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## **WING TAI PROPERTIES LIMITED**

**永泰地產有限公司**

*(Incorporated in Bermuda with limited liability)*

**( Stock Code: 369 )**

### **ANNOUNCEMENT OF 2024 ANNUAL RESULTS, FINAL DIVIDEND, RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS**

#### **CHAIRMAN'S STATEMENT**

Dear Shareholders,

2024 has proven to be difficult for the Hong Kong economy and property market. High interest rates, US-China tensions, and weak investment sentiment created an adverse operating environment and dampened economic activities.

Despite three US Federal Reserve rate cuts in the latter half of 2024 and the Hong Kong Government's stimulus efforts, including the removal of property cooling measures in February 2024, residential prices continued to soften throughout the year. Meanwhile, high supply and weak demand have pressured Grade A office rents. This subdued market led to many Hong Kong property developers further marking down valuations of residential and commercial property assets at year-end, highlighting the sector's ongoing challenges, as reported in recent results announcement of many Hong Kong property developers.

In line with independent valuation which reflects the downward pressure on property values in Hong Kong, the Group recorded net valuation loss and impairment provision of HK\$2,549 million on our Hong Kong property portfolio (2023: HK\$963 million). Including net valuation loss on financial instruments of HK\$103 million (2023: HK\$124 million), total non-cash net valuation loss was HK\$2,652 million (2023: HK\$1,087 million).

Excluding such non-cash net valuation loss, core consolidated profit attributable to shareholders was HK\$92 million (2023: HK\$197 million). The decrease of HK\$105 million was mainly due to a one-off disposal gain of Beijing residential units last year, while this year saw lower prices for our remaining residential units in a declining market, as well as increased operating loss from Lanson Place Causeway Bay hotel due to pre-opening/re-opening expenses. Core earnings per share was HK\$0.07 (2023: HK\$0.15). Including non-cash net valuation loss, consolidated loss attributable to shareholders was HK\$2,560 million (2023: HK\$890 million), and loss per share was HK\$1.89 (2023: HK\$0.66).

With prudent consideration of the Group's business performance and financial position, the Board of Directors recommended a final dividend of HK4.0 cents per share. Together with the interim dividend of HK3.0 cents per share, the total dividends for 2024 will be HK7.0 cents per share.

While the Hong Kong Monetary Authority's decision to ease mortgage lending restrictions in October 2024 generated some positive sentiment, the residential market remained subdued throughout the fourth quarter. The considerable volume of existing unsold inventory continued to exert downward pressure on overall property prices, limiting the impact of the eased restrictions. This challenging environment reinforces the importance of strategic project positioning, a focus on delivering high-quality homes that meet market demand, and prudent financial management.

We have obtained pre-sale consent for both of our residential projects, Cloudview, our medium-density residential site near Sheung Shui MTR and our joint-venture residential site near Tai Wai and Hin Keng MTR stations, and we are now preparing for the pre-sale launch.

Benefited from our proactive asset enhancement initiatives and tenant engagement programmes, our Hong Kong Landmark East twin towers managed to maintain an occupancy of approximately 90% amidst the challenges currently faced by the Hong Kong office leasing market. In the meantime, our London office properties have also maintained their occupancy and rental rate amidst economic downturn.

Our 118 Wellington Street development in Central has commenced superstructure work since August 2023. Located between Graham and Cochrane Streets, this rare mixed-use project comprises Grade A offices, a luxury international hotel, bespoke retail spaces, and a green open space. Marketing and pre-leasing works of the project are now in progress.

Our Lanson Place Causeway Bay hotel has reopened in March 2024. The elegant and sophisticated French design by world-renowned Parisian hotel design maestro Pierre-Yves Rochon is well-received. In September 2024, Lanson Place Causeway Bay hotel has continued to refine its offerings by launching six penthouse residences, which offered discerning guests a sophisticated home-away-from-home experience in the dynamic neighbourhood of Causeway Bay in the heart of Hong Kong. In addition, the Lanson Place Causeway Bay hotel has entered a 3-year sustainability-linked loan facility which marked the first sustainability-linked loan of the Group.

Lanson Place has extended its hospitality management portfolio in China's Greater Bay Area and the Philippines. Following the opening of the Manila hotel and serviced residences in April 2024, we signed up and managed Lanson Place's first long-term rental apartment of 1,610 units situated in the heart of the hi-tech Xili district in Shenzhen in June 2024.

I would like to express my sincere gratitude to all our dedicated employees for their unwavering commitment and contribution. Their resilience and diligence have been essential in navigating the challenges of the past year and ensuring the smooth operation of our business. I would also like to extend my appreciation to my fellow Board members, business partners and stakeholders for their continued support.

**Cheng Wai Chee, Christopher**  
Chairman

Hong Kong, 28 March 2025

## FINANCIAL RESULTS

The Board of Directors (the “Directors”) of Wing Tai Properties Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024, together with comparative figures for the previous year, as follows:

### CONSOLIDATED INCOME STATEMENT

|                                                                   |      | Year ended 31 December |                |
|-------------------------------------------------------------------|------|------------------------|----------------|
|                                                                   | Note | 2024<br>HK\$'M         | 2023<br>HK\$'M |
| <b>Revenue</b>                                                    | 3    | 1,031.1                | 882.4          |
| Cost of sales                                                     |      | (395.9)                | (201.7)        |
| <b>Gross profit</b>                                               |      | 635.2                  | 680.7          |
| Other (losses)/gains, net                                         | 4    | (0.2)                  | 1.8            |
| Selling and distribution costs                                    |      | (54.3)                 | (20.7)         |
| Administrative expenses                                           |      | (366.9)                | (355.7)        |
| Impairment provision for properties for sale                      |      | (756.2)                | (118.6)        |
| Change in fair value of                                           |      |                        |                |
| – investment properties                                           |      | (1,237.2)              | (631.5)        |
| – financial instruments                                           | 5    | (120.7)                | (58.5)         |
|                                                                   |      | (1,357.9)              | (690.0)        |
| Gain on disposal of a subsidiary                                  | 12   | -                      | 41.0           |
| <b>Loss from operations</b>                                       | 6    | (1,900.3)              | (461.5)        |
| Finance costs                                                     |      | (208.9)                | (204.0)        |
| Finance income                                                    |      | 158.1                  | 140.0          |
| Share of results of joint ventures                                |      | (570.8)                | (243.1)        |
| Share of results of an associate                                  |      | 0.3                    | -              |
| <b>Loss before taxation</b>                                       |      | (2,521.6)              | (768.6)        |
| Taxation                                                          | 7    | (54.4)                 | (43.8)         |
| <b>Loss for the year</b>                                          |      | (2,576.0)              | (812.4)        |
| <b>(Loss)/profit for the year attributable to:</b>                |      |                        |                |
| Shareholders of the Company                                       |      | (2,559.5)              | (890.4)        |
| Holders of perpetual capital securities                           |      | 66.3                   | 65.8           |
| Non-controlling interests                                         |      | (82.8)                 | 12.2           |
|                                                                   |      | (2,576.0)              | (812.4)        |
| <b>Loss per share attributable to shareholders of the Company</b> | 8    |                        |                |
| – Basic                                                           |      | (HK\$1.89)             | (HK\$0.66)     |
| – Diluted                                                         |      | (HK\$1.89)             | (HK\$0.66)     |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|                                                                                 | Year ended 31 December  |                       |
|---------------------------------------------------------------------------------|-------------------------|-----------------------|
|                                                                                 | 2024                    | 2023                  |
|                                                                                 | HK\$'M                  | HK\$'M                |
| <b>Loss for the year</b>                                                        | <u>(2,576.0)</u>        | <u>(812.4)</u>        |
| <b>Other comprehensive (loss)/income</b>                                        |                         |                       |
| <b>Items that have been/may be reclassified subsequently to profit or loss:</b> |                         |                       |
| Exchange differences on translation of foreign operations                       | (24.9)                  | 60.4                  |
| Net gain/(loss) on net investment hedge                                         | 15.5                    | (46.1)                |
| Reclassification of net gain from translation reserve to profit or loss         | -                       | (12.6)                |
| Release of translation reserve upon disposal of a subsidiary                    | -                       | 14.3                  |
| Release of translation reserve upon deregistration of associates                | -                       | (15.6)                |
|                                                                                 | <u>(9.4)</u>            | <u>0.4</u>            |
| <b>Other comprehensive (loss)/income for the year, net of tax</b>               | <u>(9.4)</u>            | <u>0.4</u>            |
| <b>Total comprehensive loss for the year</b>                                    | <u><u>(2,585.4)</u></u> | <u><u>(812.0)</u></u> |
| <b>Total comprehensive (loss)/income for the year attributable to:</b>          |                         |                       |
| Shareholders of the Company                                                     | (2,568.9)               | (890.0)               |
| Holders of perpetual capital securities                                         | 66.3                    | 65.8                  |
| Non-controlling interests                                                       | (82.8)                  | 12.2                  |
| <b>Total comprehensive loss for the year</b>                                    | <u><u>(2,585.4)</u></u> | <u><u>(812.0)</u></u> |

## CONSOLIDATED BALANCE SHEET

|                                                            |      | At 31 December  |                 |
|------------------------------------------------------------|------|-----------------|-----------------|
|                                                            |      | 2024            | 2023            |
|                                                            | Note | HK\$'M          | HK\$'M          |
| <b>ASSETS AND LIABILITIES</b>                              |      |                 |                 |
| <b>Non-current assets</b>                                  |      |                 |                 |
| Investment properties                                      |      | 18,459.3        | 19,693.4        |
| Other properties, plant and equipment                      |      | 62.8            | 64.8            |
| Interests in joint ventures                                |      | 4,808.5         | 5,086.1         |
| Interests in an associate                                  |      | 43.8            | 43.7            |
| Financial investments at amortised cost                    |      | 372.9           | 295.8           |
| Financial investments at fair value through profit or loss |      | 483.5           | 593.1           |
| Deferred tax assets                                        |      | 5.3             | 9.1             |
| Derivative financial instruments                           |      | 182.2           | 213.0           |
|                                                            |      | <u>24,418.3</u> | <u>25,999.0</u> |
| <b>Current assets</b>                                      |      |                 |                 |
| Properties for sale                                        |      | 3,359.7         | 3,834.3         |
| Trade and other receivables, deposits and prepayments      | 10   | 261.8           | 561.4           |
| Financial investments at amortised cost                    |      | 208.7           | 531.9           |
| Financial investments at fair value through profit or loss |      | 298.5           | 49.3            |
| Other current assets                                       |      | 32.4            | 242.1           |
| Derivative financial instruments                           |      | 50.9            | 67.5            |
| Sales proceeds held in stakeholders' accounts              |      | -               | 23.2            |
| Tax recoverable                                            |      | 9.3             | 10.1            |
| Pledged bank deposits                                      |      | 51.8            | 27.0            |
| Bank balances and cash                                     |      | 2,362.1         | 2,642.3         |
|                                                            |      | <u>6,635.2</u>  | <u>7,989.1</u>  |
| Assets classified as held for sale                         |      | 32.0            | -               |
|                                                            |      | <u>6,667.2</u>  | <u>7,989.1</u>  |
| <b>Current liabilities</b>                                 |      |                 |                 |
| Trade and other payables and accruals                      | 11   | 568.4           | 693.0           |
| Derivative financial instruments                           |      | 1.7             | 12.9            |
| Tax payable                                                |      | 126.8           | 122.6           |
| Bank and other borrowings                                  |      | 2,088.6         | 2,808.2         |
|                                                            |      | <u>2,785.5</u>  | <u>3,636.7</u>  |

## CONSOLIDATED BALANCE SHEET (Continued)

|                                     | At 31 December  |                 |
|-------------------------------------|-----------------|-----------------|
|                                     | 2024            | 2023            |
|                                     | HK\$'M          | HK\$'M          |
| <b>Non-current liabilities</b>      |                 |                 |
| Bank and other borrowings           | 4,737.4         | 4,000.3         |
| Other long-term liability           | -               | 16.2            |
| Deferred tax liabilities            | 241.8           | 240.3           |
|                                     | <u>4,979.2</u>  | <u>4,256.8</u>  |
| <b>NET ASSETS</b>                   | <u>23,320.8</u> | <u>26,094.6</u> |
| <b>EQUITY</b>                       |                 |                 |
| <b>Shareholders' funds</b>          |                 |                 |
| Share capital                       | 678.6           | 678.6           |
| Reserves                            | 21,070.7        | 23,761.5        |
|                                     | <u>21,749.3</u> | <u>24,440.1</u> |
| <b>Perpetual capital securities</b> | 1,491.4         | 1,491.4         |
| <b>Non-controlling interests</b>    | 80.1            | 163.1           |
|                                     | <u>23,320.8</u> | <u>26,094.6</u> |
| <b>TOTAL EQUITY</b>                 | <u>23,320.8</u> | <u>26,094.6</u> |

## NOTES:

### 1. Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and disclosure requirements of the Hong Kong Companies Ordinance (Cap.622).

During the year, the impairment provision for properties for sale has been reclassified with comparative information. The prior year amount of impairment provision for properties for sale was included in other (losses)/gains, net and it has been presented as a separate line in the consolidated income statement.

These consolidated financial statements are presented in millions of Hong Kong dollars (HK\$'M).

### 2. Material accounting policies

#### (a) Amendments and interpretations to standards effective for the current accounting period beginning on 1 January 2024 and relevant to the Group

|                                                    |                                                                                                                                 |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Amendments to HKAS 1                               | Classification of Liabilities as Current or Non-current                                                                         |
| Amendments to HKAS 1                               | Non-current Liabilities with Covenants                                                                                          |
| Amendments to HKAS 7 and HKFRS 7                   | Supplier Finance Arrangements                                                                                                   |
| Amendments to HKFRS 16                             | Lease Liability in a Sale and Leaseback                                                                                         |
| Amendments to Hong Kong Interpretation 5 (revised) | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause |

The adoption of the above amendments and interpretations to standards of HKFRS did not have any significant impact to the consolidated financial statements in the current and prior years.

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings:

*“Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.”*

This new accounting policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

## 2. Material accounting policies (Continued)

### (b) New standards, amendments, interpretations and improvements to standards relevant to the Group that are not yet effective in 2024 and have not been early adopted by the Group

The Group has not early adopted the following new standards, amendments, interpretations and improvements to standards that have been issued but are not yet effective for the year ended 31 December 2024:

|                                          |                                                                                                                                 | Effective for annual periods beginning on or after |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Amendments to HKAS 21                    | Lack of Exchangeability                                                                                                         | 1 January 2025                                     |
| Amendments to HKFRS 9 and HKFRS 7        | Amendments to the Classification and Measurement of Financial Instruments                                                       | 1 January 2026                                     |
| Annual Improvements                      | Annual Improvements to HKFRS Accounting Standards – Volume 11                                                                   | 1 January 2026                                     |
| HKFRS 18                                 | Presentation and Disclosure in Financial Statements                                                                             | 1 January 2027                                     |
| HKFRS 19                                 | Subsidiaries without Public Accountability: Disclosures                                                                         | 1 January 2027                                     |
| Amendments to Hong Kong Interpretation 5 | Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause | 1 January 2027                                     |
| Amendments to HKFRS 10 and HKAS 28       | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture                                           | To be determined                                   |

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated income statement into the new categories will impact how operating profit is calculated and reported.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

## 2. Material accounting policies (Continued)

### (b) New standards, amendments, interpretations and improvements to standards relevant to the Group that are not yet effective in 2024 and have not been early adopted by the Group (Continued)

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the income statement – this break-down is only required for certain nature expenses; and
- for the first annual period of application of HKFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

From a consolidated cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Other than HKFRS 18, the Group is in the process of making an assessment of the impact of these new standards, amendments, interpretations and improvements to standards and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

### 3. Revenue and segment information

Revenue represents the amounts received and receivable from third parties net of value-added tax and discounts in connection with the following activities:

|                                                  | 2024<br>HK\$'M | 2023<br>HK\$'M |
|--------------------------------------------------|----------------|----------------|
| Sale of properties and project management income | 315.7          | 190.5          |
| Rental income and property management income     | 645.9          | 611.4          |
| Interest income from financial investments       | 45.1           | 43.3           |
| Interest income from mortgage loan receivables   | 9.2            | 21.0           |
| Dividend income from financial investments       | 15.2           | 16.2           |
|                                                  | <u>1,031.1</u> | <u>882.4</u>   |

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by Executive Directors in order to allocate resources to the segment and to assess its performance.

Segment information are analysed on the basis of the Group's operating divisions. They are (i) Property Development, (ii) Property Investment and Management, (iii) Hospitality Investment and Management and (iv) Others. Others mainly represent investing activities and corporate activities including central management and administrative function.

### 3. Revenue and segment information (Continued)

|                                                                                              | Property<br>development<br>HK\$'M | Property<br>investment<br>and<br>management<br>HK\$'M | Hospitality<br>investment<br>and<br>management<br>HK\$'M | Others<br>HK\$'M | Elimination<br>HK\$'M | Total<br>HK\$'M  |
|----------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------------------------|------------------|-----------------------|------------------|
| <b>For the year ended 31 December 2024</b>                                                   |                                   |                                                       |                                                          |                  |                       |                  |
| <b>REVENUE</b>                                                                               |                                   |                                                       |                                                          |                  |                       |                  |
| External sales                                                                               | 325.3                             | 560.1                                                 | 85.4                                                     | 60.3             | -                     | 1,031.1          |
| Inter-segment sales                                                                          | 10.4                              | 10.8                                                  | -                                                        | -                | (21.2)                | -                |
| <b>Total</b>                                                                                 | <b>335.7</b>                      | <b>570.9</b>                                          | <b>85.4</b>                                              | <b>60.3</b>      | <b>(21.2)</b>         | <b>1,031.1</b>   |
| <b>RESULTS</b>                                                                               |                                   |                                                       |                                                          |                  |                       |                  |
| (Loss)/profit before change in fair value of investment properties and financial instruments | (816.4)                           | 302.0                                                 | (64.1)                                                   | 36.1             | -                     | (542.4)          |
| Change in fair value of                                                                      |                                   |                                                       |                                                          |                  |                       |                  |
| - investment properties                                                                      | (3.0)                             | (1,079.2)                                             | (155.0)                                                  | -                | -                     | (1,237.2)        |
| - financial instruments                                                                      | (17.3)                            | (4.4)                                                 | -                                                        | (99.0)           | -                     | (120.7)          |
| <b>Loss from operations</b>                                                                  | <b>(836.7)</b>                    | <b>(781.6)</b>                                        | <b>(219.1)</b>                                           | <b>(62.9)</b>    | <b>-</b>              | <b>(1,900.3)</b> |
| Finance costs                                                                                | (6.8)                             | (74.6)                                                | (45.7)                                                   | (122.6)          | 40.8                  | (208.9)          |
| Finance income                                                                               | 47.3                              | 33.0                                                  | 0.9                                                      | 117.7            | (40.8)                | 158.1            |
| Share of results of joint ventures                                                           | (657.9)                           | 83.3                                                  | 3.8                                                      | -                | -                     | (570.8)          |
| Share of results of an associate                                                             | -                                 | 0.3                                                   | -                                                        | -                | -                     | 0.3              |
| <b>Loss before taxation</b>                                                                  | <b>(1,454.1)</b>                  | <b>(739.6)</b>                                        | <b>(260.1)</b>                                           | <b>(67.8)</b>    | <b>-</b>              | <b>(2,521.6)</b> |
| Taxation                                                                                     |                                   |                                                       |                                                          |                  |                       | (54.4)           |
| <b>Loss for the year</b>                                                                     |                                   |                                                       |                                                          |                  |                       | <b>(2,576.0)</b> |
| <b>Other items</b>                                                                           |                                   |                                                       |                                                          |                  |                       |                  |
| Depreciation and amortisation                                                                | 1.6                               | 1.4                                                   | 0.2                                                      | 3.3              | -                     | 6.5              |
| Impairment provision for properties for sale and financial investments at amortised cost     | 756.2                             | -                                                     | -                                                        | 4.6              | -                     | 760.8            |

### 3. Revenue and segment information (Continued)

|                                                                                              | Property<br>development<br>HK\$'M | Property<br>investment<br>and<br>management<br>HK\$'M | Hospitality<br>investment<br>and<br>management<br>HK\$'M | Others<br>HK\$'M | Elimination<br>HK\$'M | Total<br>HK\$'M |
|----------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------------------------|------------------|-----------------------|-----------------|
| <b>For the year ended 31 December 2023</b>                                                   |                                   |                                                       |                                                          |                  |                       |                 |
| <b>REVENUE</b>                                                                               |                                   |                                                       |                                                          |                  |                       |                 |
| External sales                                                                               | 212.4                             | 572.9                                                 | 37.6                                                     | 59.5             | -                     | 882.4           |
| Inter-segment sales                                                                          | 21.7                              | 13.6                                                  | -                                                        | -                | (35.3)                | -               |
| <b>Total</b>                                                                                 | <b>234.1</b>                      | <b>586.5</b>                                          | <b>37.6</b>                                              | <b>59.5</b>      | <b>(35.3)</b>         | <b>882.4</b>    |
| <b>RESULTS</b>                                                                               |                                   |                                                       |                                                          |                  |                       |                 |
| (Loss)/profit before change in fair value of investment properties and financial instruments | (106.7)                           | 303.3                                                 | (36.2)                                                   | 27.1             | -                     | 187.5           |
| Change in fair value of                                                                      |                                   |                                                       |                                                          |                  |                       |                 |
| - investment properties                                                                      | (2.6)                             | (630.0)                                               | 1.1                                                      | -                | -                     | (631.5)         |
| - financial instruments                                                                      | (49.8)                            | 3.7                                                   | -                                                        | (12.4)           | -                     | (58.5)          |
| Gain on disposal of a subsidiary                                                             | -                                 | 41.0                                                  | -                                                        | -                | -                     | 41.0            |
| (Loss)/profit from operations                                                                | (159.1)                           | (282.0)                                               | (35.1)                                                   | 14.7             | -                     | (461.5)         |
| Finance costs                                                                                | (21.4)                            | (74.3)                                                | (40.7)                                                   | (96.0)           | 28.4                  | (204.0)         |
| Finance income                                                                               | 40.6                              | 31.7                                                  | 2.3                                                      | 93.8             | (28.4)                | 140.0           |
| Share of results of joint ventures                                                           | (149.2)                           | (86.5)                                                | (7.4)                                                    | -                | -                     | (243.1)         |
| (Loss)/profit before taxation                                                                | (289.1)                           | (411.1)                                               | (80.9)                                                   | 12.5             | -                     | (768.6)         |
| Taxation                                                                                     |                                   |                                                       |                                                          |                  |                       | (43.8)          |
| Loss for the year                                                                            |                                   |                                                       |                                                          |                  |                       | (812.4)         |
| <b>Other items</b>                                                                           |                                   |                                                       |                                                          |                  |                       |                 |
| Depreciation and amortisation                                                                | -                                 | 1.5                                                   | 0.2                                                      | 2.9              | -                     | 4.6             |
| Impairment provision for properties for sale and financial investments at amortised cost     | 118.6                             | -                                                     | -                                                        | 11.2             | -                     | 129.8           |

Inter-segment transactions are entered into under the normal commercial terms and conditions mutually agreed among group companies.

### 3. Revenue and segment information (Continued)

The segment assets and liabilities at 31 December 2024 and 2023 and additions to non-current assets for the years then ended are as follows:

|                                                           | Property<br>development<br>HK\$'M | Property<br>investment<br>and<br>management<br>HK\$'M | Hospitality<br>investment<br>and<br>management<br>HK\$'M | Others<br>HK\$'M | Total<br>HK\$'M  |
|-----------------------------------------------------------|-----------------------------------|-------------------------------------------------------|----------------------------------------------------------|------------------|------------------|
| <b>At 31 December 2024</b>                                |                                   |                                                       |                                                          |                  |                  |
| <b>ASSETS</b>                                             |                                   |                                                       |                                                          |                  |                  |
| Segment assets (Note a)                                   | 3,872.7                           | 16,565.4                                              | 2,271.6                                                  | 3,247.7          | 25,957.4         |
| Investments in joint ventures and loans to joint ventures | 3,246.9                           | 1,447.3                                               | 142.4                                                    | -                | 4,836.6          |
| Investments in associates and loan to an associate        | -                                 | 43.8                                                  | -                                                        | -                | 43.8             |
|                                                           | <u>7,119.6</u>                    | <u>18,056.5</u>                                       | <u>2,414.0</u>                                           | <u>3,247.7</u>   | <u>30,837.8</u>  |
| Other assets (Note a)                                     |                                   |                                                       |                                                          |                  | 247.7            |
| Consolidated total assets                                 |                                   |                                                       |                                                          |                  | <u>31,085.5</u>  |
| <b>LIABILITIES</b>                                        |                                   |                                                       |                                                          |                  |                  |
| Segment liabilities (Note b)                              | (238.4)                           | (221.2)                                               | (51.2)                                                   | (57.6)           | (568.4)          |
| Other liabilities (Note b)                                |                                   |                                                       |                                                          |                  | (7,196.3)        |
| Consolidated total liabilities                            |                                   |                                                       |                                                          |                  | <u>(7,764.7)</u> |
| <b>Additions to non-current assets (Note d)</b>           | <u>9.2</u>                        | <u>3.2</u>                                            | <u>51.0</u>                                              | <u>1.0</u>       | <u>64.4</u>      |
| <b>At 31 December 2023</b>                                |                                   |                                                       |                                                          |                  |                  |
| <b>ASSETS</b>                                             |                                   |                                                       |                                                          |                  |                  |
| Segment assets (Note a)                                   | 4,637.4                           | 18,008.2                                              | 2,408.8                                                  | 3,476.8          | 28,531.2         |
| Investments in joint ventures and loans to joint ventures | 3,689.7                           | 1,288.5                                               | 135.3                                                    | -                | 5,113.5          |
| Investments in associates and loan to an associate        | -                                 | 43.7                                                  | -                                                        | -                | 43.7             |
|                                                           | <u>8,327.1</u>                    | <u>19,340.4</u>                                       | <u>2,544.1</u>                                           | <u>3,476.8</u>   | <u>33,688.4</u>  |
| Other assets (Note a)                                     |                                   |                                                       |                                                          |                  | 299.7            |
| Consolidated total assets                                 |                                   |                                                       |                                                          |                  | <u>33,988.1</u>  |
| <b>LIABILITIES</b>                                        |                                   |                                                       |                                                          |                  |                  |
| Segment liabilities (Note b)                              | (285.7)                           | (255.8)                                               | (80.6)                                                   | (87.1)           | (709.2)          |
| Other liabilities (Note b)                                |                                   |                                                       |                                                          |                  | (7,184.3)        |
| Consolidated total liabilities                            |                                   |                                                       |                                                          |                  | <u>(7,893.5)</u> |
| <b>Additions to non-current assets (Note d)</b>           | <u>0.8</u>                        | <u>6.5</u>                                            | <u>289.9</u>                                             | <u>4.4</u>       | <u>301.6</u>     |

### 3. Revenue and segment information (Continued)

The Group's operations are principally located in Hong Kong and the United Kingdom. The following is an analysis of the Group's revenue by geographical areas in which the customers are located, irrespective of the origin of the goods/services:

|                                                                    | Year ended 31 December |              |
|--------------------------------------------------------------------|------------------------|--------------|
|                                                                    | 2024                   | 2023         |
|                                                                    | HK\$'M                 | HK\$'M       |
| Hong Kong                                                          | 937.0                  | 784.0        |
| United Kingdom                                                     | 22.0                   | 20.5         |
| Singapore                                                          | 19.0                   | 20.5         |
| The People's Republic of China other than<br>Hong Kong (the "PRC") | 4.8                    | 12.7         |
| Others                                                             | 48.3                   | 44.7         |
|                                                                    | <u>1,031.1</u>         | <u>882.4</u> |

The followings are analyses of the Group's non-current assets including investment properties and other properties, plant and equipment, and additions to non-current assets by geographical areas in which the assets are located.

|                | Non-current assets<br>(Note c) |                 | Additions to<br>non-current assets<br>(Note d) |              |
|----------------|--------------------------------|-----------------|------------------------------------------------|--------------|
|                | At 31 December                 |                 | Year ended 31 December                         |              |
|                | 2024                           | 2023            | 2024                                           | 2023         |
|                | HK\$'M                         | HK\$'M          | HK\$'M                                         | HK\$'M       |
| Hong Kong      | 17,766.9                       | 18,989.5        | 64.1                                           | 297.3        |
| United Kingdom | 727.4                          | 739.7           | 0.3                                            | 4.3          |
| The PRC        | 27.8                           | 29.0            | -                                              | -            |
|                | <u>18,522.1</u>                | <u>19,758.2</u> | <u>64.4</u>                                    | <u>301.6</u> |

#### Notes:

- Segment assets consist primarily of investment properties, other properties, plant and equipment, financial investments at amortised cost, financial investments at fair value through profit or loss, properties for sale, trade and other receivables, deposits and prepayments, other current assets, sales proceeds held in stakeholders' accounts, bank balances and cash and assets classified as held for sale. Other assets comprise mainly derivative financial instruments, tax recoverable and deferred tax assets.
- Segment liabilities comprise operating liabilities. Other liabilities include tax payable, bank and other borrowings, deferred tax liabilities and derivative financial instruments.
- Non-current assets include investment properties and other properties, plant and equipment.
- Additions to non-current assets comprise additions to investment properties and other properties, plant and equipment.

#### 4. Other (losses)/gains, net

|                                                                             | 2024<br>HK\$'M | 2023<br>HK\$'M |
|-----------------------------------------------------------------------------|----------------|----------------|
| Compensation income arising from early termination of management agreements | -              | 3.0            |
| Exchange losses, net                                                        | (11.8)         | (16.6)         |
| Forfeited deposits received from properties sales and rental deposit        | 0.7            | 1.7            |
| Gain on disposal of other properties, plant and equipment                   | -              | 0.2            |
| Gain on release and discharge of other long-term liability                  | 14.9           | -              |
| Impairment provision for financial investments at amortised cost            | (4.6)          | (11.2)         |
| Impairment provision for mortgage loan receivables at amortised cost        | (1.7)          | -              |
| Impairment provision for other properties, plant and equipment              | (7.8)          | -              |
| Management fee income from joint ventures                                   | 2.1            | 2.0            |
| Provision for doubtful debts                                                | (6.9)          | (2.0)          |
| Release of translation reserve upon deregistration of associates            | -              | 15.6           |
| Other charges to tenants                                                    | 7.0            | -              |
| Others                                                                      | 7.9            | 9.1            |
|                                                                             | <u>(0.2)</u>   | <u>1.8</u>     |

#### 5. Change in fair value of financial instruments

|                                                                                                               | 2024<br>HK\$'M | 2023<br>HK\$'M |
|---------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Net fair value loss on derivative financial instruments                                                       | (45.5)         | (39.2)         |
| Loss on financial liabilities at fair value through profit or loss classified under other long-term liability | -              | (7.2)          |
| Loss on financial investments at fair value through profit or loss                                            | (66.0)         | (12.6)         |
| (Loss)/gain on mortgage loan receivables at fair value through profit or loss                                 | (9.2)          | 0.5            |
|                                                                                                               | <u>(120.7)</u> | <u>(58.5)</u>  |

## 6. Loss from operations

|                                                                                       | 2024<br>HK\$'M | 2023<br>HK\$'M |
|---------------------------------------------------------------------------------------|----------------|----------------|
| Loss from operations has been arrived at after charging/(crediting) the following:    |                |                |
| Staff costs including directors' remuneration                                         | 289.0          | 258.2          |
| Retirement benefits costs                                                             | 12.1           | 10.2           |
|                                                                                       | <hr/>          | <hr/>          |
| Total staff costs (Note)                                                              | 301.1          | 268.4          |
| Share-based compensation expenses (Note)                                              | 27.4           | 11.7           |
| Auditor's remuneration                                                                |                |                |
| – Audit services                                                                      | 4.9            | 5.0            |
| – Non-audit services                                                                  | 0.6            | 0.7            |
| Cost of properties included in cost of sales                                          | 194.7          | 44.2           |
| Depreciation of other properties, plant and equipment                                 | 6.3            | 4.4            |
| Direct operating expenses arising from investment properties generating rental income | 200.7          | 154.7          |
| Gain on disposal of other properties, plant and equipment                             | -              | (0.2)          |
| Gain on disposal of a subsidiary (Note 12)                                            | -              | (41.0)         |
| Gross rental income from investment properties                                        | (618.7)        | (585.1)        |
|                                                                                       | <hr/> <hr/>    | <hr/> <hr/>    |

### Note:

Share-based compensation expenses recognised in the consolidated income statement in respect of share options and share awards granted to certain directors and employees are not included in the total staff costs above.

## 7. Taxation

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

The amount of taxation charged/(credited) to the consolidated income statement represents:

|                                                 | 2024<br>HK\$'M | 2023<br>HK\$'M |
|-------------------------------------------------|----------------|----------------|
| Current taxation                                |                |                |
| – Current tax on profits for the year           | 49.4           | 46.4           |
| – Over-provision in prior years                 | (0.4)          | (0.1)          |
|                                                 | <u>49.0</u>    | <u>46.3</u>    |
| Deferred taxation                               |                |                |
| – Change in fair value of investment properties | -              | (0.4)          |
| – Temporary differences on tax depreciation     | 24.0           | 30.5           |
| – Recognition of tax losses                     | (19.7)         | (29.5)         |
| – Other temporary differences                   | 1.1            | (3.1)          |
|                                                 | <u>5.4</u>     | <u>(2.5)</u>   |
| Income tax expenses                             | <u>54.4</u>    | <u>43.8</u>    |

## 8. Loss per share

### (a) Basic

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

|                                                                           | 2024                 | 2023                 |
|---------------------------------------------------------------------------|----------------------|----------------------|
| Loss attributable to shareholders of the Company<br>(expressed in HK\$'M) | <u>(2,559.5)</u>     | <u>(890.4)</u>       |
| Weighted average number of ordinary shares in issue                       | <u>1,357,200,279</u> | <u>1,357,136,304</u> |
| Basic loss per share                                                      | <u>(HK\$1.89)</u>    | <u>(HK\$0.66)</u>    |

## 8. Loss per share (Continued)

### (b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares at the beginning of the year. The Company has share options and share awards outstanding during the year which are not included in the calculation of diluted loss per share as they are anti-dilutive.

|                                                                                                             | 2024                 | 2023                 |
|-------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Loss attributable to shareholders of the Company<br>(expressed in HK\$'M)                                   | <u>(2,559.5)</u>     | <u>(890.4)</u>       |
| Weighted average number of ordinary shares in issue                                                         | 1,357,200,279        | 1,357,136,304        |
| Effect of dilutive potential shares issuable under the<br>Company's share option plans and share award plan | <u>-</u>             | <u>-</u>             |
| Weighted average number of shares for the purpose of<br>calculating diluted loss per share                  | <u>1,357,200,279</u> | <u>1,357,136,304</u> |
| Diluted loss per share                                                                                      | <u>(HK\$1.89)</u>    | <u>(HK\$0.66)</u>    |

## 9. Dividends

|                                                                                                  | 2024<br>HK\$'M | 2023<br>HK\$'M |
|--------------------------------------------------------------------------------------------------|----------------|----------------|
| Interim dividend paid on 7 October 2024 of HK3.0 cents<br>(2023: HK6.0 cents) per ordinary share | 40.7           | 81.4           |
| Proposed final dividend of HK4.0 cents (2023: HK8.0<br>cents) per ordinary share                 | <u>54.5</u>    | <u>108.6</u>   |
|                                                                                                  | <u>95.2</u>    | <u>190.0</u>   |

The final dividend is not accounted for as a dividend payable in these financial statements until it has been approved at the forthcoming annual general meeting of the Company.

## 10. Trade and other receivables, deposits and prepayments

|                                             | 2024<br>HK\$'M | 2023<br>HK\$'M |
|---------------------------------------------|----------------|----------------|
| Trade receivables (Note a)                  | 15.6           | 14.0           |
| Deferred rent receivables                   | 13.4           | 14.3           |
| Amounts due from joint ventures             | 11.8           | 7.8            |
| Loans to joint ventures                     | 28.1           | 27.4           |
| Amounts due from non-controlling interests  | 82.6           | -              |
| Contract assets (Note b)                    | 5.4            | 1.1            |
| Other receivables, deposits and prepayments | 104.9          | 496.8          |
|                                             | <u>261.8</u>   | <u>561.4</u>   |

### Notes:

- (a) The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with industry practice. Sales proceeds receivable from sale of properties are settled in accordance with the terms of respective contracts. The following is an ageing analysis of the Group's trade receivables (net of provision) at 31 December, based on the invoice dates:

|              | 2024<br>HK\$'M | 2023<br>HK\$'M |
|--------------|----------------|----------------|
| 0 – 30 days  | 11.8           | 9.7            |
| 31 – 90 days | 2.3            | 2.5            |
| Over 90 days | 1.5            | 1.8            |
|              | <u>15.6</u>    | <u>14.0</u>    |

- (b) It mainly represents sales commissions incurred for obtaining property sales contracts.

## 11. Trade and other payables and accruals

|                               | 2024<br>HK\$'M | 2023<br>HK\$'M |
|-------------------------------|----------------|----------------|
| Trade payables (Note a)       | 32.6           | 28.2           |
| Contract liabilities (Note b) | 8.2            | 3.1            |
| Rental deposits received      | 134.4          | 144.5          |
| Construction costs payable    | 67.4           | 143.9          |
| Amounts due to joint ventures | 89.7           | 78.5           |
| Other payables and accruals   | 236.1          | 294.8          |
|                               | <u>568.4</u>   | <u>693.0</u>   |

## 11. Trade and other payables and accruals (Continued)

Notes:

- (a) The ageing analysis of the Group's trade payables based on invoice date at 31 December is as follows:

|              | 2024<br>HK\$'M | 2023<br>HK\$'M |
|--------------|----------------|----------------|
| 0 – 30 days  | 31.6           | 27.2           |
| 31 – 90 days | 1.0            | 0.9            |
| Over 90 days | -              | 0.1            |
|              | <u>32.6</u>    | <u>28.2</u>    |

- (b) It mainly represents sales deposits received from property sales.

## 12. Gain on disposal of a subsidiary

In September 2023, the Group disposed of its entire interest in 33 residential units at Central Park with a gross floor area of approximately 6,200 square metres and 33 car parking spaces, located in Beijing, the PRC. The disposal was completed in November 2023. Disposal gain was arrived as follows:

|                                                              | 2023<br>HK\$'M |
|--------------------------------------------------------------|----------------|
| Initial consideration                                        | 418.0          |
| Less: Bank balances and cash disposed                        | -              |
| Bank borrowing and amount due to the Group                   | (40.6)         |
| Net proceeds receivable from disposal of a subsidiary        | <u>377.4</u>   |
| Less: Net asset value of a subsidiary                        | (288.8)        |
| Taxation                                                     | (28.1)         |
| Transaction cost                                             | (5.2)          |
| Release of translation reserve upon disposal of a subsidiary | (14.3)         |
| Gain on disposal of a subsidiary                             | <u>41.0</u>    |

## 13. Scope of work of PricewaterhouseCoopers

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

## **FINAL DIVIDEND, RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS**

### **FINAL DIVIDEND AND RECORD DATE**

The Directors recommend the payment of a final dividend of HK4.0 cents (2023: HK8.0 cents) per share for the year ended 31 December 2024. Including the interim dividend of HK3.0 cents (2023: HK6.0 cents) per share distributed on 7 October 2024, the total dividend payout for the year ended 31 December 2024 shall be HK7.0 cents (2023: HK14.0 cents) per share. Subject to the passing of the relevant resolution at an annual general meeting of the Company to be held on 29 May 2025 (the “AGM”), the final dividend will be distributed on or around 23 June 2025 to shareholders whose names appear on the register of members of the Company at the close of business on 5 June 2025 (the Record Date).

In order to qualify for the entitlement of the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 5 June 2025.

### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of ascertaining shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 26 May 2025 to 29 May 2025 (both days inclusive), during which period the registration of transfers of shares will be suspended. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 23 May 2025.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

For the year ended 31 December 2024, the Group’s revenue was HK\$1,031 million, compared with HK\$882 million in 2023. The increase was mainly due to more sales of remaining units of OMA OMA and OMA by the Sea, and revenue generated from Lanson Place Causeway Bay hotel since its re-opening after renovation.

Core consolidated profit attributable to shareholders, excluding non-cash net valuation loss and impairment provision was HK\$92 million, a decrease of HK\$105 million, compared with HK\$197 million in 2023. The decrease was mainly attributable to (i) HK\$41 million gain on disposal of a subsidiary in Beijing, China in 2023, (ii) HK\$52 million decrease in profit from the property development segment due to lower profit margin from sales of our remaining residential units, and (iii) HK\$23 million increased loss from the hospitality investment and management segment due to pre-opening/re-opening expenses of Lanson Place Causeway Bay hotel after renovation.

Total non-cash net valuation loss including share of joint ventures, net of non-controlling interest was HK\$2,652 million, compared with HK\$1,087 million in 2023, comprised of (i) HK\$2,549 million net valuation loss and impairment provision including share of joint ventures on our property portfolio (2023: HK\$963 million) and (ii) HK\$103 million net valuation loss from financial instruments (2023: HK\$124 million), mainly the Real Estate Investment Trust investments listed in Singapore.

Including total non-cash net valuation loss, consolidated loss attributable to shareholders was HK\$2,560 million, an increase of HK\$1,670 million, compared with HK\$890 million in 2023.

Loss per share attributable to shareholders was HK\$1.89, compared with HK\$0.66 in 2023.

Consolidated loss for the year was HK\$2,576 million, an increase of HK\$1,764 million, compared with HK\$812 million in 2023.

## **Property Development**

The property development segment revenue excluding inter-segment sales was HK\$325 million in 2024, compared with HK\$212 million in 2023, mainly due to more sales of remaining units of OMA OMA and OMA by the Sea, albeit at thinner profit margin. Core segment loss before taxation was HK\$15 million, compared with core segment profit before taxation of HK\$36 million in 2023. Due to the weakening of Hong Kong property market, and in line with market valuation mark down, impairment provision of HK\$1,416 million (2023: HK\$274 million) was booked based on the December valuation on our properties under development. Segment loss before taxation including impairment provision and net valuation loss (2024: HK\$1,439 million; 2023: HK\$326 million) was HK\$1,454 million, compared with HK\$290 million in 2023.

### *Wholly-owned project*

OMA OMA, a medium-density residential site on So Kwun Wat Road, So Kwun Wat, Tuen Mun, provides a saleable area of approximately 234,000 square feet for 466 residential apartment units. Cumulatively, as at 31 December 2024, around 95% (in terms of number) of the residential units were sold. Around 0.2% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2024.

### *Majority-owned projects*

The Group has a 70% interest in OMA by the Sea, Tai Lam, Tuen Mun. This medium-density residential site has a saleable area of approximately 252,000 square feet for 517 residential apartment units. In 2024, around 4% (in terms of number) of the residential units were sold. Cumulatively, as at 31 December 2024, around 96% (in terms of number) of the residential units were sold. Around 4% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2024.

The Group has a 85% interest in a medium-density residential site located at the junction of Fan Kam Road and Castle Peak Road – Kwu Tung, Fanling, New Territories. This project is named as “Cloudview”. This is adjacent to Fanling Golf Course and is within a 10-minute walk to Sheung Shui MTR station, with a gross floor area of approximately 284,000 square feet. The Group is the lead project manager and lead sales and marketing manager for this project. Superstructure work of the project is in progress. Pre-sale consent was obtained in October 2024 and we are preparing for pre-sale launch.

#### *Joint venture projects*

The Group has a 50% interest in a commercial mixed-use site in Central. Advantageously located in the heart of the bustling Central financial hub, the site provides a gross floor area of up to 433,500 square feet to be developed into a Grade A office tower, a hotel, retail shops, as well as public open space with green facilities for the neighbourhood. The Group is the lead project manager and lead leasing manager for this project. Superstructure work of the project is in progress.

The Group has a 50% interest in a residential site in Sha Tin. The site which enjoys the dual convenience of the East Rail and the Tuen Ma MTR transportation network, is walking distance to the Tai Wai and Hin Keng MTR stations. The site provides a gross floor area of approximately 89,000 square feet. The Group is the lead sales and marketing manager for this project. Superstructure work of the project is in progress. Pre-sale consent was obtained in March 2025 and we are preparing for pre-sale launch.

### **Property Investment and Management**

The property investment and management segment revenue excluding inter-segment sales was HK\$560 million in 2024, compared with HK\$573 million in 2023. Core segment profit before taxation was HK\$320 million, compared with HK\$320 million in 2023. Segment loss before taxation including net valuation loss was HK\$740 million, compared with HK\$411 million in 2023, mainly due to higher net valuation loss (2024: HK\$1,060 million; 2023: HK\$772 million) on office buildings, mainly Landmark East.

As at 31 December 2024, the Group’s portfolio of investment properties, mostly Grade A office buildings, has a total area of approximately 1,961,000 square feet with an aggregate attributable fair market valuation of around HK\$19,000 million. The portfolio covers 1,633,000 square feet in Hong Kong and 328,000 square feet in London.

#### *Wholly-owned properties in Hong Kong*

Landmark East is the Group’s flagship property located in Kowloon East. This property is a Grade A office complex comprising twin towers of 36 floors and 34 floors respectively with a total gross floor area of approximately 1,338,000 square feet and 454 car parking spaces. As at 31 December 2024, the property achieved an occupancy of approximately 90%. As a testament to our commitment to upgrade the building quality and green standard, we successfully obtained 3 certificates, of which WELL v2 Platinum issued by International WELL Building Institute and BEAM

Plus Existing Buildings Platinum issued by Hong Kong Green Building Council Limited in 2024 and LEED Existing Buildings Platinum issued by U.S. Green Building Council in 2023.

Shui Hing Centre is an industrial building in Kowloon Bay, with a gross floor area of approximately 187,000 square feet. As at 31 December 2024, the property achieved an occupancy of approximately 78%. Town Planning Board's approval for redevelopment was obtained in April 2021. We obtained first land premium offer which is under appeal.

The Group holds Le Cap and La Vetta, which are low-density residential projects, located at Kau To, Sha Tin, for leasing. Le Cap has 16 residential units including houses and apartments, and 22 car parking spaces of approximately 36,000 square feet saleable area. In 2024, 1 unit and 1 car parking space were sold, and related revenue will be recognised upon hand over to the buyer in 2025. As at 31 December 2024, around 88% of the residential units (in terms of number) were leased. La Vetta has 34 residential units including houses and apartments, and 48 car parking spaces, of approximately 72,000 square feet saleable area. As at 31 December 2024, around 71% of the residential units (in terms of number) were leased.

#### *Wholly-owned properties in London, the United Kingdom*

The commercial property located at Savile Row/Vigo Street, West End, has a net internal area of approximately 14,000 square feet of Grade A office and retail space.

The commercial property located at Brook Street, West End, offers easy access to Bond Street Station of London Crossrail and has a net internal area of approximately 19,000 square feet of Grade A office and retail space.

The commercial property located at Berkeley Square, West End, has a net internal area of approximately 7,900 square feet of Grade A office space.

As at 31 December 2024, the above three wholly-owned properties achieved an average occupancy of approximately 70%.

#### *Joint venture properties in London, the United Kingdom*

The Group has a 25% interest in a commercial property located on Fleet Place, City of London. The property has a net internal area of approximately 192,000 square feet of Grade A office and retail space.

The Group has a 33% interest in a commercial property located at Cavendish Square, West End. The property has a net internal area of approximately 13,000 square feet of Grade A office space.

The Group has a 50% interest in a commercial property located at 30 Gresham Street, City of London. The property has a net internal area of approximately 404,000 square feet of Grade A office, retail space and ancillary accommodation, with 48 car parking spaces.

The Group has a 21% interest in a commercial property located at 66 Shoe Lane, City of London. The property has a net internal area of approximately 158,000 square feet of Grade A office, ancillary space and retail space. The office space is fully leased to a global Big Four accounting and professional services firm with tenors of 15 years (including rent-free periods) expiring on 28 September 2035.

As at 31 December 2024, the above four joint venture properties achieved an average occupancy of approximately 96%.

## **Hospitality Investment and Management**

The hospitality investment and management segment revenue was HK\$86 million in 2024, compared with HK\$37 million in 2023. Core segment loss before taxation was HK\$104 million, compared with HK\$72 million in 2023, mainly due to pre-opening/re-opening expenses of Lanson Place Causeway Bay hotel and higher finance cost. Segment loss before taxation including net valuation loss (2024: HK\$156 million; 2023: HK\$9 million) was HK\$260 million, compared with HK\$81 million in 2023.

Following an extensive refurbishment project led by the world-renowned Parisian hotel design maestro, our wholly-owned Lanson Place Causeway Bay hotel in Hong Kong was soft reopened in March 2024, and is building up market awareness and occupancy.

Lanson Place Waterfront Suites, our wholly-owned prime harbour-front furnished residence in Sai Wan Ho, was held for leasing. Its occupancy and performance remained stable.

The Group has a 50% interest in Lanson Place Bukit Ceylon in Kuala Lumpur. Its occupancy and performance remained stable.

## **Others**

This segment represents investing activities and central management and administrative function. Segment revenue was HK\$60 million in 2024, compared with HK\$60 million in 2023.

Core segment profit before taxation was HK\$31 million, compared with HK\$25 million in 2023, mainly due to HK\$15 million gain on release of other long-term liability in 2024. Segment loss before taxation including net valuation loss (2024: HK\$99 million; 2023: HK\$12 million) was HK\$68 million, compared with segment profit before taxation of HK\$13 million in 2023.

## FINANCIAL REVIEW

The Group has been maintaining an appropriate capital structure with multiple financing channels to ensure that financial resources are always available to meet operational needs and expansions. A sufficient level of revolving loan facilities is available to cushion the Group from any unexpected external economic shocks. All financial risk management, including debt refinancing, foreign exchange exposure, and interest rate volatility, is centrally managed and controlled at the corporate level.

### Liquidity and Financial Resources

The Group's net assets totalled HK\$23,321 million as at 31 December 2024 (31 December 2023: HK\$26,095 million). The decrease of HK\$2,774 million is mainly resulted from the distribution of the 2023 final dividend and 2024 interim dividend of HK\$149 million, distribution to holders of perpetual capital securities of HK\$66 million and the loss for the year of HK\$2,576 million.

As at 31 December 2024, the Group's bank and other borrowings totalled HK\$6,826 million (31 December 2023: HK\$6,808 million). The maturity profile of the Group's bank and other borrowings is set out below:

|                            | 31 December 2024 |             | 31 December 2023 |             |
|----------------------------|------------------|-------------|------------------|-------------|
|                            | HK\$ million     | %           | HK\$ million     | %           |
| Repayable:                 |                  |             |                  |             |
| Within one year            | 2,089            | 31%         | 2,808            | 41%         |
| Between one and two years  | 473              | 7%          | 516              | 8%          |
| Between two and five years | 4,264            | 62%         | 3,484            | 51%         |
|                            | <u>6,826</u>     | <u>100%</u> | <u>6,808</u>     | <u>100%</u> |

During the year, the Lanson Place Causeway Bay hotel has entered a 3-year sustainability-linked loan facility which marked the first sustainability-linked loan of the Group. As at 31 December 2024, the Group's gearing ratio is 19.1% (31 December 2023: 16.0%) which is calculated as the Group's net borrowings divided by total equity. The Group's net borrowings (total bank and other borrowings less bank balances and cash) were HK\$4,464 million (31 December 2023: HK\$4,166 million). Interest for the Group's bank borrowings is on a floating rate basis while interest for the Group's bonds is on a fixed rate basis. The Group will closely monitor the exposure to interest rate fluctuations and, if appropriate, hedge by interest rate swap contracts to the extent desirable.

The Group's bank balances and cash as well as unutilised revolving loan facilities are set out as follows:

|                                      | 31 December 2024 | 31 December 2023 |
|--------------------------------------|------------------|------------------|
|                                      | HK\$ million     | HK\$ million     |
| Bank balances and cash               | 2,362            | 2,642            |
| Unutilised revolving loan facilities | 2,523            | 2,551            |
|                                      | <u>4,885</u>     | <u>5,193</u>     |

### Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has immaterial exposure to exchange rate fluctuations. The Group conducts its business mainly in Hong Kong dollars, and to a lesser extent UK pounds, Renminbi, Singapore dollars and Malaysia Ringgits. For transactions in foreign currencies, the Group will closely monitor the exposure and, if appropriate, hedge by local currency financing and other financial instruments to the extent desirable. In particular, exposure to investments in foreign operations in the United Kingdom is substantially covered by local currency financing and forward exchange contracts.

As at 31 December 2024, the Group's borrowings were 85% in Hong Kong dollars and 15% in UK pounds. The borrowings in UK pounds were arranged with banks for operations in the United Kingdom. The Group maintains bank balances and deposits substantially in Hong Kong dollars.

### Material loans to joint ventures

The Group provides certain loans to joint ventures to finance the projects and the details are set out as follows:

| Names of joint ventures:                            | Notes | 31 December 2024 | 31 December 2023 |
|-----------------------------------------------------|-------|------------------|------------------|
|                                                     |       | HK\$ million     | HK\$ million     |
| Southwater Investments Limited and its subsidiaries | (a)   | 2,366            | 2,149            |
| Kingswood Edge Limited                              | (b)   | 768              | 732              |
| Champion Estate (HK) Limited                        | (c)   | 316              | 268              |
| Others                                              |       | 861              | 852              |
| Total                                               |       | <u>4,311</u>     | <u>4,001</u>     |

#### Notes:

- (a) The loans are unsecured, carry interest at rates agreed by both parties, and have no fixed repayment dates. They are for financing the development of a property project in Hong Kong. The Group performs impairment assessment under Expected Credit Losses ("ECL") model. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Based on the assessment under ECL model, the Group concluded that the amount of ECL is immaterial.

- (b) The loan is unsecured, interest-free, and has no fixed repayment dates. It is for financing an investment in property in London. Based on the assessment under ECL model, the Group concluded that the amount of ECL is immaterial.
- (c) The loan is unsecured, carries interest at rates agreed by both parties, and has no fixed repayment dates. It is for financing the development of a property project in Hong Kong. Based on the assessment under ECL model, the Group concluded that the amount of ECL is immaterial.

## **Contingent Liabilities**

As at 31 December 2024, the Group had contingent liabilities of HK\$5,363 million (31 December 2023: HK\$5,398 million) in respect of guarantees given by the Company for banking facilities granted to certain joint ventures. The guarantees were given severally and in proportion to the Group's equity interests in the joint ventures.

## **Pledge of Assets**

As at 31 December 2024, the Group's advances to joint ventures of HK\$3,900 million (31 December 2023: HK\$3,551 million) were subordinated to the loan facilities of joint ventures and assigned. The shares in these joint ventures beneficially owned by the Group are pledged to the financial institutions.

As at 31 December 2024, several of the Group's investment properties, properties for sale, financial assets at amortised cost, other properties, plant and equipment and bank deposits with carrying values of HK\$3,786 million, HK\$2,741 million, HK\$578 million, HK\$33 million and HK\$52 million, respectively, were pledged to secure credit facilities for the Group.

## **PROSPECTS**

The Hong Kong economy faces ongoing uncertainties in 2025. While the previous interest rate cuts from the US Federal Reserve could offer some support to the local market, the outlook remains cautious.

Improved market sentiment and investment activity will depend on the evolving global economic landscape and any further policy adjustments. On a positive note, China's support for private enterprises, particularly those in the high-tech sector, has revived investor confidence, as reflected in the recent growing stock market in Mainland China and Hong Kong. Should the Chinese economy recover gradually, increased investment and corporate presence from Mainland China in Hong Kong is anticipated. Furthermore, eased visa restrictions for Shenzhen residents and initiatives like the Top Talent Pass Scheme are boosting visitor arrivals, talent, and capital inflows, which may further strengthen Hong Kong's economy and its property market.

The residential property market may benefit from a gradual recovery in demand, driven partly by the inflow of talent and capital under the New Capital Investment Entrant Scheme. This increased demand should provide underlying support to property prices in the long run. Nonetheless, the substantial supply of unsold units will likely prevent any significant price growth in the near term.

This presents both challenges and opportunities in attracting homebuyers, requiring a thoughtful plan and a focus on delivering compelling value propositions, such as attractive pricing and enhanced features.

Our Cloudview and Sha Tin residential projects, comprising primarily one-bedroom and two-bedroom units conveniently located near MTR stations, are poised for pre-sale launch. These projects are well-positioned to capture demand from first-time buyers, particularly if market confidence recovers.

The commercial property market, particularly the office sector, continues to face challenges due to global economic headwinds. Hong Kong office market is expected to see downward pressure in rents and occupancy rates. On the other hand, London office market continues to improve as we have seen continual rental growth on newly upgraded and ESG compliant buildings. We expect our Hong Kong rental income will drop slightly while London rental income will remain solid.

The Government's active promotion of mega-events would likely attract more travellers to Hong Kong, thus contributing to a potential rise in occupancy rates at our Lanson Place Causeway Bay hotel. We anticipate further gradual improvement as the city's tourism sector and overall economy continue to recover.

Looking ahead, we remain cautiously optimistic about the prospects of the Hong Kong property market. While challenges persist, the underlying fundamentals of the Hong Kong economy and the Government's commitment to supporting the property sector provide a basis for long-term growth. Maintaining a healthy financial position and diversified portfolio remain a priority. Going forward, we will continue to operate prudently amidst market volatility, diligently pursuing suitable investment opportunities.

## **KEY RISKS AND UNCERTAINTIES**

The Group's business, financial conditions or results of operations are affected by a number of key risks and uncertainties outlined below. There may be other risks or uncertainties, including those which are not known to the Group or which the Group currently deems to be immaterial but may affect the Group in future.

### **Business Risks**

#### *Property development*

A majority of the Group's assets are located in, and a majority of the Group's revenue is derived from Hong Kong. As a result, the general state of Hong Kong and the property market, the interest rate changes and the political and legal situations in Hong Kong may have a significant impact on the Group's operating results and financial condition.

The Group's activities on its development properties are also subject to various laws and regulations of Hong Kong. Developing properties, refurbishment and other re-development projects require Government permits. The Government may introduce property cooling measures from time to time which may have a significant impact on the property market and may adversely affect the Group's property sales performance and financial condition.

#### *Property investment and hospitality business*

Financial performance may be materially and adversely affected in the event of a decline in rental or occupancy levels, or difficulties in securing lease renewals or obtaining new tenants. The Group cannot be assured that existing tenants will renew their leases upon expiration or that the Group will be able to find replacement tenants at rental rates equal to or above the current rental rates for tenancies.

## **CORPORATE SOCIAL RESPONSIBILITY**

### **Employees**

As at 31 December 2024, the Group had approximately 480 employees. The Group offers comprehensive remuneration and benefit packages to our employees, which are structured according to prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme and an occupational retirement scheme to provide retirement benefits to all employees in Hong Kong. The Group also provides training programmes for employees.

Employees, including Directors, are eligible for the Company's share option plan and share award plan where the share options and/or share awards are generally exercisable by phases within ten years.

### **Communities**

The Group takes pride in being an outstanding member of the communities in which it operates. As such, the Group has introduced a number of initiatives under its Corporate Social Responsibility mission and shall continue to seek innovative and meaningful ways to engage its employees and associates in building stronger and more vibrant communities in which it operates.

The Group's 2024 activities covered the followings:

- Lai See Packet Re-cycle and Re-use Programme
- Pre-loved Books Donation
- A Day with Food Angel
- Mooncake Donation
- Walk for a Vision
- Urban Relay

## **Environment**

The Group established the environmental policy addressing environmental issues. For details, please refer to Environmental, Social and Governance Report 2024, which will be available on the websites of the Company and Hong Kong Exchanges and Clearing Limited together with the Annual Report 2024.

## **Compliance with Laws and Regulations**

The Group is committed to complying with all relevant rules and regulations issued by the Government of the Hong Kong Special Administrative Region in relation to construction of properties, sales of properties, property management and employees, etc. The Group also holds relevant required licences for the provision of hospitality services. Relevant employees are trained to any changes in the applicable laws, rules and regulations from time to time.

## **Relationship with Suppliers**

The selection of major suppliers or contractors is conducted through tendering process in all the Group's segments. Internal Audit Department of the Group regularly reviews the procurement and tendering procedures to ensure that the processes are conducted in an open and fair manner.

## **Relationship with Customers**

For our residential development projects, the Group has comprehensive hand-over procedures to ensure delivery of quality products to our customers.

For our commercial and residential estate management and hospitality management, the Group obtains regular feedback from customers in order to enhance quality of services.

## **OTHER INFORMATION**

### **CORPORATE GOVERNANCE**

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with regulatory requirements, including the requirements under the Listing Rules.

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the financial year ended 31 December 2024.

### **REVIEW BY AUDIT COMMITTEE**

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2024, including the accounting principles and practices adopted by the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

## **ANNUAL REPORT**

The Annual Report 2024 containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.wingtaiproperties.com](http://www.wingtaiproperties.com) and copies thereof will be dispatched to shareholders of the Company on or about 29 April 2025.

By Order of the Board  
**WING TAI PROPERTIES LIMITED**  
**Chung Siu Wah, Henry**  
*Company Secretary & Group Legal Counsel*

Hong Kong, 28 March 2025

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*

Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Chow Wai Wai, John and Ng Kar Wai, Kenneth

*Non-executive Directors:*

Kwok Ping Luen, Raymond (Kwok Ho Lai, Edward as his alternate), Hong Pak Cheung, William and Chen Chou Mei Mei, Vivien

*Independent Non-executive Directors:*

Simon Murray, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma, Lam Kin Fung, Jeffrey and Ng Tak Wai, Frederick