respectively, of the Group's total borrowings of HK\$59,581 million.

The Group's foreign currency borrowings of HK\$21,600 million included RMB19,168 million (equivalent to HK\$20,305 million), AUD187 million (equivalent to HK\$900 million) and JPY8,000 million (equivalent to HK\$395 million) bank loans.

To hedge exchange rate exposure, the Group arranged cross currency swap contracts totalling RMB1,000 million, AUD187 million and JPY8,000 million for bank borrowings drawn in Hong Kong. The remaining RMB18,168 million in bank borrowings, primarily allocated to development projects in the Mainland, are naturally hedged by maintaining an appropriate level of RMB borrowings against the net investment in the Mainland, which also help to lower the overall interest costs of the Group.

## **Interest Rate Management**

The Group actively monitors subsidiaries' cash flow forecasts, redistributing surplus cash to the corporate level to reduce gross debt. By arranging intra-group loans from cash-rich companies to meet funding needs of other group companies, the Group optimises the use of surplus cash and minimises overall interest costs. Intra-group financing arrangements are regularly reviewed to adjust for changes in foreign exchange and interest rates.

In addition to raising funds directly on a fixed rate basis, the Group actively manage its interest rate risks from floating rate loans by using floating-to-fixed interest rate swap contracts and applying hedge accounting. As at 31 December 2024, the Group had outstanding interest rate swap contracts amounting to HK\$18,410 million (2023: HK\$19,500 million), ensuring a more stable interest rate profile. As at 31 December 2024, the Group's fixed rate debt ratio (after swap contracts and fixed rate loans) was 46% (2023: 43%) on a gross debt level and 56% (2023: 58%) on a net debt level. All interest rate swaps qualified for hedge accounting.

## **Liquidity and Financing Management**

Total borrowings amounted to HK\$59,581 million (2023: HK\$55,131 million) comprising HK\$37,981 million HK\$ borrowings, HK\$20,305 million RMB borrowings, HK\$900 million AUD borrowings and HK\$395 million JPY borrowings.

As at 31 December 2024, total cash and bank deposit balances stood at HK\$11,207 million (2023: HK\$13,845 million), resulting in a net debt balance of HK\$48,374 million (2023: HK\$41,286 million). The increase in net debt balance was mainly due to the settlement of the last batch of land costs for the project in Shanghai Huangpu.

The Group adopts a proactive liquidity management approach to ensure sufficient capital resources for financing needs, disciplined investment opportunities and protection against external economic shocks. Funding requirements are closely monitored and reviewed to maintain financial flexibility and optimise funding costs.

As at 31 December 2024, all borrowings were unsecured, with no asset pledged as collateral. The Group will continue to prioritise unsecured financing and supplement it with secured project financing as needed.

The Group's available financial resources as at 31 December 2024 was HK\$38,136 million (2023: HK\$44,971 million), comprising undrawn bank loan facilities of HK\$26,929 million and cash and bank deposits of HK\$11,207 million, decreasing by 13% and 19% respectively compared to 31 December 2023. The reduction was mainly attributable to the utilisation of capital resources on the settlement of land costs as mentioned above. The available financial resources can cover approximately 64% of the total borrowings as at 31 December 2024.

## Sustainable Finance Initiatives

The Group recognises sustainable finance as a key enabler for long-term investments in sustainable economic activities and projects. In 2022, the Group established a sustainable finance framework to align the utilisation of financing instruments with our sustainability strategy and vision.

During 2024, the Group secured various sustainability-linked loan agreements, totalling approximately HK\$9,923 million in loan facilities. As at 31 December 2024, the Group's total sustainability-linked loan facilities amounted to approximately HK\$50,277 million (2023: HK\$41,116 million), representing 58% (2023: 48%) of the Group's total loan facilities. These loan facilities are tied to the Group's annual and cumulative sustainability performance, reinforcing our commitment to achieving sustainability targets while supporting the sustainable loan market's growth in the region. Proceeds from these facilities are used to drive long-term sustainability initiatives, enhance the climate resilience of the property portfolio, and support general corporate financing. The Group benefits from discounted interest rates upon meeting pre-determined sustainability milestones. With additional sustainability-linked loans in the pipeline, the Group plans to increase the sustainable finance portion of the Group's overall debt portfolio, further enhancing cost efficiency while advancing our environmental objectives.

## Debt Maturity Profile and Gearing Ratio

The Group's total borrowings as at 31 December 2024 amounted to HK\$59,581 million (2023: HK\$55,131 million). The debt maturity profile, with around 64% of the borrowings repayable after two years, is set out below:

Repayable:	2024		2023	
	HK\$ million		HK\$ million	
Within 1 year	9,700	16%	6,636	12%
In the second year	11,869	20%	13,034	24%
In the third to fifth year	38,012	64%	35,001	63%
Over 5 years	-	-	460	1%
<b>Total</b>	<b>59,581</b>	<b>100%</b>	<b>55,131</b>	<b>100%</b>

As at 31 December 2024, the Group's gearing ratio, calculated as net debt to total equity, stood at 41.5% (31 December 2023: 34.1%), based on net debt of HK\$48,374 million and total equity of HK\$116,647 million.

The Group provided guarantees for (i) banking facilities of certain associates and joint ventures; and (ii) mortgage facilities provided by banks to first-hand buyers of certain properties developed by the Group in the Mainland.

Details of contingent liabilities are set out in note 10 to the financial information of the Group included in this announcement.

## CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December	
		2024	2023
		HK\$ million	HK\$ million
Revenue	2	19,499	13,090
Cost of sales and direct expenses		<u>(13,113)</u>	<u>(6,369)</u>
Gross profit	2	6,386	6,721
Other net (losses)/gains	3	(114)	130
Selling, administrative and other operating expenses		(1,971)	(1,784)
(Decrease)/increase in fair value of investment properties		<u>(2,257)</u>	<u>1,034</u>
Operating profit before finance costs		2,044	6,101
Finance costs	3	<u>(378)</u>	<u>(600)</u>
Operating profit	3	1,666	5,501
Share of results of associates and joint ventures		916	1,358
Profit before taxation		2,582	6,859
Taxation	4	<u>(1,070)</u>	<u>(2,696)</u>
Profit for the year		<u>1,512</u>	<u>4,163</u>
Profit attributable to:			
Company's shareholders		808	3,243
Non-controlling interests		704	920
		<u>1,512</u>	<u>4,163</u>
Earnings per share	5		
- Basic		<u>HK\$0.56</u>	<u>HK\$2.23</u>
- Diluted		<u>HK\$0.56</u>	<u>HK\$2.23</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	HK\$ million	HK\$ million
Profit for the year	1,512	4,163
Other comprehensive income		
Items that may be reclassified to profit or loss		
Cash flow hedges	(58)	(295)
Share of other comprehensive income of associates and joint ventures	(107)	(38)
Net translation differences on foreign operations	(2,915)	(2,807)
Items that will not be reclassified to profit or loss		
Fair value (losses)/gains on financial assets at fair value through other comprehensive income	(118)	236
Share of other comprehensive income of associates and joint ventures	3	54
Release of exchange fluctuation reserve upon disposal of subsidiaries	10	-
Other comprehensive income for the year, net of tax	(3,185)	(2,850)
Total comprehensive income for the year	<u>(1,673)</u>	<u>1,313</u>
Total comprehensive income attributable to:		
Company's shareholders	(1,913)	815
Non-controlling interests	240	498
	<u>(1,673)</u>	<u>1,313</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Note	2024	2023
		HK\$ million	HK\$ million
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,540	4,323
Investment properties		84,273	76,965
Right-of-use assets		1,633	1,680
Properties under development and land deposits		25,113	39,223
Associates and joint ventures		25,450	24,823
Derivative financial instruments		487	582
Financial assets at fair value through other comprehensive income		845	758
Financial assets at fair value through profit or loss		620	651
Mortgage loans receivable		897	899
Intangible assets		123	123
		<b>143,981</b>	<b>150,027</b>
<b>Current assets</b>			
Properties under development		25,239	23,436
Completed properties held for sale		18,241	18,624
Accounts receivable, prepayments and deposits	6	2,214	1,787
Current portion of mortgage loans receivable		134	193
Tax recoverable		326	326
Tax reserve certificates		-	189
Derivative financial instruments		6	6
Restricted bank deposits		228	305
Cash and bank balances		10,979	13,540
		<b>57,367</b>	<b>58,406</b>
<b>Current liabilities</b>			
Accounts payable, deposits received and accrued charges	7	7,499	7,508
Contract liabilities		3,466	8,955
Current portion of lease liabilities		40	44
Taxation		1,601	2,589
Short-term bank loans and current portion of long-term bank loans	8	9,700	6,636
Derivative financial instruments		129	114
		<b>22,435</b>	<b>25,846</b>
<b>Net current assets</b>		<b>34,932</b>	<b>32,560</b>
<b>Total assets less current liabilities</b>		<b>178,913</b>	<b>182,587</b>
<b>Non-current liabilities</b>			
Long-term bank loans	8	49,881	48,495
Amounts due to non-controlling interests		1,838	2,237
Lease liabilities		1	41
Derivative financial instruments		293	279
Deferred taxation		10,253	10,378
		<b>62,266</b>	<b>61,430</b>
<b>ASSETS LESS LIABILITIES</b>		<b>116,647</b>	<b>121,157</b>
<b>EQUITY</b>			
Capital and reserves attributable to the Company's shareholders			
Share capital		1,451	1,451
Shares held for share award scheme		(50)	(50)
Share premium		13,133	13,105
Other reserves		957	3,982
Retained profits		87,820	88,769
		<b>103,311</b>	<b>107,257</b>
Non-controlling interests		13,336	13,900
<b>TOTAL EQUITY</b>		<b>116,647</b>	<b>121,157</b>

## NOTES

### 1. Basis of preparation and accounting policies

This financial information is extracted from the consolidated financial statements which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies are consistent with those as described in the Group's consolidated financial statements for the year ended 31 December 2023.

The following amendments to existing standards and interpretation have been published that are effective for the accounting period of the Group beginning on 1 January 2024:

Amendments to HKFRS 16, 'Lease liability in a sale and leaseback'  
Amendments to HKAS 1, 'Classification of liabilities as current or non-current'  
Amendments to HKAS 1, 'Non-current liabilities with covenants'  
Amendments to HKAS 7 and HKFRS 7, 'Supplier finance arrangements'  
Hong Kong Interpretation 5 (Revised), 'Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause'

The adoption of the above amendments to existing standards and interpretation had no material impact on the consolidated financial statements of the Group.

The following new standards, amendments to existing standards and interpretation have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2025, but the Group has not early adopted them:

	Applicable for accounting periods beginning on/after
Amendments to HKAS 21 and HKFRS 1, 'Lack of exchangeability'	1 January 2025
Amendments to HKFRS 9 and HKFRS 7, 'Classification and measurement of financial instruments'	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7, 'Annual improvements to HKFRS accounting standards – Volume 11'	1 January 2026
HKFRS 18, 'Presentation and disclosure in financial statements'	1 January 2027
HKFRS 19, 'Subsidiaries without public accountability: disclosures'	1 January 2027
Amendments to Hong Kong Interpretation 5, 'Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause'	1 January 2027
Amendments to HKFRS 10 and HKAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined

The Group will adopt the above new standards, amendments to existing standards and interpretation as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

## 2. Principal activities and segmental analysis of operations

An analysis of the Group's revenue and results for the year by principal activity and market is as follows:

Year ended 31 December 2024						
	The Company and its subsidiaries		Share of associates and joint ventures		Total	
	Revenue HK\$ million	Results HK\$ million	Revenue HK\$ million	Results HK\$ million	Combined revenue HK\$ million	Combined results HK\$ million
Property rental and others						
– Mainland property	3,727	2,681	342	229	4,069	2,910
– Hong Kong property	1,167	883	119	89	1,286	972
	4,894	3,564	461	318	5,355	3,882
Property sales						
– Mainland property	7,441	808	16	9	7,457	817
– Hong Kong property	5,487	1,444	886	(21)	6,373	1,423
	12,928	2,252	902	(12)	13,830	2,240
Hotel operations						
– Mainland property	1,677	570	462	149	2,139	719
– Hong Kong property	-	-	37	9	37	9
	1,677	570	499	158	2,176	728
<b>Total</b>	<b>19,499</b>	<b>6,386</b>	<b>1,862</b>	<b>464</b>	<b>21,361</b>	<b>6,850</b>
Year ended 31 December 2023						
	The Company and its subsidiaries		Share of associates and joint ventures		Total	
	Revenue HK\$ million	Results HK\$ million	Revenue HK\$ million	Results HK\$ million	Combined revenue HK\$ million	Combined results HK\$ million
Property rental and others						
– Mainland property	3,883	2,825	333	218	4,216	3,043
– Hong Kong property	1,103	814	131	101	1,234	915
	4,986	3,639	464	319	5,450	3,958
Property sales						
– Mainland property	3,327	1,727	132	38	3,459	1,765
– Hong Kong property	3,022	729	3,935	679	6,957	1,408
	6,349	2,456	4,067	717	10,416	3,173
Hotel operations						
– Mainland property	1,755	626	470	151	2,225	777
– Hong Kong property	-	-	36	8	36	8
	1,755	626	506	159	2,261	785
<b>Total</b>	<b>13,090</b>	<b>6,721</b>	<b>5,037</b>	<b>1,195</b>	<b>18,127</b>	<b>7,916</b>

## 2. Principal activities and segmental analysis of operations (continued)

An analysis of the Group's financial results by operating segment is as follows:

	Year ended 31 December 2024				
	Mainland Property HK\$ million	Hong Kong Property HK\$ million	Total Operating Segments HK\$ million	Others HK\$ million	Total HK\$ million
Revenue	12,845	6,654	19,499	-	19,499
Results					
Segment results - gross profit	4,059	2,327	6,386	-	6,386
Other net losses					(114)
Selling, administrative and other operating expenses					(1,971)
Decrease in fair value of investment properties					(2,257)
Operating profit before finance costs					2,044
Finance costs					(378)
Operating profit					1,666
Share of results of associates and joint ventures					916
Profit before taxation					2,582
Taxation					(1,070)
Profit for the year					1,512
Profit attributable to:					
Company's shareholders					808
Non-controlling interests					704
					1,512
Depreciation	372	60	432	5	437

## 2. Principal activities and segmental analysis of operations (continued)

	Year ended 31 December 2023				
	Mainland Property HK\$ million	Hong Kong Property HK\$ million	Total Operating Segments HK\$ million	Others HK\$ million	Total HK\$ million
Revenue	8,965	4,125	13,090	-	13,090
Results					
Segment results - gross profit	5,178	1,543	6,721	-	6,721
Other net gains					130
Selling, administrative and other operating expenses					(1,784)
Increase in fair value of investment properties					1,034
Operating profit before finance costs					6,101
Finance costs					(600)
Operating profit					5,501
Share of results of associates and joint ventures					1,358
Profit before taxation					6,859
Taxation					(2,696)
Profit for the year					4,163
Profit attributable to:					
Company's shareholders					3,243
Non-controlling interests					920
					4,163
Depreciation	381	60	441	3	444

### 3. Operating profit

	Year ended 31 December	
	2024	2023
	HK\$ million	HK\$ million
Operating profit is stated after crediting/charging the following:		
<i>Crediting</i>		
Dividend income	72	78
Interest income	578	660
<i>Charging</i>		
Depreciation of property, plant and equipment and right-of-use assets	437	444
Loss on disposal of subsidiaries	52	-
Provision for properties under development and completed properties held for sale	1,426	745
Total finance costs incurred	2,660	2,550
Less: amount capitalised in properties under development and investment properties under development	(2,282)	(1,950)
Total finance costs expensed during the year	378	600

#### 4. Taxation

	Year ended 31 December	
	2024	2023
	HK\$ million	HK\$ million
The taxation (charge)/credit comprises:		
Mainland taxation		
Current	(892)	(1,495)
(Under)/over provision in prior years	(35)	2
Deferred	(289)	(974)
	<b>(1,216)</b>	<b>(2,467)</b>
Hong Kong profits tax		
Current	(133)	(182)
Write-back/(under) provision in prior years	318	(4)
Deferred	(6)	(9)
	<b>179</b>	<b>(195)</b>
Overseas taxation		
Current	(12)	(13)
Deferred	(21)	(21)
	<b>(33)</b>	<b>(34)</b>
	<b><u>(1,070)</u></b>	<b><u>(2,696)</u></b>

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year. Income tax on the Mainland and overseas profits has been calculated on the estimated assessable profit for the year at the respective rates of taxation prevailing in the Mainland and the overseas countries in which the Group operates.

Land appreciation tax in the Mainland is levied on properties developed and sold by the Group, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including land costs, borrowing costs and all property development expenditures.

The Group recorded land appreciation tax of HK\$249 million (2023: HK\$690 million) for the year ended 31 December 2024 on sale of properties in the Mainland.

The Group's share of taxation of associates and joint ventures for the year of HK\$391 million (2023: HK\$322 million) is included in the share of results of associates and joint ventures in the consolidated income statement.

## 5. Earnings per share

### *Basic*

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2024	2023
Weighted average number of ordinary shares in issue	<u>1,451,305,728</u>	<u>1,451,305,728</u>
	HK\$ million	HK\$ million
Profit attributable to shareholders	<u>808</u>	<u>3,243</u>
Basic earnings per share	<u>HK\$0.56</u>	<u>HK\$2.23</u>

### *Diluted*

Diluted earnings per share is calculated by adjusting the profit attributable to shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Year ended 31 December	
	2024	2023
Weighted average number of ordinary shares in issue	1,451,305,728	1,451,305,728
Adjustment for share options (note)	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,451,305,728</u>	<u>1,451,305,728</u>
	HK\$ million	HK\$ million
Profit attributable to shareholders	<u>808</u>	<u>3,243</u>
Diluted earnings per share	<u>HK\$0.56</u>	<u>HK\$2.23</u>

Note: The share options outstanding during the year ended 31 December 2024 had an anti-dilutive effect.

## 6. Accounts receivable, prepayments and deposits

Included in accounts receivable, prepayments and deposits are trade receivables. The Group maintains defined credit policies and applies those appropriate to the particular business circumstances of the Group. The ageing analysis of trade receivables as at 31 December 2024 based on date of the invoice or the terms of the related sales and purchase agreements and net of impairment losses is as follows:

	As at 31 December 2024 HK\$ million	As at 31 December 2023 HK\$ million
Below 1 month	80	91
Between 1 month and 3 months	22	18
Over 3 months	16	13
	<u>118</u>	<u>122</u>

## 7. Accounts payable, deposits received and accrued charges

Included in accounts payable, deposits received and accrued charges are trade payables. The ageing analysis of trade payables as at 31 December 2024 is as follows:

	As at 31 December 2024 HK\$ million	As at 31 December 2023 HK\$ million
Below 1 month	568	199
Between 1 month and 3 months	13	27
Over 3 months	20	3
	<u>601</u>	<u>229</u>

## 8. Bank loans

	As at 31 December 2024 HK\$ million	As at 31 December 2023 HK\$ million
Bank loans - unsecured		
Non-current	49,881	48,495
Current	9,700	6,636
Total bank loans	<u>59,581</u>	<u>55,131</u>

## 8. Bank loans (continued)

As at 31 December 2024, the Group's bank loans were repayable as follows:

	As at 31 December 2024 HK\$ million	As at 31 December 2023 HK\$ million
Within one year	9,700	6,636
In the second to fifth year		
- In the second year	11,869	13,034
- In the third year	15,486	11,600
- In the fourth year	11,138	13,753
- In the fifth year	11,388	9,648
	<u>49,881</u>	<u>48,035</u>
Repayable within five years	59,581	54,671
Over five years	-	460
	<u>59,581</u>	<u>55,131</u>

## 9. Commitments

At 31 December 2024, the Group had capital and other commitments in respect of property, plant and equipment, investment properties, land costs and properties under development contracted for at the end of the year but not provided for in these financial statements as follows:

	As at 31 December 2024 HK\$ million	As at 31 December 2023 HK\$ million
Property, plant and equipment	14	-
Investment properties	2,034	438
Land costs	1,215	5,475
Properties under development	7,490	7,175
	<u>10,753</u>	<u>13,088</u>

## 10. Contingent liabilities

### Guarantees for banking facilities

	As at 31 December 2024 HK\$ million	As at 31 December 2023 HK\$ million
- Guarantees for banking facilities of certain associates and joint ventures (note (i))	4,321	4,059
- Guarantees to certain banks for mortgage facilities granted to first hand buyers of certain properties in the Mainland (note (ii))	<u>1,106</u>	<u>1,911</u>
	<u>5,427</u>	<u>5,970</u>

- (i) The Group has executed guarantees for banking facilities granted to certain associates and joint ventures. The utilised amount of such facilities covered by the Group's guarantees which also represented the financial exposure of the Group as at 31 December 2024 amounted to approximately HK\$4,321 million (2023: HK\$4,059 million). The total amount of such facilities covered by the Group's guarantees as at 31 December 2024 amounted to approximately HK\$5,430 million (2023: HK\$5,240 million).
- (ii) The Group has executed guarantees to certain banks for mortgage facilities granted to first hand buyers of certain properties developed by the Group in the Mainland. The utilised amount of such facilities covered by the Group's guarantees which also represented the financial exposure of the Group as at 31 December 2024 amounted to approximately HK\$1,106 million (2023: HK\$1,911 million).

Apart from the above, there are no material changes in contingent liabilities of the Group since 31 December 2023.

## **REVIEW OF FINAL RESULTS**

The financial information and the related notes in respect of this results announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor on this results announcement.

## **CORPORATE STRATEGY**

Our strategic focus is to develop and sell premium and luxury properties in prime locations in Hong Kong and major Mainland cities, while operating investment properties predominately on the Mainland with top-notch services to generate a stable recurring income stream. In addition, we exercise financial prudence by regularly scrutinising capital resources and liquidity. On the sustainability front, we aim to achieve best-in-class sustainability standards for our assets and throughout our communities. We ensure our projects in the pipeline are designed to achieve sustainable building certifications. At the same time, we strive to create a positive social impact, and value the relationships with our staff, suppliers, partners, government agencies and other key stakeholders.

## **PAST PERFORMANCE & FORWARD-LOOKING STATEMENTS**

The performance and results of the operations of the Group within this announcement are historical in nature, and past performance is no guarantee for the future results of the Group. This announcement may contain forward-looking statements and opinions, and all forward-looking statements, although based on reasonable estimates, assumptions and projections, involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, and the employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this announcement; and (b) no liability arising from any forward-looking statements or opinions that do not materialise or prove to be incorrect.

## **EMPLOYEES**

As at 31 December 2024, the Group had approximately 7,500 employees. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. The Group's emolument policy is formulated based on the performance, contribution and responsibilities of individual employees together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. Other employee benefits include provident fund, insurance, medical cover, subsidised educational and training programmes as well as the share award scheme. Further information regarding the share award scheme of the Company will be set out in the section headed "Share Award Scheme" of the Report of Directors in the Annual Report 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The CG Code sets out (a) the mandatory requirements for disclosure in the Corporate Governance Report; and (b) the principles of good corporate governance, the code provisions on a "comply or explain" basis and certain recommended best practices.

The Company complied with all the code provisions set out in the CG Code throughout 2024, except for C.2.1 of the code provisions as Mr. Kuok Khoon Hua ("**Mr. Kuok**") has served as both the Chairman and the CEO.

As Mr. Kuok has extensive experience in the business of the Group, the Company is of the view that it is in the best interest and is more efficient for Mr. Kuok to perform the role of Chairman as well as CEO. It is also more favourable to the development and management of the business of the Group. Moreover, the powers and authorities have not been concentrated as all major decisions are made in consultation with the Board as well as the appropriate Board Committees and the senior management team, who possess the relevant knowledge and expertise. The Board believes that the balance of powers and authorities is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code as the code for securities transactions by the Directors. A copy of the Model Code has been sent to all Directors by the Company. In addition, regular reminders are sent to the Directors regarding restrictions on dealings in the securities and derivatives of the Company during the black-out period before the interim and final results of the Company are published.

Under the Model Code, the Directors are required to notify the Chairman and receive a dated written acknowledgement before dealing in the securities and derivatives of the Company and, in case of the Chairman himself, he must notify a Director designated by the Board and receive a dated written acknowledgement before any dealing.

The Company made specific enquiries with all Directors and they have confirmed compliance with the required standards set out in the Model Code throughout 2024. The Company's employees who are likely to be in possession of unpublished and price-sensitive inside information have been requested to comply with provisions similar to those terms in the Model Code.

The Company is not aware of any non-compliance with the Model Code throughout 2024.

## **FINAL DIVIDEND AND CLOSURE OF REGISTERS OF MEMBERS**

The Board has recommended the payment of a final dividend of HK\$0.95 per share for the year ended 31 December 2024, amounting to approximately HK\$1,379 million in aggregate based on 1,451,305,728 ordinary shares in issue as at 31 December 2024 and payable on Tuesday, 10 June 2025 to the Shareholders (except for the holders of treasury shares, if any) whose names appear on the Registers of Members on Thursday, 29 May 2025. Currently, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise). The Registers of Members will be closed on Thursday, 29 May 2025, on which date no transfer of shares will be registered. The ex-dividend date will be Tuesday, 27 May 2025. The actual amount of the final dividend payable will be subject to the actual number of ordinary shares in issue on Thursday, 29 May 2025.

For the purpose of determining the eligible Shareholders' entitlement to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged for registration with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 28 May 2025.

Together with the interim dividend of HK\$0.40 per share, the total cash dividend for the year ended 31 December 2024 will be HK\$1.35 per share (2023: HK\$1.35 per share).

The final dividend warrants will be despatched to the eligible Shareholders on or about Tuesday, 10 June 2025.

## **2025 ANNUAL GENERAL MEETING AND CLOSURE OF REGISTERS OF MEMBERS**

The annual general meeting of the Company for the year ended 31 December 2024 will be held on Friday, 23 May 2025 at 2:30 p.m. A notice convening the annual general meeting will be issued and despatched to the Shareholders in due course.

The Registers of Members will be closed from Tuesday, 20 May 2025 to Friday, 23 May 2025, both days inclusive, on which period no transfer of shares will be registered. For the purpose of determining the eligible Shareholders' entitlement to attend and vote at the forthcoming annual general meeting to be held on Friday, 23 May 2025, all transfers accompanied by the relevant share certificates must be lodged for registration with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 19 May 2025.

## PUBLICATION OF 2024 FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.kerryprops.com/en/news/announcements/2025](http://www.kerryprops.com/en/news/announcements/2025). The Annual Report 2024 will be available on the websites of HKEXnews and the Company and despatched to the Shareholders on or about Tuesday, 29 April 2025.

### DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

<b>“Adjusted EPS”</b>	earnings per share calculated based on underlying profit;
<b>“AUD”</b>	Australian dollar, the lawful currency of Australia;
<b>“Board”</b>	the board of Directors;
<b>“CEO”</b>	the Chief Executive Officer of the Company;
<b>“CG Code”</b>	the Corporate Governance Code contained in Appendix C1 to the Listing Rules;
<b>“Chairman”</b>	the chairman of the Board;
<b>“Combined revenue/rental income/results”</b>	revenue/rental income/results from the Company, its subsidiaries and share of associates and joint ventures in the Mainland and Hong Kong;
<b>“Company”</b>	Kerry Properties Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
<b>“Directors”</b>	the director(s) of the Company;
<b>“EPS”</b>	earnings per share;
<b>“ESG”</b>	environmental, social and governance;
<b>“GDP”</b>	gross domestic product;
<b>“GFA”</b>	gross floor area;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“HKAS”</b>	Hong Kong Accounting Standard;
<b>“HKFRS”</b>	Hong Kong Financial Reporting Standard;

“JPY”	Japanese yen, the lawful currency of Japan;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;
“Registers of Members”	the registers of members of the Company;
“RMB”	Renminbi, the lawful currency of The People’s Republic of China;
“Shareholders”	the shareholders of the Company;
“sq ft”	square feet;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US”	the United States of America;
“%”	per cent; and
“% pts”	percentage points.

By Order of the Board  
**Kerry Properties Limited**  
**Cheng Wai Sin**  
*Company Secretary*

Hong Kong, 19 March 2025

*As at the date of this announcement, the Directors of the Company are:*

**Executive Director:** *Mr. Kuok Khoon Hua*

**Independent Non-executive Directors:** *Mr. Hui Chun Yue, David, Mr. Chum Kwan Lock, Grant and Dr. Li Rui*

**Non-executive Director:** *Ms. Tong Shao Ming*