



KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 683

2025 INTERIM REPORT

For the six months ended 30 June 2025



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FINANCIAL HIGHLIGHTS

| | 1H 2025 HK\$ Million | 1H 2024 HK\$ Million | % Change |
|--|-------------------------|-------------------------|----------|
| Combined revenue ⁽¹⁾ | 9,954 | 6,039 | 65% |
| <i>Property sales</i> | 6,422 | 2,325 | 176% |
| <i>Property rental and others</i> | 2,502 | 2,649 | -6% |
| <i>Hotel operations</i> | 1,030 | 1,065 | -3% |
| Revenue ⁽²⁾ | 8,059 | 5,040 | 60% |
| Underlying profit ⁽³⁾ | 978 | 1,403 | -30% |
| Profit attributable to shareholders | 612 | 788 | -22% |

| Financial information | 1H 2025 HK\$ | 1H 2024 HK\$ | % Change |
|-----------------------------------|-----------------|-----------------|----------|
| EPS | 0.42 | 0.54 | -22% |
| Adjusted EPS | 0.67 | 0.97 | -30% |
| Interim dividend per share | 0.40 | 0.40 | 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 non-cash impairment provision for development properties in 1H 2025, the one-off non-cash provision in 1H 2024 for certain land lots held by the Group in the Kwu Tung North New Development Area, and the non-cash change in fair value of investment properties in both periods.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of Kerry Properties Limited I am pleased to present the first half results of 2025.

Financial Results and Dividend

The Group reported profit attributable to shareholders of HK\$612 million for the first half of 2025 (1H 2024: HK\$788 million), representing a 22% year-on-year decline. Adjusting for the impact of exceptional items ⁽¹⁾ in both periods, underlying profit decreased by 30% year-on-year to HK\$978 million (1H 2024: HK\$1,403 million). This reduction in underlying profit was due to lower gross profit margins on development properties, lower rental revenue, increase in taxation, and higher costs—including pre-opening expenses for new investment properties and higher uncapitalised finance costs. EPS for the first half of 2025 was HK\$0.42 per share (1H 2024: HK\$0.54 per share), while Adjusted EPS based on underlying profit was HK\$0.67 per share (1H 2024: HK\$0.97 per share).

The Board has declared payment of an interim dividend of HK\$0.40 per share for the six months ended 30 June 2025 (1H 2024: HK\$0.40 per share).

The Group's contracted sales reached HK\$16,186 million (1H 2024: HK\$7,044 million) driven by the strong contribution from our Jinling project in Shanghai. Combined revenue increased by 65% year-on-year to HK\$9,954 million (1H 2024: HK\$6,039 million) driven by higher sales recognition for development properties, primarily Mont Verra and La Montagne in Hong Kong. This was partially offset by a 5% decline in combined rental income from investment properties and hotels, highlighting the persistent challenges in the commercial property market.

Hong Kong Business Performance

In Hong Kong, residential prices seem to be stabilising with overall transaction volumes at the half-year mark showing modest improvement year over year. That said, residential prices have dropped close to 30% over the past four years ⁽²⁾, and a significant overhang of completed yet unsold flats continues to temper expectations of any meaningful near-term rebound. The continued softness in retail sales and the somewhat elevated unemployment rate in the first half of the year point to economic sentiment still being low.

We are pleased with the market response to our two mid-range developments that were launched in February and July while our premium and luxury developments continue to clock-in sales periodically as we strive to optimise sales speed and margin.

Mainland Business Performance

Despite supportive policy measures, the Mainland residential market remains weak, particularly in the latter months of the first half of the year. Aside from first-tier cities, primary transaction volumes nationwide continued to decline while secondary transactions in first-tier cities, previously resilient, decreased year over year in June. The year over year increase in the premium of land transactions in first-tier cities has also narrowed significantly in June as compared to May. At the end of June, RMB bank deposits continued to swell to RMB320 trillion, reflecting a 6% increase from the December 2024 and a whopping 40% since June 2021 ⁽³⁾, a period when economic sentiment in the Mainland was at a multi-year high. This data we feel reflects the continued low confidence in the economy and property market.

Note:

- (1) Exceptional items refer to the non-cash impairment provision for development properties in 1H 2025, the one-off non-cash provision in 1H 2024 for certain land lots held by the Group in the Kwu Tung North New Development Area, and the non-cash change in fair value of investment properties in both periods.
- (2) Source: Rating and Valuation Department of Hong Kong Special Administrative Region
- (3) Source: The People's Bank of China

We were pleased with the market's reception of our high-end residential project in Shanghai, although sales in our projects in other cities remained sluggish. Notwithstanding the considerable headwinds in the commercial property market, we were encouraged by the modest growth in our retail tenant sales driven in part by a fairly resilient trade mix and targeted marketing initiatives.

Sustainable Development

We continue to make meaningful progress on our decarbonisation path through active engagement with stakeholders across our value chain. We are selectively increasing the proportion of green energy in our various developments which, coupled with various other initiatives, position us to meet our decarbonisation targets according to schedule. On that note, I am pleased to share with you that our carbon reduction targets have been officially validated by the Science-Based Targets initiative ("SBTi"), representing a significant milestone in our sustainability journey. We look forward to doing our part to build a more sustainable future for our communities.

Outlook

We maintain a positive long-term view on the Hong Kong and Mainland economies. The Mainland economy is entering a higher-quality, lower-growth phase as the Government shores up its ability to defend against external shocks and focuses on the development of advanced technologies and industrial processes. At the same time, we feel that the Government is mindful of the economy and especially the well-being of the middle to lower income population. Compared to the last one to two decades of tremendous growth in property markets and traditional manufacturing, the next few years will likely entail a tightening of belts all around as the nation pivots to a leaner and more sustainable economic composition. Fortunately, and especially for Hong Kong, this new phase of growth in the Mainland will likely be coupled with further opening up of trade and investment policies for foreign companies investing and doing business in the Mainland, and for Chinese companies doing likewise outside of the Mainland. As long as the Mainland continues to grow, prosper and remains open to doing business with the rest of the world, Hong Kong, with its unique super-connector role between the Mainland and the rest of the world, will stand to benefit.

In the near term meaningful headwinds to the general economy and property market remain and the Mainland's path to economic repositioning will not be without bumps and the odd convulsions. We therefore continue to be vigilant and prioritise the health and resiliency of our company.

I would like to express my heartfelt gratitude to our colleagues for their steadfast commitment, tirelessness, and adaptability in navigating this dynamic market landscape. I would also like to thank my fellow directors for their continued guidance and support.

Kuok Khoon Hua

Chairman

Hong Kong, 20 August 2025

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

KEY HIGHLIGHTS

| HK\$ Million | 1H 2025 | 1H 2024 | Change, favourable/ (unfavourable) |
|--|--------------------|------------------------|------------------------------------|
| Combined revenue | 9,954 | 6,039 | 65% |
| Combined results | 2,693 | 2,720 | -1% |
| Gross margin (%) | 27% | 45% | -18% pts |
| Underlying profit | 978 | 1,403 | -30% |
| Provision on development properties | (115) | (411) | 72% |
| Underlying profit including provision on development properties | 863 | 992 | -13% |
| Fair value changes of investment properties | (251) | (204) | -23% |
| Profit attributable to shareholders | 612 | 788 | -22% |
| <i>Further details regarding underlying profit are provided below:</i> | | | |
| Net finance costs | (331) | (195) | -70% |
| Taxation | (609) | (451) | -35% |
| Contracted sales | 16,186 | 7,044 | 130% |
| | | | |
| | As of 30 June 2025 | As of 31 December 2024 | Change |
| Gearing ratio (%) | 38.4% | 41.5% | -3.1% pts |

Combined revenue

Combined revenue rose by 65% to HK\$9,954 million (1H 2024: HK\$6,039 million). Combined revenue for development properties increased by 176% year-on-year to HK\$6,422 million (1H 2024: HK\$2,325 million) primarily driven by higher revenue recognition in Hong Kong. Conversely, combined revenue from investment properties and hotels declined by 5% year-on-year, amounting to HK\$3,532 million (1H 2024: HK\$3,714 million).

| Combined revenue in the Mainland and Hong Kong | | | | |
|--|--------------|--------------|-----------------------------------|---------------------------------------|
| HK\$ Million | 1H 2025 | 1H 2024 | % Change Reporting currency basis | % Change Constant exchange rate basis |
| Development properties | | | | |
| Mainland | 176 | 884 | -80% | -80% |
| Hong Kong | 6,246 | 1,441 | 333% | 333% |
| Total | 6,422 | 2,325 | 176% | 176% |
| Investment properties and hotels | | | | |
| Mainland rental properties | 1,955 | 2,053 | -5% | -5% |
| Hong Kong rental properties | 547 | 596 | -8% | -8% |
| Hotel operations | 1,030 | 1,065 | -3% | -3% |
| Total | 3,532 | 3,714 | -5% | -5% |

Combined results

The Group's combined results amounted to HK\$2,693 million (1H 2024: HK\$2,720 million), with a corresponding gross margin of 27% (1H 2024: 45%). The decline in gross margin was primarily due to a different product mix of development properties recognised, coupled with reduced rental revenue from investment properties while fixed costs were maintained to uphold high property standards, alongside increased marketing and pre-opening expenses.

Provision on development properties

As a result of the weak market conditions in the residential sector, an impairment provision of HK\$115 million on development properties in the Mainland was recorded in the first half of 2025. Meanwhile, a one-off non-cash provision of HK\$411 million for certain land sites held by the Group in the Kwu Tung North New Development Area was made in the first half of 2024, stemming from the resumption of these sites by the Hong Kong government.

Investment property revaluation

The Group's investment property portfolio was valued at HK\$86,291 million as of 30 June 2025 (31 December 2024: HK\$84,273 million). This includes the Mainland portfolio valued at HK\$57,695 million (31 December 2024: HK\$55,839 million), and the Hong Kong portfolio valued at HK\$28,596 million (31 December 2024: HK\$28,434 million).

Due to the persistent downturn in the office and retail sectors, an attributable share of non-cash fair value loss of investment properties (net of deferred tax) of HK\$251 million was recognised in the first half of 2025 (1H 2024: HK\$204 million). Capitalisation rates remained steady.

Finance costs

Gross finance costs decreased by 10% to HK\$1,173 million (1H 2024: HK\$1,306 million) primarily due to lower interest rates. However, net finance costs charged to the consolidated income statement rose to HK\$331 million (1H 2024: HK\$195 million) as the proportion of capitalised finance costs decreased upon the completion and presale of various projects. Hence, capitalised finance costs declined to HK\$842 million (1H 2024: HK\$1,111 million).

Through active management of treasury activities, the effective interest rate declined to 4.0% (1H 2024: 4.6%). The average debt maturity as of 30 June 2025 was 2.7 years (31 December 2024: 2.6 years). Further details regarding the Group's treasury policies and activities can be found in the "Capital Resources and Liquidity" section.

Taxation

Taxation increased to HK\$609 million (1H 2024: HK\$451 million) primarily due to the absence of write-back of tax provision during the reporting period (1H 2024: write-back of tax provision of HK\$319 million).

Contracted sales

The Group recorded contracted sales of HK\$16,186 million (1H 2024: HK\$7,044 million), marking an increase of 130% year-on-year, primarily attributable to higher contracted sales in the Mainland.

| Contracted sales in the Mainland and Hong Kong | | | | | |
|--|---------------|---------|----------|-----------------------|-----------------------|
| HK\$ Million | 1H 2025 | 1H 2024 | % Change | 1H 2025 % of total | 1H 2024 % of total |
| Development properties | | | | | |
| Mainland | 10,644 | 1,204 | 784% | 66% | 17% |
| Hong Kong | 5,542 | 5,840 | -5% | 34% | 83% |
| Total | 16,186 | 7,044 | 130% | 100% | 100% |

As of 30 June 2025, contracted sales yet to be recognised amounted to approximately HK\$19,300 million, of which 74% was generated from Mainland and 26% from Hong Kong projects. Revenue recognition is expected from the second half of 2025 to 2027 upon completion of these projects and handover of the completed units to buyers.

Gearing ratio

The Group's gearing ratio as of 30 June 2025 decreased to 38.4% (31 December 2024: 41.5%) as sales proceeds from various development property projects were received. The Group remains on track with executing its deleveraging plan and will uphold disciplined financial management to maintain gearing at a reasonable level.

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, as well as in 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 sustaining growth for years to come and will be pursuing a prudent and selective landbanking strategy to support long-term sustainable growth.

Property Portfolio Composition

The Group's property portfolio comprised 49.7 million sq ft of attributable GFA as of 30 June 2025 (31 December 2024: 50.1 million sq ft) across the Mainland, Hong Kong and other overseas locations.

Of the 14.7 million sq ft of attributable GFA of properties under development in the Mainland, approximately 5.1 million sq ft was allocated for a mixed-use project located in Shanghai's Huangpu district consisting of residential and commercial components. This is a strategic project that is expected to generate healthy sales revenue from development properties in the medium term, while enhancing the investment property portfolio in downtown Shanghai with progressively increasing recurrent rental revenue.

A summary of the Group's property portfolio in attributable GFA follows:

| The Group's property portfolio in attributable GFA | | | | | |
|--|---------------|--------------|---------------|--------------------------|------------------------------|
| | | | | As of 30 June 2025 | As of 31 December 2024 |
| ('000 sq ft) | Mainland | Hong Kong | Overseas | Total | Total |
| Properties under development | 14,748 | 1,437 | 4,476 | 20,661 | 24,106 |
| Investment properties | 13,415 | 3,073 | 1,990 | 18,478 | 15,899 |
| Hotel properties | 4,807 | 38 | 504 | 5,349 | 5,176 |
| Properties held for sale | 4,745 | 472 | 1 | 5,218 | 4,926 |
| Total GFA | 37,715 | 5,020 | 6,971* | 49,706 | 50,107 |

Note: * Includes 6,855,000 sq ft of attributable GFA held through Shang Properties, Inc., a listed company in the Philippines.

Development Property Pipeline

Based on its existing portfolio of properties under development, the Group maintains a healthy sales pipeline, supported by upcoming development property projects sufficient for the next five years and beyond. As of 30 June 2025, the total attributable GFA of for-sale development properties in the Mainland and Hong Kong was 8.4 million sq ft.

Looking into the Mainland, the Group's pipeline will yield 7.1 million sq ft of attributable GFA. All of the Mainland development properties are integral to master-planned mixed-use developments in key city areas, offering convenient access to transport networks. They will feature high-quality homes with the added benefit of amenities from their 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 1.3 million sq ft of attributable GFA. This allows the Group to sustain a balanced pipeline comprising a diverse mix of premium and middle-market developments.

| The Group's attributable development property completion pipeline | | | | |
|---|------------------|-----------|--------------|----------------------------------|
| Target completion | Location | Region | Equity stake | Attributable GFA ('000 sq ft) |
| 2025 | Yuen Long | Hong Kong | 100% | 246 |
| 2025 | Shanghai Pudong | Mainland | 40% | 205 |
| 2025 onwards | Shenyang | Mainland | 60% | 1,378 |
| 2025 onwards | Wuhan | Mainland | 100% | 2,823 |
| 2027 | Tseung Kwan O | Hong Kong | 25% | 387 |
| 2027 onwards | Qinhuangdao | Mainland | 60% | 1,341 |
| 2027 onwards | Shanghai Huangpu | Mainland | 100% | 1,329 |
| 2028 | To Kwa Wan | Hong Kong | 100% | 370 |
| 2029 | Tsuen Wan | Hong Kong | 100% | 314 |
| | | | | 8,393 |
| Mainland Total | | | | 7,076 |
| Hong Kong Total | | | | 1,317 |
| Group Total | | | | 8,393 |

Investment Property and Hotel Pipeline

As of 30 June 2025, the Group held 21.3 million sq ft of attributable GFA within its major investment property and hotel portfolio. This includes office, retail, apartment, hotel and warehouse assets across both Hong Kong and the Mainland. The Mainland accounted for 85% or 18.2 million sq ft, while Hong Kong accounted for 15% or 3.1 million sq ft of the major investment property and hotel portfolio. The portfolio's composition follows:

| The Group’s investment property and hotel portfolio in Hong Kong and the Mainland (attributable GFA)* | | | | | | | | | |
|---|-----------|---------|----------|----------|----------|----------|--------|--------------------------|------------------------------|
| | | | | | | | | As of 30 June 2025 | As of 31 December 2024 |
| (’000 sq ft) | Hong Kong | Beijing | Shanghai | Shenzhen | Hangzhou | Shenyang | Others | Total | Total |
| Office | 778 | 711 | 1,519 | 3,496 | 337 | 354 | 684 | 7,879 | 6,662 |
| Retail | 1,197 | 98 | 959 | 437 | 1,808 | 486 | 1,278 | 6,263 | 5,098 |
| Hotel | 38 | 500 | 759 | 121 | 621 | 395 | 2,411 | 4,845 | 4,672 |
| Apartment | 799 | 277 | 774 | – | 197 | – | – | 2,047 | 1,850 |
| Warehouse | 299 | – | – | – | – | – | – | 299 | 299 |
| Total | 3,111 | 1,586 | 4,011 | 4,054 | 2,963 | 1,235 | 4,373 | 21,333 | 18,581 |

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

Over the next six years and beyond, the Group anticipates adding 7.6 million sq ft of attributable GFA to its investment property and hotel portfolio from major mixed-use projects. This encompasses approximately 4.5 million sq ft for office properties, 2.9 million sq ft for retail and 0.2 million sq ft for hotels. Key cities driving this expansion are Shanghai (Pudong and Huangpu districts), Wuhan and Shenyang.

| The Group's major mixed-use projects under development in the Mainland (attributable GFA) | | | | | |
|---|------------------|--------------|--------------|------------|--------------|
| Target completion | City | Office | Retail | Hotel | Total |
| | | | ('000 sq ft) | | |
| 2026 | Shanghai Pudong | 110 | 981 | – | 1,091 |
| From 2026 | Shenyang | 447 | 594 | – | 1,041 |
| From 2026 | Zhengzhou | 349 | – | 226 | 575 |
| From 2029 | Shanghai Huangpu | 2,396 | 1,332 | – | 3,728 |
| From 2031 | Wuhan | 1,163 | – | – | 1,163 |
| Total | | 4,465 | 2,907 | 226 | 7,598 |

The Group has established a solid pipeline of mixed-use projects in major cities, attributable to its strategic vision and disciplined landbanking. The upcoming launches of premium offices, malls and hotels are anticipated to serve as growth catalysts, delivering steadily increasing recurrent revenue. Furthermore, the Group will concentrate on asset enhancement to maintain the competitiveness of its properties. Efficient management of current assets and high-quality service for tenants will also underpin the Group's rental levels, occupancies and tenant loyalty.

MAINLAND PROPERTY DIVISION

Overview

The Mainland Property Division recorded combined revenue of HK\$3,143 million (1H 2024: HK\$3,987 million) and combined results of HK\$1,695 million (1H 2024: HK\$2,103 million) for the first half of 2025. The decline in combined revenue was primarily driven by lower recognised sales from development properties.

(i) Development Property Portfolio Performance

Combined revenue from development properties in the Mainland Property Division amounted to HK\$176 million (1H 2024: HK\$884 million). This reduction was attributed to the timing difference between contracted sales and revenue recognition. The majority of sales recognition in 2025 is expected in the second half of the year upon completion of relevant projects and handover of completed units to buyers. Combined results amounted to a loss of HK\$3 million (1H 2024: profit of HK\$224 million), mainly due to a different product mix.

The Mainland Property Division delivered attributable contracted sales of HK\$10,644 million (1H 2024: HK\$1,204 million), mainly contributed by the first phase of the Shanghai Jinling Residences presales. Sales momentum for other projects in the second and third-tier cities remained slow. A summary of major attributable contracted sales in the Mainland for the first half of 2025 follows:

| Project name | Group's attributable interest | Location | Approximate total saleable area (sq ft) | Total contracted sales in 1H 2025 (HK\$ Million) |
|--------------------|-------------------------------|------------------|---|--|
| Jinling Residences | 100% | Shanghai | 1,329,000 | 9,922 |
| The Arcadia | 60% | Shenyang | 3,283,000 | 318 |
| River Mansion | 100% | Wuhan | 1,561,000 | 151 |
| Habitat Phase II | 60% | Qinhuangdao | 1,954,000 | 82 |
| Arcadia Terrace | 49% | Tianjin | 299,000 | 76* |
| The Bayside | 100% | Shenzhen Qianhai | 459,000 | 71 |
| Others | — | — | — | 24 |
| Total | | | | 10,644 |

Note: Others include sales from projects in Kunming, Qinhuangdao, Fuzhou 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 primarily comprises office, retail, apartments-for-lease and hotel properties in key cities. In the first half of 2025, combined revenue from the Mainland investment property and hotel portfolio amounted to HK\$2,967 million (1H 2024: HK\$3,103 million).

Excluding hotels, Mainland investment properties contributed combined rental revenue of HK\$1,955 million (1H 2024: HK\$2,053 million) and combined results of HK\$1,366 million (1H 2024: HK\$1,520 million). The corresponding gross margin was 70% (1H 2024: 74%), with the decrease largely attributable to reduced rental revenue while fixed costs were maintained to uphold high property standards, alongside increased marketing and pre-opening expenses. On a constant exchange rate basis, Mainland combined rental revenue recorded a 5% reduction, with lower office and apartment rental revenue partly offset by marginally higher retail rental revenue. A summary of Mainland combined rental income follows:

| Combined rental income of the Mainland Property Division (excluding hotel revenue) | | | | |
|--|-------------------------|-------------------------|---|--|
| Investment properties | 1H 2025 HK\$ Million | 1H 2024 HK\$ Million | % Change Reporting currency basis | % Change Constant exchange rate basis |
| The Company and its subsidiaries | 1,784 | 1,884 | -5% | -5% |
| Share of associates and joint ventures | 171 | 169 | 1% | 1% |
| Total | 1,955 | 2,053 | -5% | -5% |
| Office | 1,050 | 1,138 | -8% | -7% |
| Retail | 670 | 662 | 1% | 1% |
| Apartment | 168 | 180 | -7% | -7% |
| Carpark and others | 67 | 73 | -8% | -8% |
| Total | 1,955 | 2,053 | -5% | -5% |

The office segment remained the major revenue driver for the Group's investment property portfolio. However, with limited economic visibility and an oversupply of office buildings, corporate tenants have prioritised cost cutting and space optimisation, leading to instances of lease restructuring, downsizing or relocation. To secure recurring revenue in this challenging market, the Group concentrated on lease renewals, aiming for favourable leasing terms based on current market prices while adapting flexibly to address tenants' needs to maintain stable occupancy levels.

Performance of the retail segment was largely stable, characterised by steady foot traffic, improved tenant sales and stable occupancy levels, despite soft consumer sentiment. This was partly attributable to the premium locations and quality of our assets, alongside property enhancements, an effective tenant mix optimisation strategy and successful placemaking marketing events.

Meanwhile, a building within the residential leasing portfolio commenced renovation during the reporting period, leading to some loss in rental income. Excluding the impact of this renovation, the residential leasing portfolio demonstrated stable performance on a like-for-like basis, recording a slight 1% drop in combined revenue on a constant exchange rate basis and an improved occupancy level. The Group will continue to prioritise revenue management by optimising its retail brand mix, executing effective marketing strategies and focusing on renewals within its established blue-chip and red-chip tenant base.

The Mainland investment property portfolio GFA increased during the first half of 2025 mainly due to the completion of new mixed-use developments in Hangzhou, Tianjin and Shenzhen Qianhai. A breakdown of attributable GFA by asset type and respective occupancy rates follows:

| | As of 30 June 2025 | | As of 31 December 2024 | |
|-----------|---------------------------------------|----------------|---------------------------------------|----------------|
| | Group's attributable GFA ('000 sq ft) | Occupancy rate | Group's attributable GFA ('000 sq ft) | Occupancy rate |
| Office | 7,101 | 90% | 5,884 | 90% |
| Retail | 5,066 | 90% | 3,901 | 89% |
| Apartment | 1,248 | 94% | 1,051 | 91% |
| | 13,415 | | 10,836 | |

Note: As of 30 June 2025, occupancy rates excluded one tower at Shanghai Central Residences Phase II due to major refurbishments, as well as newly completed projects in Hangzhou, Tianjin and Shenzhen Qianhai, which were not yet operational.

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

| Property name | Occupancy rate as of 30 June 2025 | Occupancy rate as of 31 December 2024 |
|---|-----------------------------------|---------------------------------------|
| Shanghai Jing An Kerry Centre * | 94% | 94% |
| Shanghai Pudong Kerry Parkside * | 97% | 97% |
| Beijing Kerry Centre * | 85% | 87% |
| Hangzhou Kerry Centre * | 92% | 90% |
| Shenzhen Kerry Plaza | 92% | 92% |
| Shenzhen Qianhai Kerry Centre Phases I and II * | 90% | 87% |

Note: * Excludes the hotel portion.

The Group's hotel business in the Mainland saw a decline in the first half of 2025, with combined revenue of HK\$1,012 million (1H 2024: HK\$1,050 million), representing a 4% year-on-year decrease in reporting currency terms and a 3% drop on a constant exchange rate basis, mainly due to lower food and beverage contributions.

HONG KONG PROPERTY DIVISION

Overview

The Hong Kong Property Division reported combined revenue of HK\$6,811 million (1H 2024: HK\$2,052 million) and combined results of HK\$998 million (1H 2024: HK\$617 million), with the increase in combined revenue mainly due to higher sales recognition from development properties.

(i) Development Property Portfolio Performance

The Group recorded development property combined revenue of HK\$6,246 million (1H 2024: HK\$1,441 million). Combined results amounted to HK\$573 million (1H 2024: HK\$152 million), with a gross margin of 9% (1H 2024: 11%). The changes in combined revenue and gross margin were mainly attributed to a different product mix.

The Hong Kong Property Division achieved total attributable contracted sales of HK\$5,542 million (1H 2024: HK\$5,840 million). This was contributed by various projects: HAVA in Yuen Long, launched during the reporting period, delivered HK\$2,020 million of contracted sales. Ongoing sales at the Mont Verra high-end project amounted to HK\$1,876 million, although the sales pace was slower compared to the same period last year when pent-up demand was unleashed following the removal of property cooling measures. The Group's Wong Chuk Hang MTR station project, La Montagne, recorded HK\$1,432 million in attributable contracted sales. Lastly, the remaining units at The Aster in Happy Valley have been sold out during the reporting period, contributing HK\$140 million in contracted sales.

A summary of Hong Kong's contracted sales achieved for the first half of 2025 follows:

| Project name | Group's attributable interest | Location | Approximate total saleable area (sq ft) | Total contracted sales in 1H 2025 (HK\$ Million) |
|--------------|-------------------------------|----------------|---|--|
| HAVA | 100% | Yuen Long | 215,000 | 2,020 |
| Mont Verra | 100% | Beacon Hill | 325,000 | 1,876 |
| La Montagne | 50% | Wong Chuk Hang | 559,000 | 1,432 * |
| The Aster | 100% | Happy Valley | 71,000 | 140 |
| Others | — | — | — | 74 |
| Total | | | | 5,542 |

* 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 the first half of 2025, the Hong Kong investment property portfolio achieved combined rental revenue of HK\$547 million (1H 2024: HK\$596 million) and combined results of HK\$419 million (1H 2024: HK\$461 million), resulting in a gross margin of 77% (1H 2024: 77%). The lower revenue reflected the persistent weak office and retail market conditions. Additionally, the portfolio was impacted by reduced rental income from certain development property units that transitioned to sales during the reporting period, as well as the loss of rental income from the conversion of The Aster. Excluding these exceptional factors, Hong Kong combined rental revenue decreased by 4% year-on-year.

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

| Combined rental income of the Hong Kong Property Division | | | |
|---|-------------------------|-------------------------|----------|
| Investment properties | 1H 2025 HK\$ Million | 1H 2024 HK\$ Million | % Change |
| The Company and its subsidiaries | 496 | 542 | -8% |
| Share of associates and joint ventures | 51 | 54 | -6% |
| Total | 547 | 596 | -8% |
| Apartment | 209 | 227 | -8% |
| Retail | 162 | 183 | -11% |
| Office | 111 | 120 | -8% |
| Carpark and others | 61 | 61 | — |
| Warehouse | 4 | 5 | -20% |
| Total | 547 | 596 | -8% |

The apartment portfolio remained stable, but its revenue was impacted by the exceptional factors stated above. Excluding these factors, Hong Kong combined rental revenue for the apartment segment delivered a 5% year-on-year growth on a like-for-like basis.

MegaBox was affected by the soft consumer sentiment and ongoing partial refurbishment, resulting in lower revenue. However, supported by its positioning as a family-oriented mall, it achieved a high occupancy level if excluding the area under refurbishment.

Significant challenges persisted in the office segment throughout the first half of 2025 amid an oversupply of office space and subdued demand driven by a bleak economic outlook. Office rents were adjusted downward in order to maintain a stable occupancy level.

There has been no change in the Hong Kong investment property portfolio during the first half of 2025. A breakdown of attributable GFA by asset type and respective occupancy rates follows:

| | As of 30 June 2025 | | As of 31 December 2024 | |
|--------------------------|---------------------------------------|----------------|---------------------------------------|----------------|
| | Group's attributable GFA ('000 sq ft) | Occupancy rate | Group's attributable GFA ('000 sq ft) | Occupancy rate |
| Retail ⁽¹⁾ | 1,197 | 97% | 1,197 | 100% |
| Apartment ⁽²⁾ | 799 | 96% | 799 | 95% |
| Office | 778 | 80% | 778 | 78% |
| Warehouse | 299 | 20% | 299 | 24% |
| | 3,073 | | 3,073 | |

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

| Property name | Occupancy rate as of 30 June 2025 | Occupancy rate as of 31 December 2024 |
|-------------------------------------|-----------------------------------|---------------------------------------|
| MegaBox ⁽¹⁾ / | 97% | 100% |
| Enterprise Square Five | 81% | 77% |
| Kerry Centre | 78% | 82% |
| Mid-Levels Portfolio ⁽²⁾ | 96% | 95% |

Note:

(1) As of 30 June 2025 and 31 December 2024, occupancy rate excluded area undergoing refurbishment at MegaBox.

(2) As of 30 June 2025 and 31 December 2024, occupancy rate excluded Branksome Crest due to major refurbishments.

MANAGEMENT DISCUSSION & ANALYSIS

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 mainly stems from RMB-denominated property developments and investments in the Mainland, as well as bank loans in RMB, AUD and JPY.

As at 30 June 2025, the Group's foreign currency borrowings of HK\$24,143 million comprised RMB20,830 million (equivalent to HK\$22,758 million), AUD187 million (equivalent to HK\$953 million) and JPY8,000 million (equivalent to HK\$432 million) in bank loans. As such, non-RMB foreign currency borrowings and RMB bank loans represented approximately 2% and 38% respectively, of the Group's total borrowings of HK\$59,624 million.

To hedge exchange rate exposure, the Group arranged cross currency swap contracts totalling AUD187 million and JPY8,000 million for bank borrowings drawn in Hong Kong. RMB bank borrowings, primarily funding Mainland development projects, are naturally hedged by aligning RMB borrowings with the net investment in the Mainland.

Interest Rate Management

The Group actively oversees subsidiaries' cash flow projections, reallocating surplus fund to the corporate level to reduce gross debt. By arranging intra-group loans from cash-rich entities to address funding requirements across the Group, we optimise surplus cash utilisation and minimise overall interest expenses. These intra-group financing arrangements are regularly reviewed and adjusted to account for fluctuations in foreign exchange and interest rates.

In addition to securing fixed-rate funding, the Group actively manages interest rate risks associated with floating-rate loans through floating-to-fixed interest rate swap contracts, with hedge accounting applied. As at 30 June 2025, the Group's outstanding interest rate swap contracts totalled HK\$18,570 million (31 December 2024: HK\$18,410 million), contributing to a more stable interest rate profile. As at 30 June 2025, the Group's fixed rate debt ratio, incorporating swap contracts and fixed rate loans, stood at 50% (31 December 2024: 46%) on a gross debt level and 65% (31 December 2024: 56%) on a net debt level. All interest rate swaps qualified for hedge accounting.

The Group's average all-in borrowing cost for the six months ended 30 June 2025 improved to 4.0%, down from 4.6% in the prior year, driven by proactive interest rate management and optimised financing strategies.

Liquidity and Financing Management

As at 30 June 2025, total borrowings amounted to HK\$59,624 million (31 December 2024: HK\$59,581 million) comprising HK\$35,481 million in HK\$ borrowings, HK\$22,758 million in RMB borrowings, HK\$953 million in AUD borrowings and HK\$432 million in JPY borrowings.

Total cash and bank deposit balances reached HK\$14,215 million (31 December 2024: HK\$11,207 million), resulting in a net debt balance of HK\$45,409 million (31 December 2024: HK\$48,374 million). The reduction in net debt balance was primarily driven by proceeds from the presale of residential units of Shanghai Jinling Residences.

The Group maintains a proactive liquidity management strategy to ensure ample capital resources for financing needs, disciplined investment opportunities and resilience against external economic challenges. Funding requirements are closely monitored to sustain financial flexibility and optimise funding costs.

In January 2025, the Group secured a landmark RMB7.5 billion 10-year onshore project loan with three leading domestic banks in the Mainland. This was followed in June 2025 by a HK\$8 billion 5-year sustainability-linked club loan arranged with seven prominent banks. These two milestone transactions underscore the strong confidence our banking partners have in the Group's long-term growth prospects. They also extend our debt maturity profile and enhance our funding platform to support future business expansion.

As at 30 June 2025, all borrowings remained unsecured, with no asset pledged as collateral. The Group will continue to prioritise unsecured financing, supplemented by secured project financing when necessary.

The Group's available financial resources as at 30 June 2025 was HK\$49,898 million (31 December 2024: HK\$38,136 million), comprising undrawn bank loan facilities of HK\$35,683 million and cash and bank deposits of HK\$14,215 million, increasing by 33% and 27% respectively compared to 31 December 2024. These financial resources covered approximately 84% of total borrowings as at 30 June 2025.

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 the first half of 2025, the Group strengthen its sustainable financing strategy by securing approximately HK\$15,675 million in sustainability-linked loans, along with a project-specific green loan of HK\$766 million. As at 30 June 2025, the Group's total sustainable financing reached approximately HK\$59,446 million (31 December 2024: HK\$50,277 million), representing 62% (31 December 2024: 58%) of the Group's total loan facilities. These loan facilities are tied to the Group's annual and cumulative sustainability performance, underscoring our dedication to meeting environmental objectives while contributing to the development of the sustainable finance market in the region. Proceeds from these financings support long-term sustainability initiatives, enhance the climate resilience of the property portfolio, and provide for general corporate financing needs. The Group also benefits from discounted interest rates upon meeting pre-determined sustainability milestones. With additional sustainability-linked loans in progress, the Group aims to expand the proportion of sustainable finance within the overall debt portfolio, driving both cost efficiency and environmental progress.

Debt Maturity Profile and Gearing Ratio

The Group's total borrowings as at 30 June 2025 amounted to HK\$59,624 million (31 December 2024: HK\$59,581 million) with average tenor of 2.7 years (31 December 2024: 2.6 years). The debt maturity profile, with around 67% of the borrowings repayable after two years, is set out below:

| Repayable: | 30 June 2025 | | 31 December 2024 | |
|----------------------------|---------------|-------------|------------------|-------------|
| | HK\$ Million | | HK\$ Million | |
| Within 1 year | 5,781 | 10% | 9,700 | 16% |
| In the second year | 13,764 | 23% | 11,869 | 20% |
| In the third to fifth year | 39,995 | 67% | 38,012 | 64% |
| Over 5 years | 84 | – | – | – |
| Total | 59,624 | 100% | 59,581 | 100% |

As at 30 June 2025, the Group's gearing ratio, calculated as net debt to total equity, stood at 38.4% (31 December 2024: 41.5%), based on net debt of HK\$45,409 million and total equity of HK\$118,173 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 12 to the financial information of the Group included in this interim report.

INDEPENDENT AUDITOR'S REVIEW REPORT



羅兵咸永道

Report On Review of Interim Financial Information
To the Board of Directors of Kerry Properties Limited
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 22 to 46, which comprises the condensed consolidated interim statement of financial position of Kerry Properties Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 30 June 2025 and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 August 2025

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CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

| | | Unaudited Six months ended 30 June | |
|--|---|---------------------------------------|----------------------|
| | | 2025 HK\$ million | 2024 HK\$ million |
| Revenue | 3 | 8,059 | 5,040 |
| Cost of sales and direct expenses | | (5,409) | (2,570) |
| Gross profit | 3 | 2,650 | 2,470 |
| Other net gains | | 337 | 25 |
| Selling, administrative and other operating expenses | | (916) | (871) |
| Decrease in fair value of investment properties | | (585) | (239) |
| Operating profit before finance costs | | 1,486 | 1,385 |
| Finance costs | 4 | (331) | (195) |
| Operating profit | 4 | 1,155 | 1,190 |
| Share of results of associates and joint ventures | | 198 | 389 |
| Profit before taxation | | 1,353 | 1,579 |
| Taxation | 5 | (609) | (451) |
| Profit for the period | | 744 | 1,128 |
| Profit attributable to: | | | |
| Company's shareholders | | 612 | 788 |
| Non-controlling interests | | 132 | 340 |
| | | 744 | 1,128 |
| Earnings per share | 6 | | |
| – Basic | | HK\$0.42 | HK\$0.54 |
| – Diluted | | HK\$0.42 | HK\$0.54 |

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

| | Unaudited Six months ended 30 June | |
|--|---------------------------------------|----------------------|
| | 2025 HK\$ million | 2024 HK\$ million |
| Profit for the period | 744 | 1,128 |
| Other comprehensive income | | |
| Items that may be reclassified to profit or loss | | |
| Cash flow hedges | (416) | 119 |
| Share of other comprehensive income of associates and joint ventures | 104 | (47) |
| Net translation differences on foreign operations | 2,540 | (2,145) |
| Items that will not be reclassified to profit or loss | | |
| Fair value gains/(losses) on financial assets at fair value through other comprehensive income | 38 | (114) |
| Release of exchange fluctuation reserve upon disposal of subsidiaries | – | 10 |
| Other comprehensive income for the period, net of tax | 2,266 | (2,177) |
| Total comprehensive income for the period | 3,010 | (1,049) |
| Total comprehensive income attributable to: | | |
| Company's shareholders | 2,415 | (1,014) |
| Non-controlling interests | 595 | (35) |
| | 3,010 | (1,049) |

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| | | Unaudited As at 30 June 2025 HK\$ million | Audited As at 31 December 2024 HK\$ million |
|---|------|---|---|
| | Note | | |
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 4,535 | 4,540 |
| Investment properties | 7 | 86,291 | 84,273 |
| Right-of-use assets | 7 | 1,631 | 1,633 |
| Properties under development and land deposits | | 27,022 | 25,113 |
| Associates and joint ventures | | 26,124 | 25,450 |
| Derivative financial instruments | | 122 | 487 |
| Financial assets at fair value through other comprehensive income | | 883 | 845 |
| Financial assets at fair value through profit or loss | | 602 | 620 |
| Mortgage loans receivable | | 1,226 | 897 |
| Intangible assets | 7 | 123 | 123 |
| | | 148,559 | 143,981 |
| Current assets | | | |
| Properties under development | | 26,386 | 25,239 |
| Completed properties held for sale | | 15,797 | 18,241 |
| Accounts receivable, prepayments and deposits | 8 | 2,935 | 2,214 |
| Current portion of mortgage loans receivable | | 261 | 134 |
| Tax recoverable | | 428 | 326 |
| Derivative financial instruments | | 24 | 6 |
| Restricted bank deposits | | 1,575 | 228 |
| Cash and bank balances | | 12,640 | 10,979 |
| | | 60,046 | 57,367 |
| Current liabilities | | | |
| Accounts payable, deposits received and accrued charges | 9 | 6,598 | 7,499 |
| Contract liabilities | | 9,762 | 3,466 |
| Current portion of lease liabilities | | 17 | 40 |
| Taxation | | 1,519 | 1,601 |
| Short-term bank loans and current portion of long-term bank loans | 10 | 5,781 | 9,700 |
| Derivative financial instruments | | 92 | 129 |
| | | 23,769 | 22,435 |
| Net current assets | | 36,277 | 34,932 |

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| | Note | Unaudited As at 30 June 2025 HK\$ million | Audited As at 31 December 2024 HK\$ million |
|---|------|---|---|
| Total assets less current liabilities | | 184,836 | 178,913 |
| Non-current liabilities | | | |
| Long-term bank loans | 10 | 53,843 | 49,881 |
| Amounts due to non-controlling interests | | 1,850 | 1,838 |
| Lease liabilities | | 1 | 1 |
| Derivative financial instruments | | 190 | 293 |
| Deferred taxation | | 10,779 | 10,253 |
| | | 66,663 | 62,266 |
| ASSETS LESS LIABILITIES | | 118,173 | 116,647 |
| EQUITY | | | |
| Capital and reserves attributable to the Company's shareholders | | | |
| Share capital | | 1,451 | 1,451 |
| Shares held for share award scheme | | (73) | (50) |
| Share premium | | 13,133 | 13,133 |
| Other reserves | | 2,700 | 957 |
| Retained profits | | 87,053 | 87,820 |
| | | 104,264 | 103,311 |
| Non-controlling interests | | 13,909 | 13,336 |
| TOTAL EQUITY | | 118,173 | 116,647 |

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

| | Unaudited Six months ended 30 June | |
|---|---------------------------------------|----------------------|
| | 2025 HK\$ million | 2024 HK\$ million |
| Operating activities | | |
| Net cash generated from operations | 8,300 | 911 |
| Interest paid | (1,243) | (1,336) |
| Income tax paid | (557) | (1,110) |
| Net cash generated from/(used in) operating activities | 6,500 | (1,535) |
| Investing activities | | |
| Additions of property, plant and equipment | (30) | (27) |
| Additions of investment properties | (831) | (166) |
| Increase in land deposits | (503) | (4,856) |
| Disposal of subsidiaries | – | 36 |
| Increase in investment in associates and joint ventures | (20) | (19) |
| Dividends received from associates and joint ventures | 111 | 299 |
| Additional loans to associates and joint ventures | (258) | (372) |
| Repayment of loans by associates and joint ventures | 220 | 703 |
| Mortgage loans to buyers | (615) | (64) |
| Repayment of mortgage loans from buyers | 141 | 45 |
| Interest received | 115 | 300 |
| Return of investment from financial assets at fair value through profit or loss | – | 6 |
| Increase in restricted bank deposits | (1,340) | (74) |
| Decrease in bank deposits maturing after more than three months | 17 | – |
| Dividends received from listed and unlisted investments | 44 | 31 |
| Proceeds from sale of property, plant and equipment | – | 1 |
| Net cash used in investing activities | (2,949) | (4,157) |

| | Unaudited Six months ended 30 June | |
|--|---------------------------------------|----------------------|
| | 2025 HK\$ million | 2024 HK\$ million |
| Financing activities | | |
| Purchase of shares for share award scheme | (26) | – |
| Repayment of bank loans | (30,612) | (25,949) |
| Drawdown of bank loans | 29,909 | 32,058 |
| Principal elements of lease payments | (23) | (23) |
| Dividends paid | (1,379) | (1,379) |
| Return of capital to non-controlling interests | (22) | (246) |
| Dividends of subsidiaries paid to non-controlling interests | – | (58) |
| Additional loans from non-controlling interests | – | 24 |
| Net cash (used in)/generated from financing activities | (2,153) | 4,427 |
| Increase/(decrease) in cash and cash equivalents | 1,398 | (1,265) |
| Effect of exchange rate changes | 280 | (283) |
| Cash and cash equivalents at 1 January | 10,961 | 13,519 |
| Cash and cash equivalents at 30 June | 12,639 | 11,971 |
| Analysis of cash and cash equivalents | | |
| Cash and bank balances (excluding bank deposits maturing after more than three months) | 12,639 | 11,971 |

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

| | Unaudited | | | | | | | |
|---|---|------------------------------------|---------------|----------------|------------------|----------------|---------------------------|------------------------------|
| | Attributable to the shareholders of the Company | | | | | | | Total equity HK\$ million |
| | Share capital | Shares held for share award scheme | Share premium | Other reserves | Retained profits | Total | Non-controlling interests | |
| | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | |
| Balance as at 1 January 2025 | 1,451 | (50) | 13,133 | 957 | 87,820 | 103,311 | 13,336 | 116,647 |
| Profit for the period | - | - | - | - | 612 | 612 | 132 | 744 |
| Cash flow hedges | - | - | - | (416) | - | (416) | - | (416) |
| Share of other comprehensive income of associates and joint ventures | - | - | - | 104 | - | 104 | - | 104 |
| Net translation differences on foreign operations | - | - | - | 2,077 | - | 2,077 | 463 | 2,540 |
| Fair value gains on financial assets at fair value through other comprehensive income | - | - | - | 38 | - | 38 | - | 38 |
| Total comprehensive income for the six months ended 30 June 2025 | - | - | - | 1,803 | 612 | 2,415 | 595 | 3,010 |
| Purchase of shares for share award scheme | - | (26) | - | - | - | (26) | - | (26) |
| Vesting of shares for share award scheme | - | 3 | - | (3) | - | - | - | - |
| Share-based compensation under share award scheme | - | - | - | 8 | - | 8 | - | 8 |
| Dividends paid | - | - | - | - | (1,379) | (1,379) | - | (1,379) |
| Share of other reserves of associates and joint ventures | - | - | - | (65) | - | (65) | - | (65) |
| Capital reduction of a subsidiary | - | - | - | - | - | - | (22) | (22) |
| Total transactions with owners | - | (23) | - | (60) | (1,379) | (1,462) | (22) | (1,484) |
| Balance as at 30 June 2025 | 1,451 | (73) | 13,133 | 2,700 | 87,053 | 104,264 | 13,909 | 118,173 |

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

| | Unaudited | | | | | | | |
|--|---|--|-------------------------------|--------------------------------|----------------------------------|-----------------------|---|------------------------------|
| | Attributable to the shareholders of the Company | | | | | | | Total equity HK\$ million |
| | Share capital HK\$ million | Shares held for share award scheme HK\$ million | Share premium HK\$ million | Other reserves HK\$ million | Retained profits HK\$ million | Total HK\$ million | Non-controlling interests HK\$ million | |
| Balance as at 1 January 2024 | 1,451 | (50) | 13,105 | 3,982 | 88,769 | 107,257 | 13,900 | 121,157 |
| Profit for the period | – | – | – | – | 788 | 788 | 340 | 1,128 |
| Cash flow hedges | – | – | – | 119 | – | 119 | – | 119 |
| Share of other comprehensive income of associates and joint ventures | – | – | – | (47) | – | (47) | – | (47) |
| Net translation differences on foreign operations | – | – | – | (1,770) | – | (1,770) | (375) | (2,145) |
| Fair value losses on financial assets at fair value through other comprehensive income | – | – | – | (114) | – | (114) | – | (114) |
| Release of exchange fluctuation reserve upon disposal of subsidiaries | – | – | – | 10 | – | 10 | – | 10 |
| Total comprehensive income for the six months ended 30 June 2024 | – | – | – | (1,802) | 788 | (1,014) | (35) | (1,049) |
| Lapse of share options | – | – | 28 | (28) | – | – | – | – |
| Share-based compensation under share award scheme | – | – | – | 3 | – | 3 | – | 3 |
| Dividends paid | – | – | – | – | (1,379) | (1,379) | (58) | (1,437) |
| Transfer | – | – | – | (403) | 403 | – | – | – |
| Share of other reserves of associates and joint ventures | – | – | – | (4) | – | (4) | – | (4) |
| Capital reduction of subsidiaries | – | – | – | – | – | – | (246) | (246) |
| Release of other reserves upon disposal of subsidiaries | – | – | – | – | – | – | (19) | (19) |
| Total transactions with owners | – | – | 28 | (432) | (976) | (1,380) | (323) | (1,703) |
| Balance as at 30 June 2024 | 1,451 | (50) | 13,133 | 1,748 | 88,581 | 104,863 | 13,542 | 118,405 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard 34 'Interim Financial Reporting' issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Group's 2024 annual financial statements. The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024. The adoption of amended standards which are effective for the accounting period beginning on 1 January 2025 had no material impact on these condensed consolidated interim financial statements.

2. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; and should be read in conjunction with the Group's 2024 annual financial statements. There have been no changes in the Group's financial risk management structure and policies since the year end.

(ii) Fair value estimation of financial instruments

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

2. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

(Continued)

(ii) Fair value estimation of financial instruments (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2025:

| | Level 1 HK\$ million | Level 2 HK\$ million | Level 3 HK\$ million | Total HK\$ million |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
| Assets | | | | |
| Derivative financial instruments | – | 146 | – | 146 |
| Financial assets at fair value through other comprehensive income | 67 | – | 816 | 883 |
| Financial assets at fair value through profit or loss | 7 | – | 595 | 602 |
| First mortgage loans receivable | – | – | 112 | 112 |
| Total assets | 74 | 146 | 1,523 | 1,743 |
| Liabilities | | | | |
| Derivative financial instruments | – | 282 | – | 282 |
| Total liabilities | – | 282 | – | 282 |

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2024:

| | Level 1 HK\$ million | Level 2 HK\$ million | Level 3 HK\$ million | Total HK\$ million |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
| Assets | | | | |
| Derivative financial instruments | – | 493 | – | 493 |
| Financial assets at fair value through other comprehensive income | 73 | – | 772 | 845 |
| Financial assets at fair value through profit or loss | 9 | – | 611 | 620 |
| First mortgage loans receivable | – | – | 139 | 139 |
| Total assets | 82 | 493 | 1,522 | 2,097 |
| Liabilities | | | | |
| Derivative financial instruments | – | 422 | – | 422 |
| Total liabilities | – | 422 | – | 422 |

There were no transfers between levels during the period.

2. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

(Continued)

(iii) Valuation techniques used to derive fair values of Level 2 financial instruments

Level 2 financial instruments of the Group comprise cross currency swap and interest rate swap contracts. The fair value is calculated as the present value of the estimated future cash flows based on forward exchanges rates that are quoted in an active market and/or forward interest rates extracted from observable yield curves.

(iv) Fair value measurements of financial instruments using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 instruments:

| | First mortgage loans receivable | | Financial assets at fair value through other comprehensive income | | Financial assets at fair value through profit or loss | |
|---|------------------------------------|--------------|---|--------------|---|--------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million |
| At 1 January | 139 | 155 | 772 | 758 | 611 | 641 |
| Gains/(losses) recognised in other comprehensive income or profit or loss | – | – | 44 | (24) | (16) | – |
| Repayments | (27) | (1) | – | – | – | – |
| Exchange adjustment | – | – | – | – | – | (6) |
| At 30 June | 112 | 154 | 816 | 734 | 595 | 635 |

The Group established fair value of unlisted financial assets by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no changes in valuation techniques during the period.

2. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

(Continued)

(v) Group's valuation processes for financial instruments

The Group's finance department includes a team that performs the valuation of financial assets required for financial reporting purposes, including Level 3 fair values. Discussions of valuation processes and results are held between the management and the valuation team at each reporting date. Reasons for the fair value movements will be explained during the discussions.

(vi) Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents
- Trade and other payables
- Bank loans
- Second mortgage loans receivable

(vii) Valuation of investment properties

| | Residential properties under development | | Commercial properties under development | | Completed residential properties | | Completed commercial properties | | Completed warehouse | Total |
|----------------------|---|--------------|--|--------------|-------------------------------------|--------------|------------------------------------|--------------|------------------------|--------------|
| | Hong Kong | Mainland | Hong Kong | Mainland | Hong Kong | Mainland | Hong Kong | Mainland | Hong Kong | |
| | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million | HK\$ million |
| At 1 January 2025 | 379 | 400 | 249 | 6,519 | 17,229 | 4,145 | 10,137 | 44,775 | 440 | 84,273 |
| Additions | 58 | – | 81 | 414 | 100 | 2 | 167 | 26 | – | 848 |
| Change in fair value | 3 | – | (57) | – | – | 142 | (90) | (483) | (100) | (585) |
| Transfer | – | (404) | – | (7,062) | – | 404 | – | 7,062 | – | – |
| Exchange adjustment | – | 4 | – | 129 | – | 139 | – | 1,483 | – | 1,755 |
| At 30 June 2025 | 440 | – | 273 | – | 17,329 | 4,832 | 10,214 | 52,863 | 340 | 86,291 |
| At 1 January 2024 | 397 | – | 195 | – | 16,759 | 4,288 | 10,186 | 44,657 | 483 | 76,965 |
| Additions | 27 | – | 45 | – | 41 | 6 | 18 | 29 | – | 166 |
| Change in fair value | (41) | – | (9) | – | 196 | (6) | (168) | (189) | (22) | (239) |
| Exchange adjustment | – | – | – | – | – | (98) | – | (1,023) | – | (1,121) |
| At 30 June 2024 | 383 | – | 231 | – | 16,996 | 4,190 | 10,036 | 43,474 | 461 | 75,771 |

2. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

(Continued)

(vii) Valuation of investment properties (Continued)

Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were revalued by Cushman & Wakefield Limited at 30 June 2025.

Valuation techniques

Fair value of completed properties in Hong Kong and the Mainland is mainly derived using the income approach and wherever appropriate, by market approach.

Income approach is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

Market approach is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

Fair value of investment properties under development in Hong Kong and the Mainland is generally derived using the residual method. This valuation method is essentially a means of valuing the completed properties by reference to its development potential by deducting development costs together with developer's profit from the estimated capital value of the proposed development assuming completed as at the date of valuation.

The valuation techniques used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024.

Significant unobservable inputs used to determine fair value

Capitalisation rates are estimated based on the risk profile of the investment properties being valued. The higher the rates, the lower the fair value. At 30 June 2025, capitalisation rates of 2.4% to 5.0% (31 December 2024: 2.4% to 5.0%) and 4.8% to 7.0% (31 December 2024: 4.8% to 7.0%) are used in the income approach for Hong Kong and the Mainland properties respectively.

Prevailing market rents are estimated based on recent lettings for Hong Kong and the Mainland investment properties, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

Estimated costs to completion and developer's profit required are estimated based on market conditions at the reporting date for investment properties under development. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The higher the costs and developer's profit, the lower the fair value.

The valuations of investment properties were based on the economic, market and other conditions as they exist on, and information available to management as of 30 June 2025.

3. PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(i) An analysis of the Group's revenue and gross profit for the period by principal activity and market is as follows:

| | Six months ended 30 June 2025 | | | | | |
|----------------------------|----------------------------------|-------------------------|--|-------------------------|----------------------------------|----------------------------------|
| | 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 | 1,784 | 1,247 | 171 | 119 | 1,955 | 1,366 |
| – Hong Kong property | 496 | 381 | 51 | 38 | 547 | 419 |
| | 2,280 | 1,628 | 222 | 157 | 2,502 | 1,785 |
| Property sales | | | | | | |
| – Mainland property | 176 | (3) | – | – | 176 | (3) |
| – Hong Kong property | 4,810 | 765 | 1,436 | (192) | 6,246 | 573 |
| | 4,986 | 762 | 1,436 | (192) | 6,422 | 570 |
| Hotel operations | | | | | | |
| – Mainland property | 793 | 260 | 219 | 72 | 1,012 | 332 |
| – Hong Kong property | – | – | 18 | 6 | 18 | 6 |
| | 793 | 260 | 237 | 78 | 1,030 | 338 |
| Total | 8,059 | 2,650 | 1,895 | 43 | 9,954 | 2,693 |

3. PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

- (i) An analysis of the Group's revenue and gross profit for the period by principal activity and market is as follows:
(Continued)

| | Six months ended 30 June 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 | 1,884 | 1,402 | 169 | 118 | 2,053 | 1,520 |
| – Hong Kong property | 542 | 420 | 54 | 41 | 596 | 461 |
| | 2,426 | 1,822 | 223 | 159 | 2,649 | 1,981 |
| Property sales | | | | | | |
| – Mainland property | 874 | 216 | 10 | 8 | 884 | 224 |
| – Hong Kong property | 918 | 147 | 523 | 5 | 1,441 | 152 |
| | 1,792 | 363 | 533 | 13 | 2,325 | 376 |
| Hotel operations | | | | | | |
| – Mainland property | 822 | 285 | 228 | 74 | 1,050 | 359 |
| – Hong Kong property | – | – | 15 | 4 | 15 | 4 |
| | 822 | 285 | 243 | 78 | 1,065 | 363 |
| Total | 5,040 | 2,470 | 999 | 250 | 6,039 | 2,720 |

3. PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

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

| | Six months ended 30 June 2025 | | | | |
|--|-----------------------------------|------------------------------------|--|------------------------|-----------------------|
| | Mainland Property HK\$ million | Hong Kong Property HK\$ million | Total Operating Segments HK\$ million | Others HK\$ million | Total HK\$ million |
| Revenue | 2,753 | 5,306 | 8,059 | – | 8,059 |
| Results | | | | | |
| Segment results – gross profit | 1,504 | 1,146 | 2,650 | – | 2,650 |
| Other net gains | | | | | 337 |
| Selling, administrative and other operating expenses | | | | | (916) |
| Decrease in fair value of investment properties | | | | | (585) |
| Operating profit before finance costs | | | | | 1,486 |
| Finance costs | | | | | (331) |
| Operating profit | | | | | 1,155 |
| Share of results of associates and joint ventures | | | | | 198 |
| Profit before taxation | | | | | 1,353 |
| Taxation | | | | | (609) |
| Profit for the period | | | | | 744 |
| Profit attributable to: | | | | | |
| Company's shareholders | | | | | 612 |
| Non-controlling interests | | | | | 132 |
| | | | | | 744 |
| Depreciation | 183 | 30 | 213 | 3 | 216 |

3. PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

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

| | Six months ended 30 June 2024 | | | | |
|---|--------------------------------------|---------------------------------------|--|------------------------|-----------------------|
| | Mainland Property HK\$ million | Hong Kong Property HK\$ million | Total Operating Segments HK\$ million | Others HK\$ million | Total HK\$ million |
| Revenue | 3,580 | 1,460 | 5,040 | – | 5,040 |
| Results | | | | | |
| Segment results – gross profit | 1,903 | 567 | 2,470 | – | 2,470 |
| Other net gains | | | | | 25 |
| Selling, administrative and other operating expenses | | | | | (871) |
| Decrease in fair value of investment properties | | | | | (239) |
| Operating profit before finance costs | | | | | 1,385 |
| Finance costs | | | | | (195) |
| Operating profit | | | | | 1,190 |
| Share of results of associates and joint ventures | | | | | 389 |
| Profit before taxation | | | | | 1,579 |
| Taxation | | | | | (451) |
| Profit for the period | | | | | 1,128 |
| Profit attributable to: | | | | | |
| Company's shareholders | | | | | 788 |
| Non-controlling interests | | | | | 340 |
| | | | | | 1,128 |
| Depreciation | 181 | 30 | 211 | 2 | 213 |

3. PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

(Continued)

(iii) An analysis of the Group's total assets and total liabilities by operating segment is as follows:

| | As at 30 June 2025 | | | | | |
|-------------------|--------------------------------------|---------------------------------------|--|------------------------|------------------------------|------------------------------|
| | Mainland Property HK\$ million | Hong Kong Property HK\$ million | Total Operating Segments HK\$ million | Others HK\$ million | Eliminations HK\$ million | Consolidated HK\$ million |
| Total assets | 138,751 | 68,296 | 207,047 | 84,720 | (83,162) | 208,605 |
| Total liabilities | 90,430 | 21,993 | 112,423 | 61,171 | (83,162) | 90,432 |

| | As at 31 December 2024 | | | | | |
|-------------------|--------------------------------------|---------------------------------------|--|------------------------|------------------------------|------------------------------|
| | Mainland Property HK\$ million | Hong Kong Property HK\$ million | Total Operating Segments HK\$ million | Others HK\$ million | Eliminations HK\$ million | Consolidated HK\$ million |
| Total assets | 128,895 | 69,833 | 198,728 | 86,980 | (84,360) | 201,348 |
| Total liabilities | 83,462 | 23,887 | 107,349 | 61,712 | (84,360) | 84,701 |

4. OPERATING PROFIT

| | Six months ended 30 June | |
|--|--------------------------|----------------------|
| | 2025 HK\$ million | 2024 HK\$ million |
| Operating profit is stated after crediting/charging the following: | | |
| <i>Crediting</i> | | |
| Dividend income | 44 | 31 |
| Interest income | 254 | 300 |
| <i>Charging</i> | | |
| Depreciation of property, plant and equipment and right-of-use assets | 216 | 213 |
| Loss on disposal of subsidiaries | – | 52 |
| Provision for properties under development | 115 | 411 |
| Total finance costs incurred | 1,173 | 1,306 |
| Less: amount capitalised in properties under development and investment properties under development | (842) | (1,111) |
| Total finance costs expensed during the period | 331 | 195 |

5. TAXATION

| | Six months ended 30 June | |
|---|--------------------------|----------------------|
| | 2025 HK\$ million | 2024 HK\$ million |
| The taxation (charge)/credit comprises: | | |
| Mainland taxation | | |
| Current | (218) | (312) |
| Under-provision in prior years | (7) | (35) |
| Deferred | (232) | (326) |
| | (457) | (673) |
| Hong Kong profits tax | | |
| Current | (129) | (82) |
| Write-back of provision in prior years | – | 319 |
| | (129) | 237 |
| Overseas taxation | | |
| Current | (8) | (7) |
| Deferred | (15) | (8) |
| | (23) | (15) |
| | (609) | (451) |

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the six months ended 30 June 2025. Income tax on the Mainland and overseas profits has been calculated on the estimated assessable profit for the six months ended 30 June 2025 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.

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal effective tax rate for each jurisdiction and the 15% minimum rate.

The related current tax exposure for the period is assessed to be immaterial.

The Group also applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the Amendments to HKAS 12 issued in July 2023.

6. 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 period.

| | Six months ended 30 June | |
|---|--------------------------|---------------|
| | 2025 | 2024 |
| Weighted average number of ordinary shares in issue | 1,451,305,728 | 1,451,305,728 |
| | HK\$ million | HK\$ million |
| Profit attributable to shareholders | 612 | 788 |
| Basic earnings per share | HK\$0.42 | HK\$0.54 |

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.

| | Six months ended 30 June | |
|---|--------------------------|---------------|
| | 2025 | 2024 |
| Weighted average number of ordinary shares in issue | 1,451,305,728 | 1,451,305,728 |
| | HK\$ million | HK\$ million |
| Profit attributable to shareholders | 612 | 788 |
| Diluted earnings per share | HK\$0.42 | HK\$0.54 |

7. CAPITAL EXPENDITURE

| | Property, plant and equipment HK\$ million | Investment properties HK\$ million | Right-of-use assets HK\$ million | Intangible assets HK\$ million |
|---------------------------------------|---|--|--|--------------------------------------|
| Net book value at 1 January 2025 | 4,540 | 84,273 | 1,633 | 123 |
| Additions | 30 | 848 | – | – |
| Fair value losses | – | (585) | – | – |
| Depreciation | (165) | – | (51) | – |
| Exchange adjustment | 130 | 1,755 | 49 | – |
| Net book value at 30 June 2025 | 4,535 | 86,291 | 1,631 | 123 |
| Net book value at 1 January 2024 | 4,323 | 76,965 | 1,680 | 123 |
| Additions | 27 | 166 | – | – |
| Fair value losses | – | (239) | – | – |
| Lease termination | – | – | (2) | – |
| Disposals | (1) | – | – | – |
| Disposal of subsidiaries | (5) | – | – | – |
| Depreciation | (162) | – | (51) | – |
| Transfer | 678 | – | 135 | – |
| Exchange adjustment | (90) | (1,121) | (36) | – |
| Net book value at 30 June 2024 | 4,770 | 75,771 | 1,726 | 123 |

8. 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 30 June 2025 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 30 June 2025 HK\$ million | As at 31 December 2024 HK\$ million |
|------------------------------|--|--|
| Below 1 month | 417 | 80 |
| Between 1 month and 3 months | 21 | 22 |
| Over 3 months | 22 | 16 |
| | 460 | 118 |

9. 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 30 June 2025 based on invoice date is as follows:

| | As at 30 June 2025 HK\$ million | As at 31 December 2024 HK\$ million |
|------------------------------|--|--|
| Below 1 month | 95 | 568 |
| Between 1 month and 3 months | 6 | 13 |
| Over 3 months | 21 | 20 |
| | 122 | 601 |

10. BANK LOANS

| | As at 30 June 2025 HK\$ million | As at 31 December 2024 HK\$ million |
|------------------------|--|--|
| Bank loans – unsecured | | |
| Non-current | 53,843 | 49,881 |
| Current | 5,781 | 9,700 |
| | 59,624 | 59,581 |

As at 30 June 2025, the Group's bank loans were repayable as follows:

| | As at 30 June 2025 HK\$ million | As at 31 December 2024 HK\$ million |
|-----------------------------|--|--|
| Within one year | 5,781 | 9,700 |
| In the second to fifth year | | |
| – In the second year | 13,764 | 11,869 |
| – In the third year | 16,298 | 15,486 |
| – In the fourth year | 11,931 | 11,138 |
| – In the fifth year | 11,766 | 11,388 |
| | 53,759 | 49,881 |
| Repayable within five years | 59,540 | 59,581 |
| Over five years | 84 | – |
| | 59,624 | 59,581 |

11.COMMITMENTS

At 30 June 2025, 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 period but not provided for in these financial statements as follows:

| | As at 30 June 2025 HK\$ million | As at 31 December 2024 HK\$ million |
|-------------------------------|--|--|
| Property, plant and equipment | 14 | 14 |
| Investment properties | 822 | 2,034 |
| Land costs | 829 | 1,215 |
| Properties under development | 8,141 | 7,490 |
| | 9,806 | 10,753 |

12.CONTINGENT LIABILITIES

Guarantees for banking facilities

| | As at 30 June 2025 HK\$ million | As at 31 December 2024 HK\$ million |
|--|--|--|
| – Guarantees for banking facilities of certain associates and joint ventures (note (i)) | 4,386 | 4,321 |
| – Guarantees to certain banks for mortgage facilities granted to first hand buyers of certain properties in the Mainland (note (ii)) | 881 | 1,106 |
| | 5,267 | 5,427 |

- (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 30 June 2025 amounted to approximately HK\$4,386 million (31 December 2024: HK\$4,321 million). The total amount of such facilities covered by the Group's guarantees as at 30 June 2025 amounted to approximately HK\$5,013 million (31 December 2024: HK\$5,430 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 30 June 2025 amounted to approximately HK\$881 million (31 December 2024: HK\$1,106 million).

Apart from the above, there are no material changes in contingent liabilities of the Group since 31 December 2024.

CORPORATE GOVERNANCE & OTHER INFORMATION

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 the six months ended 30 June 2025, except for C.2.1 of the code provisions as Mr Kuok Khoon Hua (“**Mr Kuok**”) has served as both Chairman and 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 the six months ended 30 June 2025. 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 the six months ended 30 June 2025.

HIGHLIGHTS FOR THE FIRST HALF OF 2025

The Company embraces high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of the Company's businesses. During the six months ended 30 June 2025:

- The Board reviewed and updated the policies and practices of the Company, including, but not limited to, the Board Diversity Policy, the Charitable Donations Policy and the Remuneration Policy, and also adopted the Workforce Diversity Policy, which enhanced the corporate governance practices of the Group.
- The amended and restated bye-laws of the Company (the "**Bye-laws**") has been approved by the Shareholders in the Annual General Meeting of the Company held on 23 May 2025 for the purposes of, among others, (i) providing the Company with flexibility to purchase or acquire Shares to be held as treasury shares; and (ii) bringing the Bye-laws in line with certain amendments made to the Listing Rules in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers.
- The ACGC quarterly reviewed legal and regulatory updates, requirements and trends that may affect the Group and their implications.
- The ACGC held two meetings during the period: one in March 2025 focusing on annual financial reporting, annual review of continuing connected transactions and risk matrix review; and another one in May 2025 focusing on corporate governance updates, risk matrix review and quarterly business and financial updates. The ACGC has also reviewed information security risks and the mitigation measures of the Group during the first half of 2025.
- The Remuneration Committee of the Company reviewed and updated its Terms of Reference in order to incorporate some housekeeping amendments.
- The Nomination Committee of the Company reviewed and updated its Terms of Reference in order to reflect the relevant requirements under the CG Code and to enhance corporate governance of the Company.
- The Nomination Committee of the Company reviewed the Board Diversity Policy, including an assessment of its implementation and effectiveness, which was then recommended to the Board for approval.

RISK MANAGEMENT AND INTERNAL CONTROLS

Details of the risk management and internal control systems of the Company were set out in the section headed "RISK MANAGEMENT AND INTERNAL CONTROLS" on pages 61 to 67 in the Corporate Governance Report of the Annual Report 2024 of the Company.

The ACGC continued to review the risk management and internal control approaches of the Company and the internal audit reports for the six months ended 30 June 2025 submitted by the Internal Audit Department, including action plans to address identified control weaknesses and recommendations.

BOARD OF DIRECTORS

The composition of the Board as at the date of this interim report is set out below:

Executive Director

Mr Kuok Khoon Hua (Chairman and Chief Executive Officer)

Independent Non-executive Directors

Mr Hui Chun Yue, David
Mr Chum Kwan Lock, Grant
Dr Li Rui

Non-executive Director

Ms Tong Shao Ming

Board Committees

As at 30 June 2025, the composition of the Board Committees is set out in the section headed "CORPORATE INFORMATION" of this interim report.

CHANGES IN INFORMATION OF DIRECTORS

Set out below are the changes in the Directors' information since the publication of the Annual Report 2024 of the Company, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

| Directors' Information | Effective Date |
|---|----------------|
| Dr Li Rui | |
| <ul style="list-style-type: none"> Kerry Properties Limited – Appointed as a member of the Nomination Committee | 23 May 2025 |
| Ms Tong Shao Ming | |
| <ul style="list-style-type: none"> Kerry Properties Limited – Appointed as a member of the Nomination Committee | 23 May 2025 |
| Mr Hui Chun Yue, David | |
| <ul style="list-style-type: none"> Heidrick & Struggles International, Inc. – Resigned as the Partner in charge of the Hong Kong office and the Regional Managing Partner of the Industrial Practice for Asia Pacific and the Middle East | 30 June 2025 |
| <ul style="list-style-type: none"> Korn Ferry – Appointed as the Senior Client Partner, Chief Executive Officer & Board Practice and Family Business, Greater China | 28 July 2025 |

Save as disclosed above, there is no other information which is required to be disclosed under Rule 13.51B(1) of the Listing Rules.

The biography details of the Directors are available at the website of the Company (www.kerryprops.com/en/our-management).

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (the “**Associated Corporations**”) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Long position in ordinary and underlying shares of the Company

| Names of Directors | Number of ordinary shares interested | | | Number of underlying shares held under equity derivatives | Total interests | Approximate % of shareholding ⁴ |
|-----------------------|--------------------------------------|----------------------------------|------------------------------|---|-----------------|--|
| | Personal interests ¹ | Corporate interests ² | Other interests ³ | | | |
| Kuok Khoon Hua | 4,704,713 ⁵ | 1,000,000 | 3,297,763 | – | 9,002,476 | 0.62 |
| Tong Shao Ming | – | – | 50,000 | – | 50,000 | <0.01 |

Notes:

1. This represents interests held by the relevant Director as beneficial owner.
2. This represents interests deemed to be held by the relevant Director through his/her controlled corporation(s).
3. This represents interests deemed to be held by the relevant Director through discretionary trust(s) of which the relevant Director is a discretionary beneficiary.
4. The percentage represents the number of ordinary shares of the Company interested divided by the total number of the issued Shares as at 30 June 2025 (i.e. 1,451,305,728 ordinary shares).
5. Mr Kuok Khoon Hua is interested in (i) 3,530,913 ordinary shares of the Company as beneficial owner; and (ii) awards granted under the Share Award Scheme conferring the conditional right upon vesting to 1,173,800 ordinary shares of the Company.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(b) Long position in ordinary shares of the Associated Corporations

| Associated Corporations | Names of Directors | Number of ordinary shares interested | | | | Approximate % of shareholding ⁴ |
|-----------------------------------|--------------------|--------------------------------------|----------------------------------|------------------------------|-----------------|--|
| | | Personal interests ¹ | Corporate Interests ² | Other interests ³ | Total interests | |
| Kerry Group Limited | Kuok Khoon Hua | 2,000,000 | – | 250,054,644 | 252,054,644 | 16.62 |
| | Tong Shao Ming | 700,000 | – | 3,115,476 | 3,815,476 | 0.25 |
| KLN Logistics Group Limited | Kuok Khoon Hua | 600,428 | – | 1,132,479 | 1,732,907 | 0.10 |
| | Tong Shao Ming | – | – | 717,588 | 717,588 | 0.04 |
| Hopemore Ventures Limited | Kuok Khoon Hua | 50 | – | – | 50 | 3.57 |
| Kerry Mining (Mongolia) Limited | Kuok Khoon Hua | – | – | 500 | 500 | 0.46 |
| Majestic Tulip Limited | Kuok Khoon Hua | 10 | – | – | 10 | 3.33 |
| Marine Dragon Limited | Kuok Khoon Hua | 1,200 | – | – | 1,200 | 4.00 |
| Medallion Corporate Limited | Kuok Khoon Hua | 48 | – | – | 48 | 4.80 |
| Ocean Fortune Enterprises Limited | Kuok Khoon Hua | 91,262 | – | – | 91,262 | 7.05 |
| Oceanic Ally Global Limited | Kuok Khoon Hua | 1,500 | 3,000 | – | 4,500 | 15.00 |
| Rubyhill Global Limited | Kuok Khoon Hua | 1 | – | – | 1 | 10.00 |
| Sapphire Global Limited | Kuok Khoon Hua | 3,000 | – | – | 3,000 | 10.00 |
| | Tong Shao Ming | 1,000 | – | – | 1,000 | 3.33 |
| United Charm Investments Limited | Kuok Khoon Hua | – | – | 15 | 15 | 15.00 |
| Vencedor Investments Limited | Kuok Khoon Hua | 5 | – | – | 5 | 5.00 |

Notes:

1. This represents interests held by the relevant Director as beneficial owner.
2. This represents interests deemed to be held by the relevant Director through his/her controlled corporation(s).
3. This represents interests deemed to be held by the relevant Director through discretionary trust(s) of which the relevant Director is a discretionary beneficiary.
4. The percentage has been compiled based on the total number of ordinary shares of the respective Associated Corporations in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations which had been recorded in the register kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2025, the following companies, other than the Directors, had long positions of 5% or more in the Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO. Their interests were as follows:

Long position in ordinary shares of the Company

| Name | Capacity in which ordinary shares were held | Number of ordinary shares interested | Approximate % of shareholding ² |
|------------------------------------|---|--------------------------------------|--|
| Kerry Group Limited | Interest of controlled corporations | 874,090,494 ¹ | 60.23 |
| Kerry Holdings Limited | Interest of controlled corporations | 746,230,656 ¹ | 51.42 |
| Caninco Investments Limited | Beneficial owner | 312,248,193 ¹ | 21.51 |
| Darmex Holdings Limited | Beneficial owner | 256,899,261 ¹ | 17.70 |
| Moslane Limited | Beneficial owner | 73,821,498 ¹ | 5.09 |

Notes:

1. Caninco Investments Limited (“**Caninco**”), Darmex Holdings Limited (“**Darmex**”) and Moslane Limited (“**Moslane**”) are wholly-owned subsidiaries of KHL. KHL itself is a wholly-owned subsidiary of KGL. Accordingly, the Shares in which Caninco, Darmex and Moslane were shown to be interested had also been included in the Shares in which KHL was shown to be interested, and KGL was deemed to be interested in the Shares in which KHL was shown to be interested.
2. The percentage represents the number of ordinary shares of the Company interested divided by the total number of the issued Shares as at 30 June 2025 (i.e. 1,451,305,728 ordinary shares).

Save as disclosed above, as at 30 June 2025, no other person (other than Directors) had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Board on 25 November 2022 (the “**Adoption Date**”) (together with an addendum thereto dated 28 March 2024) and shall be valid for a term of ten years from the Adoption Date.

(1) Purposes of the Share Award Scheme

The Share Award Scheme falls within the ambit of, and is subject to the regulations under Chapter 17 of the Listing Rules. The purposes of the Share Award Scheme are to support the long-term growth of the Group, to attract and incentivise suitable personnel for the further development of the Group, to recognise contributions by Directors, executives and key employees of the Group and other participants as defined in the Share Award Scheme, to retain talent, and to help align the interests of Directors and senior management of the Group with the Group’s long-term performance.

(2) Participants of the Share Award Scheme

The eligible participants of the Share Award Scheme are:

- (a) any individual being an employee (whether full-time or part-time employee) of any members of the Group or any Affiliate (defined as below) (an “**Employee**” in this section) provided that the Selected Participant (defined as below) shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or the relevant Affiliate; or (ii) transfer amongst the Company and any Affiliates or any successor, and provided further that an Employee shall, for the avoidance of doubt, cease to be an Employee with effect from (and including) the date of termination of his/her employment; or
- (b) any individual being a director, officer, consultant or advisor of any members of the Group or any Affiliate who the Board considers, in its sole discretion, to have contributed or will contribute to the Group.

Affiliate in the above means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (i) the holding company of the Company; or (ii) a subsidiary of the holding company of the Company; or (iii) a subsidiary of the Company; or (iv) a fellow subsidiary of the Company; or (v) the controlling Shareholder; or (vi) a company controlled by the controlling Shareholder; or (vii) a company controlled by the Company; or (viii) an associated company of the holding company of the Company; or (ix) an associated company of the Company.

Selected Participant in the above means any eligible person approved for participation in the Share Award Scheme and who has been granted any awarded Share.

However, no individual who is a resident in a place where the grant, acceptance or vesting of an awarded Share pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations (including without limitation the Listing Rules) in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme.

SHARE AWARD SCHEME (Continued)

(3) Maximum Number of Shares Available to be Granted

No new Shares will be issued under the Share Award Scheme. The share awards will be satisfied by existing Shares to be acquired through on-market transactions by a trustee on the instruction of the Company.

The maximum number of Shares (excluding those have been lapsed or forfeited) which can be awarded under the Share Award Scheme shall not exceed 10% of the total number of Shares in issue from time to time. No further grant may be made under the Share Award Scheme if this will result in the aforesaid limit being exceeded.

As at 1 January 2025, a total of 143,040,072 Shares was available for grant under the Share Award Scheme. During the six months ended 30 June 2025, 2,046,000 awarded Shares were granted under the Share Award Scheme. As at 30 June 2025, a total of 140,994,072 Shares was available for grant under the Share Award Scheme (representing approximately 9.71% and 9.71% of the total number of the issued Shares as at 30 June 2025 and the date of this interim report, respectively).

(4) Maximum Entitlement of Each Selected Participant

The maximum number of non-vested awarded Shares granted to a Selected Participant under the Share Award Scheme shall not exceed 1% of the total number of the Shares in issue from time to time.

(5) Vesting

The vesting criteria and conditions or period for the awarded Shares granted under the Share Award Scheme shall be determined by the Board or the committee of the Board or person(s) to which the Board delegated its authority in its absolute discretion at the time of grant. The awarded Shares shall be subject to a vesting period, to the satisfaction of performance and/or other conditions to be determined by the Board. If such conditions are not satisfied, the awarded Shares shall be cancelled automatically on the date on which such conditions are not satisfied, as determined by the Board in its absolute discretion.

(6) Acceptance of Share Awards

An award may be accepted by a Selected Participant within five business days after receipt of the award letter.

There is no prescribed amount payable on acceptance of the award and the Board may specify an amount payable on acceptance of the award in the award letter.

(7) Purchase Price

The purchase price (if any) per awarded Share to be granted under the Share Award Scheme shall be determined by the Board in its absolute discretion at the time of grant.

(8) Remaining Life of the Share Award Scheme

The Share Award Scheme shall be valid and effective for the period commencing on the Adoption Date, and ending on the business day immediately prior to the 10th anniversary of the Adoption Date.

As at the date of this interim report, the remaining life of the Share Award Scheme is approximately 7.5 years.

SHARE AWARD SCHEME (Continued)

Movement of Awarded Shares

Details of the movement of the awarded Shares granted under the Share Award Scheme during the six months ended 30 June 2025 are listed below in accordance with Chapter 17 of the Listing Rules:

| Name or category of grantees | Date of grant ¹ | Number of awarded Shares | | | | Purchase price per awarded Share HK\$ | Vesting period |
|--|----------------------------|---------------------------|--|--|---------------------------|---------------------------------------|-------------------------|
| | | Unvested as at 01/01/2025 | Granted during the six months ended 30/06/2025 | Vested ² during the six months ended 30/06/2025 | Unvested as at 30/06/2025 | | |
| 1. Director Kuok Khoon Hua | 01/04/2024 | 65,000 | – | (65,000) | – | N/A | 01/04/2024 – 01/04/2025 |
| | 01/04/2024 | 130,000 | – | – | 130,000 | N/A | 01/04/2024 – 01/04/2026 |
| | 01/04/2024 | 195,000 | – | – | 195,000 | N/A | 01/04/2024 – 01/04/2027 |
| | 01/04/2024 | 260,000 | – | – | 260,000 | N/A | 01/04/2024 – 01/04/2028 |
| | 01/04/2025 | N/A | 26,050 | – | 26,050 | N/A | 01/04/2025 – 01/04/2026 |
| | 01/04/2025 | N/A | 52,100 | – | 52,100 | N/A | 01/04/2025 – 01/04/2027 |
| | 01/04/2025 | N/A | 78,150 | – | 78,150 | N/A | 01/04/2025 – 01/04/2028 |
| | 01/04/2025 | N/A | 432,500 | – | 432,500 | N/A | 01/04/2025 – 01/04/2029 |
| 2. Other Employee Participants ³ | 01/04/2024 | 144,050 | – | (144,050) | – | N/A | 01/04/2024 – 01/04/2025 |
| | 01/04/2024 | 288,100 | – | – | 288,100 | N/A | 01/04/2024 – 01/04/2026 |
| | 01/04/2024 | 432,150 | – | – | 432,150 | N/A | 01/04/2024 – 01/04/2027 |
| | 01/04/2024 | 576,200 | – | – | 576,200 | N/A | 01/04/2024 – 01/04/2028 |
| | 01/04/2025 | N/A | 58,150 | – | 58,150 | N/A | 01/04/2025 – 01/04/2026 |
| | 01/04/2025 | N/A | 116,300 | – | 116,300 | N/A | 01/04/2025 – 01/04/2027 |
| | 01/04/2025 | N/A | 174,450 | – | 174,450 | N/A | 01/04/2025 – 01/04/2028 |
| | 01/04/2025 | N/A | 1,108,300 | – | 1,108,300 | N/A | 01/04/2025 – 01/04/2029 |
| Total: | | 2,090,500 | 2,046,000 | (209,050) | 3,927,450 | | |

Notes:

1. The closing price of the Shares immediately before the date of grant on 1 April 2024 and 1 April 2025 was HK\$14.32 and HK\$18.34 respectively. The fair value of the awarded Shares at the date of grant on 1 April 2024 and 1 April 2025 was HK\$14.54 and HK\$18.38 respectively.
2. The weighted average closing price of the Shares immediately before the date on which the awarded Shares were vested was HK\$18.34.
3. Other employee participants include current employees of the Group.
4. During the six months ended 30 June 2025, no awarded Share was cancelled and/or lapsed under the Share Award Scheme.

SHARE AWARD SCHEME (Continued)

Since the Adoption Date and up to 30 June 2025, a total of 4,136,500 awarded Shares have been granted under the Share Award Scheme (representing approximately 0.29% and 0.29% of the total number of the issued Shares as at 30 June 2025 and the date of this interim report, respectively).

EMPLOYEES

As at 30 June 2025, the Group had approximately 7,350 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 is set out in the section headed "Share Award Scheme" of this interim report.

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

During the six months ended 30 June 2025, save for the purchase of Shares in the Company by the trustee for the purposes of the Share Award Scheme, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

A total of 1,720,000 Shares were acquired and settled through on-market transactions and 209,050 Shares were transferred to the awardees upon vesting of the awarded Shares during the six months ended 30 June 2025. The remaining 4,679,450 Shares were held in trust under the Share Award Scheme as at 30 June 2025.

REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements have been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and by the ACGC. The review report of the independent auditor is set out on page 21 of this interim report. The interim results have also been reviewed by the ACGC.

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. We deliver exceptional value to our customers by offering premium, quality homes in sought-after locations. Our investment properties are managed with a customer-centric approach to ensure an unparalleled working and shopping environment for our tenants and customers. 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, customers, 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 interim report are historical in nature, and past performance is no guarantee for the future results of the Group. This interim report 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 interim report; and (b) no liability arising from any forward-looking statements or opinions that do not materialise or prove to be incorrect.

INFORMATION FOR SHAREHOLDERS

FINANCIAL CALENDAR FOR INTERIM DIVIDEND

| | |
|--|-------------------------------------|
| Interim Results Announcement Date | 20 August 2025 |
| Ex-dividend Date | 10 September 2025 |
| Latest Time to Lodge Transfer Documents for Registration with Tricor Investor Services Limited | 11 September 2025 (at 4:30 p.m.) |
| Closure of Registers of Members and Record Date | 12 September 2025 |
| Interim Dividend Payment Date | 23 September 2025 |

INTERIM DIVIDEND AND CLOSURE OF REGISTERS OF MEMBERS

The Board has declared the payment of an interim dividend of HK\$0.40 per Share for the six months ended 30 June 2025, amounting to approximately HK\$581 million in aggregate based on 1,451,305,728 ordinary shares in issue as at 30 June 2025 and payable on Tuesday, 23 September 2025 to the Shareholders (except for the holders of treasury shares, if any) whose names appear on the Registers of Members on Friday, 12 September 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 Friday, 12 September 2025, on which date no transfer of Shares will be registered. The ex-dividend date will be Wednesday, 10 September 2025. The actual amount of the interim dividend payable will be subject to the actual number of ordinary shares in issue on Friday, 12 September 2025. All dividend decisions made by the Board were made in accordance with the dividend policy of the Company.

For the purpose of determining the eligible Shareholders' entitlement to the interim 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 ("**HK Share Registrar**"), at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 11 September 2025.

The interim dividend warrants will be despatched to the eligible Shareholders on or about Tuesday, 23 September 2025.

SHAREHOLDER SERVICES

For enquiries about share transfer and registration, please contact the HK Share Registrar:

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong
Telephone: (852) 2980 1333
Email: 683-ecom@vistra.com

Shareholders should notify the HK Share Registrar promptly of any change of their address.

INVESTOR RELATIONS

The Group actively participates in meetings and conferences to maintain regular communications with financial analysts, fund managers and the investor community. The Group met different investors and participated in various roadshows and investors' conferences during the six months ended 30 June 2025.

By Order of the Board

Cheng Wai Sin

Company Secretary

Hong Kong, 20 August 2025

DEFINITIONS

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

| | |
|--|--|
| "ACGC" | the Audit and Corporate Governance Committee of the Company |
| "Adjusted EPS" | earnings per share calculated based on underlying profit |
| "AUD" | Australian dollar, the lawful currency of Australia |
| "Board" | the board of Directors |
| "CEO" | the Chief Executive Officer of the Company |
| "CG Code" | the Corporate Governance Code contained in Appendix C1 to the Listing Rules |
| "Chairman" | the chairman of the Board |
| "Combined revenue/ rental income/results" | revenue/rental income/results from the Company, its subsidiaries and share of associates and joint ventures in the Mainland and Hong Kong |
| "Company" | 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 |
| "Directors" | the director(s) of the Company |
| "EPS" | earnings per share |
| "GFA" | gross floor area |
| "Group" | the Company and its subsidiaries |
| "HK\$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "HKAS" | Hong Kong Accounting Standard |
| "Independent Non-executive Director(s)" | the independent non-executive director(s) of the Company |
| "JPY" | Japanese yen, the lawful currency of Japan |
| "KGL" | Kerry Group Limited, controlling shareholder of the Company |
| "KHL" | Kerry Holdings Limited, a wholly-owned subsidiary of KGL |
| "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 |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |

DEFINITIONS

| | |
|----------------------|---|
| "Share(s)" | ordinary share(s) of par value HK\$1.00 each in the capital of the Company, or, if there has been a subdivision, consolidation, reclassification or reconstruction of the number of issued shares of the Company, from time to time, shares forming part of the number of issued ordinary shares of the Company |
| "Share Award Scheme" | a share award scheme of the Company adopted by the Board on 25 November 2022, together with an addendum thereto dated 28 March 2024 |
| "Shareholder(s)" | the holder(s) of the Share(s) |
| "sq ft" | square feet |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "1H" | the first half of the financial year, six months ended 30 June |
| "%" | per cent |
| "% pts" | percentage points |

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr Kuok Khoon Hua (Chairman and Chief Executive Officer)

Independent Non-executive Directors

Mr Hui Chun Yue, David
Mr Chum Kwan Lock, Grant
Dr Li Rui

Non-executive Director

Ms Tong Shao Ming

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

Dr Li Rui (Chairman)
Mr Hui Chun Yue, David
Mr Chum Kwan Lock, Grant
Ms Tong Shao Ming

REMUNERATION COMMITTEE

Mr Hui Chun Yue, David (Chairman)
Mr Kuok Khoon Hua
Mr Chum Kwan Lock, Grant

NOMINATION COMMITTEE

Mr Kuok Khoon Hua (Chairman)
Mr Hui Chun Yue, David
Mr Chum Kwan Lock, Grant
Dr Li Rui
Ms Tong Shao Ming

FINANCE COMMITTEE

Mr Kuok Khoon Hua
Ms Cheng Wai Sin

COMPANY SECRETARY

Ms Cheng Wai Sin

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

25/F, Kerry Centre, 683 King's Road
Quarry Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

CORPORATE COMMUNICATION

Kerry Properties Limited
25/F, Kerry Centre, 683 King's Road
Quarry Bay, Hong Kong
Telephone: (852) 2967 2200
Facsimile: (852) 2967 2900
Email: communication@kerryprops.com

INVESTOR RELATIONS

Kerry Properties Limited
25/F, Kerry Centre, 683 King's Road
Quarry Bay, Hong Kong
Telephone: (852) 2967 2200
Facsimile: (852) 2967 2900
Email: ir@kerryprops.com

THE OMBUDSPERSON OF KERRY PROPERTIES LIMITED

(For receipt of all whistleblowing/complaints reports)

Kerry Properties Limited
25/F, Kerry Centre, 683 King's Road
Quarry Bay, Hong Kong
Email: ombuds@kerryprops.com

WEBSITE

www.kerryprops.com

STOCK CODES

Stock Exchange of Hong Kong: 683
Bloomberg: 683 HK
Reuters: 683.HK