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(Stock Code: 00173)

## Delivering Value with Distinctive Quality

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### ANNUAL RESULTS HIGHLIGHTS

The Board of Directors (“**Board**”) of K. Wah International Holdings Limited (“**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (together the “**Group**”) as follows:

- Revenue of the Group was HK\$7,187 million and taking into account joint ventures and associated companies, total attributable revenue of the Group was HK\$8,426 million.
- Underlying profit was HK\$361 million while profit attributable to equity holders of the Company was HK\$335 million.
- Attributable contracted sales of the Group amounted to HK\$6.9 billion for the year ended 31 December 2024.
- As of 31 December 2024, the Group had attributable contracted sales of HK\$11.7 billion in total yet to be recognised.
- Earnings per share was 10.63 HK cents and the full year dividend per share (including final dividend per share of 5 HK cents) was 9 HK cents.
- As of 31 December 2024, net asset value per share was HK\$12.7.
- The gearing ratio of the Group decreased from 17% as of last year end to 12% as of 31 December 2024.
- The Group, with its financial resources, will continue to assess any opportunities, where appropriate, to replenish its landbank in Hong Kong, and the Pearl River and Yangtze River Deltas, on a disciplined basis and in a cautious manner.

**CONSOLIDATED PROFIT AND LOSS STATEMENT**  
**For the year ended 31 December 2024**

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Revenue	3	<b>7,187,433</b>	6,102,809
Cost of sales		<b>(5,827,434)</b>	(4,084,643)
Gross profit		<b>1,359,999</b>	2,018,166
Other operating income		<b>609,704</b>	497,469
Other net gains		<b>96,327</b>	143,975
Change in fair value of investment properties		<b>(52,602)</b>	24,288
Fair value gain on transfer of development properties to investment properties		-	10,022
Other operating expenses		<b>(323,318)</b>	(370,561)
Administrative expenses		<b>(552,623)</b>	(608,644)
Finance costs	4	<b>(442,038)</b>	(349,469)
Share of profits of joint ventures		<b>21,155</b>	125,875
Share of losses of associated companies		<b>(10,256)</b>	(2,187)
Profit before taxation	5	<b>706,348</b>	1,488,934
Taxation charge	6	<b>(337,261)</b>	(646,704)
<b>Profit for the year</b>		<b>369,087</b>	842,230
Attributable to:			
Equity holders of the Company		<b>335,070</b>	802,156
Non-controlling interests		<b>34,017</b>	40,074
		<b>369,087</b>	842,230
Earnings per share	7	<b>HK cents</b>	<b>HK cents</b>
Basic		<b>10.63</b>	25.60
Diluted		<b>10.63</b>	25.60

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2024**

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit for the year</b>	<b>369,087</b>	842,230
<b>Other comprehensive (loss)/income:</b>		
<i>Items that will not be reclassified to profit and loss:</i>		
Change in fair value of financial assets at fair value through other comprehensive income	<b>(1,746,703)</b>	(1,275,500)
Exchange differences arising from translation - non-controlling interests	<b>(72,120)</b>	(32,127)
<i>Items that may be reclassified to profit and loss:</i>		
Exchange differences arising from translation - subsidiaries	<b>(601,082)</b>	(401,766)
- joint ventures and associated companies	<b>(1,515)</b>	4,946
Gains on net investment hedges	<b>138,497</b>	-
Other comprehensive loss for the year	<b>(2,282,923)</b>	(1,704,447)
<b>Total comprehensive loss for the year</b>	<b>(1,913,836)</b>	(862,217)
<b>Total comprehensive (loss)/income attributable to:</b>		
Equity holders of the Company	<b>(1,875,733)</b>	(870,164)
Non-controlling interests	<b>(38,103)</b>	7,947
	<b>(1,913,836)</b>	(862,217)

## CONSOLIDATED BALANCE SHEET

As at 31 December 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		330,263	362,493
Investment properties		16,349,981	16,600,967
Right-of-use assets		77,416	79,426
Joint ventures		9,984,779	10,462,546
Associated companies		2,988,409	2,731,816
Financial assets at fair value through other comprehensive income		5,361,974	7,108,677
Deferred taxation assets		305,233	181,140
Derivative financial instruments		-	56,965
Other non-current assets		905,540	1,490,662
		<u>36,303,595</u>	<u>39,074,692</u>
<b>Current assets</b>			
Development properties		18,634,218	23,170,991
Inventories		897	1,249
Amounts due from joint ventures		96,167	61,497
Debtors and prepayments	9	503,910	598,322
Tender deposits		-	50,000
Derivative financial instruments		62,202	9,516
Financial assets at fair value through profit or loss		215,895	1,366,859
Taxes recoverable		904,784	677,745
Cash and cash equivalents and bank deposits		9,649,379	7,496,096
		<u>30,067,452</u>	<u>33,432,275</u>
<b>Total assets</b>		<u>66,371,047</u>	<u>72,506,967</u>
<b>EQUITY</b>			
Share capital		315,273	313,289
Reserves		39,763,363	42,014,797
Shareholders' funds		<u>40,078,636</u>	<u>42,328,086</u>
Non-controlling interests		1,879,113	2,769,355
<b>Total equity</b>		<u>41,957,749</u>	<u>45,097,441</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		10,802,654	12,324,296
Lease liabilities		3,937	1,712
Deferred taxation liabilities		2,638,590	2,706,818
		<u>13,445,181</u>	<u>15,032,826</u>
<b>Current liabilities</b>			
Amounts due to joint ventures		808,253	1,314,625
Amounts due to associated companies		79,219	73,417
Creditors, accruals and other liabilities	10	1,539,793	1,731,040
Pre-sales deposits		4,291,758	5,771,726
Current portion of borrowings		3,759,888	2,858,009
Derivative financial instruments		2,553	-
Taxes payable		486,653	627,883
		<u>10,968,117</u>	<u>12,376,700</u>
<b>Total liabilities</b>		<u>24,413,298</u>	<u>27,409,526</u>
<b>Total equity and liabilities</b>		<u>66,371,047</u>	<u>72,506,967</u>
<b>Net current assets</b>		<u>19,099,335</u>	<u>21,055,575</u>
<b>Total assets less current liabilities</b>		<u>55,402,930</u>	<u>60,130,267</u>

## NOTES

### 1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“*HKFRSs*”) issued by the Hong Kong Institute of Certified Public Accountants under the historical cost convention as modified by the revaluation of investment properties, certain financial assets and financial instruments, which are carried at fair values. HKFRSs comprise the following authoritative literature: Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

Except for the amendments to standards and interpretation effective for accounting period beginning on 1 January 2024, and the hedge accounting adopted in the current year as stated below, the accounting policies and methods of computation used in the preparation of the consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 December 2023.

#### The adoption of amendments to standards and interpretation

In 2024, the Group adopted the following amendments to standards and interpretation, which are relevant to its operations.

HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendment)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback
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 above amendments to standards and interpretation did not have significant impact on the Group’s accounting policies and did not require retrospective adjustments.

#### New standards, amendments and improvements to standards and interpretation that are not yet effective

		<b>Effective for accounting periods beginning on or after</b>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKAS 7, HKFRS 1, HKFRS 7, HKFRS 9 and HKFRS 10	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
Hong Kong Interpretation 5 (Amendment)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

## 1. Basis of preparation (Cont'd)

The Group will adopt the above new standards, amendments and improvements to standards and interpretation as and when they become effective. The Group has performed a preliminary assessment of the likely impact and anticipates that the application of these new standards, amendments and improvements to standards and interpretation will have no material impact on the results and the financial position of the Group. The Group will continue to assess the impact in more details.

### **Hedge accounting**

#### *Hedging activities*

The Group designates certain derivatives and Renminbi denominated borrowings as net investment hedges in foreign operations.

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

#### *Net investment hedges in foreign operations*

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in consolidated profit and loss statement within finance costs.

Gains and losses accumulated in equity are reclassified to consolidated profit and loss statement when the foreign operation is partially disposed of or sold.

## 2. Segment information

The Group is principally engaged in property development and investment in Hong Kong and the Mainland. In accordance with the internal financial reporting of the Group provided to the chief operating decision-maker for the purposes of allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are property development and property investment. The Group regards the Board as the chief operating decision-maker.

The results of the operating segments represent the adjusted earnings before interest, tax, depreciation, amortisation and certain items (the "*Adjusted EBITDA*"). Certain items include other operating income/expenses, other net gains/losses, change in fair value of investment properties and fair value gain on transfer of development properties to investment properties. The Adjusted EBITDA excludes the share of results of joint ventures and associated companies. There are no sales or trading transactions between the operating segments. Others represent corporate level activities including central treasury management, hotel operation and administrative function.

Segment assets represent total assets excluding joint ventures, associated companies and other assets. Other assets mainly include financial assets at fair value through other comprehensive income, hotel building, inventories and other non-operating assets held by the corporate office.

## 2. Segment information (Cont'd)

	Property development		Property investment	Others	Total
	Hong Kong HK\$'000	Mainland HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Year ended 31 December 2024</b>					
Revenue from contracts with customers					
- Recognised at a point in time	540,491	5,913,305	-	-	6,453,796
- Recognised over time	-	-	-	90,667	90,667
Revenue from other sources					
- Rental income	-	-	642,970	-	642,970
Revenue	540,491	5,913,305	642,970	90,667	7,187,433
Adjusted EBITDA	197,349	353,227	486,538	(194,476)	842,638
Other income and expenses/gains, net					382,713
Depreciation and amortisation					(35,262)
Change in fair value of investment properties			(52,602)		(52,602)
Finance costs					(442,038)
Share of profits/(losses) of joint ventures	24,008	(2,853)			21,155
Share of losses of associated companies	(9,993)	(263)			(10,256)
Profit before taxation					706,348
Taxation charge					(337,261)
Profit for the year					369,087
<b>As at 31 December 2024</b>					
Segment assets	4,195,954	25,805,425	16,700,841	-	46,702,220
Other assets	-	-	-	6,599,472	6,599,472
Joint ventures	9,004,466	1,076,480	-	-	10,080,946
Associated companies	2,960,522	27,887	-	-	2,988,409
Total assets	16,160,942	26,909,792	16,700,841	6,599,472	66,371,047
Total liabilities	6,253,448	15,406,978	2,678,840	74,032	24,413,298
<b>Year ended 31 December 2023</b>					
Revenue from contracts with customers					
- Recognised at a point in time	918,765	4,454,595	-	-	5,373,360
- Recognised over time	-	-	-	92,283	92,283
Revenue from other sources					
- Rental income	-	-	637,166	-	637,166
Revenue	918,765	4,454,595	637,166	92,283	6,102,809
Adjusted EBITDA	452,659	711,404	493,464	(217,629)	1,439,898
Other income and expenses/gains, net					270,883
Depreciation and amortisation					(30,376)
Change in fair value of investment properties			24,288		24,288
Fair value gain on transfer of development properties to investment properties			10,022		10,022
Finance costs					(349,469)
Share of profits of joint ventures	32,287	93,588			125,875
Share of (losses)/profits of associated companies	(2,602)	415			(2,187)
Profit before taxation					1,488,934
Taxation charge					(646,704)
Profit for the year					842,230

## 2. Segment information (Cont'd)

	Property development		Property investment	Others	Total
	Hong Kong <i>HK\$'000</i>	Mainland <i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 31 December 2023					
Segment assets	5,805,922	28,645,000	17,125,268	-	51,576,190
Other assets	-	-	-	7,674,918	7,674,918
Joint ventures	8,988,237	1,535,806	-	-	10,524,043
Associated companies	2,703,054	28,762	-	-	2,731,816
Total assets	17,497,213	30,209,568	17,125,268	7,674,918	72,506,967
Total liabilities	6,657,770	17,687,553	3,008,798	55,405	27,409,526
<b>Additions to non-current assets</b>					
<b>Year ended 31 December 2024</b>	<b>-</b>	<b>9,576</b>	<b>67,249</b>	<b>291</b>	<b>77,116</b>
Year ended 31 December 2023	-	6,670	895,367	30,212	932,249

### Geographical segment information

The Group operates in two (2023: two) main geographical areas: Hong Kong and the Mainland.

The revenue for the years ended 31 December 2024 and 2023 and total non-current assets (other than joint ventures, associated companies, financial assets at fair value through other comprehensive income, deferred taxation assets, derivative financial instruments and other non-current assets) as at 31 December 2024 and 2023 by geographical area are as follows:

#### Revenue

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	636,454	1,010,367
Mainland	6,550,979	5,092,442
	<b>7,187,433</b>	<b>6,102,809</b>

#### Non-current assets

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	2,687,570	2,743,999
Mainland	14,070,090	14,298,887
	<b>16,757,660</b>	<b>17,042,886</b>



### 3. Revenue

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Sale of properties	6,453,796	5,373,360
Rental income	642,970	637,166
Hotel operations	90,667	92,283
	<u>7,187,433</u>	<u>6,102,809</u>

### 4. Finance costs

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses		
Bank loans, overdrafts and others	835,481	878,882
Lease liabilities	190	301
	<u>835,671</u>	<u>879,183</u>
Capitalised as cost of properties under development	<u>(393,633)</u>	<u>(529,714)</u>
	<u>442,038</u>	<u>349,469</u>

### 5. Profit before taxation

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Profit before taxation is stated after crediting:</b>		
Interest income from banks	186,057	178,265
Interest income from joint ventures and associated companies	66,057	79,683
Dividend income from financial assets at fair value through other comprehensive income	129,987	32,497
Gain on disposal of investment properties	-	132,282
Net gains on settlement of derivative financial instruments	96,942	60,677
Net fair value gains on financial assets at fair value through profit or loss	17,639	16,260
Net exchange gains	28,099	-
<b>and after charging:</b>		
Cost of properties sold	5,307,965	3,849,251
Cost of inventories consumed/sold	14,749	17,132
Impairment of development properties	393,976	107,646
Selling and marketing expenses	189,277	235,462
Depreciation for property, plant and equipment (net of capitalisation)	29,789	26,139
Depreciation for right-of-use assets	5,473	4,237
Lease expenses	5,998	6,794
Net fair value losses on derivative financial instruments	45,546	46,344
Net exchange losses	-	18,781

## 6. Taxation charge

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current		
Hong Kong profits tax	16,818	53,040
Mainland		
- Income tax	391,115	364,489
- Land appreciation tax	76,237	205,033
Over-provision in previous years	(2,113)	(28)
Deferred	<u>(144,796)</u>	<u>24,170</u>
	<u><b>337,261</b></u>	<u><b>646,704</b></u>

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year after setting off available tax losses brought forward. Taxation assessable on profits generated for the year in the Mainland has been provided at the rate of 25% (2023: 25%). There is no income tax provided on other comprehensive income.

Land appreciation tax in the Mainland is normally provided at statutory progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures, and is included in the profit and loss statement as taxation charge.

The Group has assessed its exposure to the Pillar Two Model Rules. Hong Kong and the Mainland have yet to enact legislation for implementation of the Pillar Two Model Rules. Based on the assessment for the year ended 31 December 2024 and the information currently available, the Group does not expect a material impact on its income tax position resulting from the implementation of these rules.

## 7. Earnings per share

The calculation of basic and diluted earnings per share for the year is based on the following:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit attributable to equity holders of the Company	<u><b>335,070</b></u>	<u><b>802,156</b></u>
	Number of shares	
	2024	2023
Weighted average number of shares for calculating basic earnings per share	<u><b>3,152,728,607</b></u>	3,132,894,615
Effect of dilutive potential ordinary shares - Share options	-	-
Weighted average number of shares for calculating diluted earnings per share	<u><b>3,152,728,607</b></u>	<u><b>3,132,894,615</b></u>

## 8. Dividends

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim cash dividend of 4 HK cents (2023: 7 HK cents) per share	126,109	219,303
Proposed final cash dividend of 5 HK cents (2023: final scrip dividend (with a cash option) of 9 HK cents) per share	157,636	281,961
	<u>283,745</u>	<u>501,264</u>

The Board recommended the payment of a final cash dividend in respect of 2024 of 5 HK cents (2023: final scrip dividend (with a cash option) of 9 HK cents) per share. This dividend will be accounted for as an appropriation of retained earnings in the year ending 31 December 2025.

## 9. Debtors and prepayments

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade debtors	7,508	15,754
Other debtors	181,269	192,961
Prepayments and other deposits	27,198	151,762
Sales commissions	9,027	16,930
Prepaid sales taxes	278,908	220,915
	<u>503,910</u>	<u>598,322</u>

Trade debtors mainly comprise rental receivables. Rental from tenants is due and payable in advance.

The aging analysis of the trade debtors of the Group based on the date of invoices and net of provision for bad and doubtful debts is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one month	4,618	4,998
Two to three months	2,541	1,772
Four to six months	334	3,418
Over six months	15	5,566
	<u>7,508</u>	<u>15,754</u>

## 10. Creditors, accruals and other liabilities

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade creditors	790,514	930,604
Other creditors	108,691	104,852
Accrued operating expenses	411,851	455,307
Rental and other deposits received	226,146	237,104
Lease liabilities - current portion	2,591	3,173
	<u>1,539,793</u>	<u>1,731,040</u>

## 10. Creditors, accruals and other liabilities (Cont'd)

Trade creditors mainly comprise construction cost payables and accrued operating expenses mainly comprise accrued sales commissions, sales taxes and other operating expenses.

The aging analysis of the trade creditors of the Group based on the date of invoices is as follows:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within one month	<b>788,891</b>	922,649
Two to three months	<b>123</b>	5,964
Four to six months	<b>12</b>	347
Over six months	<b>1,488</b>	1,644
	<b><u>790,514</u></b>	<u>930,604</u>

## 11. Guarantees

As at 31 December 2024, the Group has executed the following guarantees in respect of loan facilities granted by banks and financial institutions:

	<b>2024</b>		2023	
	<b>Outstanding</b>	<b>Utilised</b>	Outstanding	Utilised
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>	<i>HK\$'000</i>
Joint ventures	<b>8,150,687</b>	<b>6,734,987</b>	9,289,011	6,152,643
Associated companies	<b>980,000</b>	<b>980,000</b>	980,000	968,675
Properties buyers (note)	<b>1,617,295</b>	<b>1,617,295</b>	517,693	517,693
	<b><u>10,747,982</u></b>	<b><u>9,332,282</u></b>	<u>10,786,704</u>	<u>7,639,011</u>

Note: The Group has provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties in the Mainland. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONS REVIEW AND OUTLOOK

#### Operating Results

The revenue of the Group for the year ended 31 December 2024 was HK\$7,187 million, primarily derived from the property sales of Sierra in Nanjing, Cosmo in Guangzhou, K. Summit and Solaria in Hong Kong, and the rental income of Shanghai K. Wah Centre. The attributable revenue of the Group (comprising the revenue of the Group and attributable revenue from joint ventures and associated companies of HK\$1,239 million) was HK\$8,426 million for the year ended 31 December 2024.

Profit attributable to equity holders of the Company was HK\$335 million while the underlying profit of the Group was HK\$361 million before the net of tax fair value change of investment properties for the year ended 31 December 2024.

The total comprehensive loss attributable to equity holders of the Company was HK\$1,876 million for the year ended 31 December 2024 after primarily accounting for the fair value change on the non-current investment of an approximately 3.71% interest in Galaxy Entertainment Group Limited (“GEG”) and exchange differences arising from translation of the Group’s RMB denominated net assets at year-end.

Attributable contracted sales of the Group (comprised of contracted sales of the Group and attributable contracted sales from joint ventures and associated companies) in 2024 amounted to HK\$6.9 billion, mainly derived from Grand Victoria and KT Marina in Hong Kong, Avenir in Shanghai and Cosmo in Guangzhou.

As of 31 December 2024, the Group had attributable contracted sales yet to be recognised amounted to HK\$11.7 billion, expected to be accounted for from the year of 2025 onwards.

#### Property Development

##### (A) Hong Kong

During the year, the Group continued to market the remaining units of a number of launched projects. We also captured the market demand for high-end properties and sold a premium house unit of 2 Grampian Road as well as the remaining special units of K. Summit, with contracted sales amounting to HK\$0.3 billion. Together with the sales of our joint venture project Grand Victoria and other launched projects, the Group recorded attributable contracted sales of HK\$2.3 billion for the year.

The Group will continue to market its remaining units across various launched projects. In addition, a number of projects in the sales pipeline will be launched for sale in 2025, subject to market conditions.

Construction work of projects under development are progressing as scheduled.

Details of the Group’s major development projects are as follows:

##### *2 Grampian Road, Kowloon (100% owned)*

This project has 5 premium house units and is situated in one of Kowloon’s prime residential areas with a total GFA of approximately 2,000 square metres. The development of the project was completed and one house unit was sold during the year.

*31-33 King's Road, Hong Kong (100% owned)*

This project, with a total GFA of approximately 4,000 square metres, sits in close proximity to the city's central business district and within walking distance to the MTR Tin Hau Station. It is being redeveloped into a premium residential project. Construction work is well underway and the project is targeted to complete in 2026. Pre-sales are expected to be launched in 2025, subject to market conditions.

*Inland Lot No. 8872, Hospital Road, Hong Kong (100% owned)*

This prime site within walking distance to the MTR Sai Ying Pun Station, offers a total GFA of approximately 4,000 square metres. Located on a hillside, it enjoys panoramic city views, while a number of historical architectural buildings are in the vicinity. It is being developed into a premium residential project, construction work is well underway and the project is targeted to complete in 2026. Pre-sales are expected to be launched in 2025, subject to market conditions.

*28 Po Shan Road, Hong Kong (50% owned)*

This site has a total GFA of approximately 4,100 square metres and is being developed into a premium luxury residence by a joint venture with another property developer. It is located in a prestigious Mid-Levels area with stunning sea views and offers one vertical house with eight-storey over the podium. The occupation permit was obtained in September and will be ready to be put on the market, subject to market conditions.

*Grand Victoria, South West Kowloon (22.5% owned)*

This project is a premium-grade residential property comprising 1,437 units in three phases. With a total GFA of approximately 91,800 square metres, it is situated within walking distance to the MTR Nam Cheong Station in a coveted urban waterfront location with panoramic harbour views. The development of the project was completed and approximately 90% of the units were sold as of year-end.

*Grand Mayfair, Yuen Long (33⅓% owned)*

This project has a total GFA of approximately 114,800 square metres and is next to the MTR Kam Sheung Road Station, connecting it to other parts of the city and also offering convenient access to the Mainland. It is being developed into a premium residential project by a joint venture with other property developers comprising 2,200 units in three phases. Pre-sales of Phases I and II were launched in 2022 with nearly all of the launched units sold. Pre-sales of Phase III are expected to be launched in 2025, subject to market conditions. The certificates of compliance of Phases I & II were obtained in March 2025 and the handover of pre-sold units to buyers has just commenced in batches.

*Villa Garda, Tseung Kwan O (30% owned)*

This site, with a total GFA of approximately 88,800 square metres, is situated on the seafront at Tseung Kwan O and connected to the MTR LOHAS Park Station. The site is being developed into a premium residential project by a joint venture with other property developers offering 1,880 units in three phases. Pre-sales began in 2022 with approximately 85% of the launched units sold. The occupation permits of all phases were obtained in December and the certificate of compliance of Phase I was also obtained in March 2025. The preparation work for handover of pre-sold units to buyers is underway.

*KT Marina, Kai Tak (40% owned)*

This site, with a total GFA of approximately 99,900 square metres, is located in the Kai Tak Development Area close to the MTR Kai Tak Station. It is being developed into a premium residential project by a joint venture with other property developers offering 2,138 units in two phases. The pre-sales of Phase I began in late 2023 with nearly half of the launched units sold. Pre-sales of the remaining phase are expected to be launched in 2025, subject to market conditions. The occupation permits of all phases were obtained by January 2025 and the handover of pre-sold units to buyers will commence after issuing certificate of compliance.

*New Kowloon Inland Lot No. 6554, Kai Tak Area 4A Site 2 (10% owned)*

This site, with a total GFA of approximately 111,900 square metres, is located in the Kai Tak Development Area opposite KT Marina, offering panoramic views of Victoria Harbour. The project is being developed into a premium residential project by a joint venture with other property developers. The occupation permit was obtained in October and sales are expected to be launched in 2025, subject to market conditions.

*LOHAS Park Package Thirteen Property Development, Tseung Kwan O (25% owned)*

This site has a total GFA of approximately 144,000 square metres and is being developed into a premium residential project by a joint venture with other property developers. It is located northwest of the MTR LOHAS Park Station and enjoys views of Junk Bay. Construction work is well underway with targeted completion in 2026. Pre-sales are expected to be launched in 2025/2026, subject to market conditions.

**(B) Mainland**

In February 2024, following the presale consent, the Group launched sales of residential units of a new project, Avenir in Shanghai. The project was well received by the market with all the units pre-sold, generating total contracted sales of around RMB3.7 billion for the Group.

The handover of pre-sold units to buyers at Sierra in Nanjing commenced in September and was executed smoothly, with the corresponding sales revenue of HK\$5.1 billion recognised for the year.

Development of the Group's projects under construction is progressing on schedule and according to plan. The Group will also continue to market the remaining units of its various completed projects.

Details of the Group's major development projects are as follows:

**Shanghai, Nanjing and Suzhou**

*Site XHPO-0001, D1-2&D5B-1, Huajing Town, Xuhui District, Shanghai (60% owned)*

This project, with a total GFA of approximately 195,800 square metres, is located in a core development zone planned for artificial intelligence and life science industries. In close proximity to a multiple-railway interchange, this comprehensive development is being developed in phases, integrating residences, offices, retail and a hotel for sale/long-term investment. The residential portions, Avenir, offer the market 440 units of three- and four-bedroom and were launched for sale in February 2024 with an encouraging market response, resulting all units pre-sold as of year-end. Construction work is in progress with the residential towers scheduled to be completed in 2025.

*Cavendish, Jiangning District, Nanjing (100% owned)*

This project is located in Jiangning District, close to several railway and transportation networks and within walking distance from Nanjing South Railway Station. It has a total GFA of approximately 49,700 square metres, offering 381 residential units and ancillary commercial facilities. The development of the project was completed with approximately 70% of the units sold as of year-end.

*Site 2020G72, Hexi New Town, Jianye District, Nanjing (100% owned)*

This project, located in a core urban district, is in close proximity to the central business district of Hexi and next to Wuhoujie Metro Station with a total GFA of approximately 477,000 square metres. This comprehensive project is being developed in phases integrating residences, apartments, retail, offices and a hotel for sale/long-term investment. The residential portion, Sierra, consists of 11 towers with 856 units ranging in size from 103 to 211 square metres (three- to five-bedroom). 10 residential towers were put on the market with approximately 95% units sold as of year-end. Sales of the remaining tower will launch once the relevant documents have been obtained. The development of Sierra has been completed in August and following the handover of pre-sold units to buyers, the corresponding sales revenue was recognised in the year. Construction work of other portions are in progress and on schedule.

*VELTA, Xiangcheng District, Suzhou (100% owned)*

This project is located in Suzhou Xiangcheng District, next to the Suzhoubei Railway Station and the Suzhou Rail Transit Line 2. It has a total GFA of approximately 70,400 square metres, offering 588 residential units of three- and four-bedroom. The development was completed with approximately 85% of the units sold as of year-end.

*Avanti, National Hi-Tech District, Suzhou (100% owned)*

This project is located in Suzhou National Hi-Tech District, next to the Suzhou Xinqu Railway Station, the Suzhou Rail Transit Line 3 and the Suzhou Rail Transit Line 6. With a total GFA of approximately 59,000 square metres, it offers 514 residential units. The development of the project was completed with two-thirds of the launched units sold as of year-end.

**Guangzhou, Dongguan and Jiangmen**

*Phases III&IV of K. Wah Plaza, Huadu District, Guangzhou (100% owned)*

Consisting of four buildings including apartments, offices and retail facilities, this completed project is close to Baiyun International Airport and has a total GFA of approximately 86,000 square metres. More than 80% of the apartments have been sold as of year-end and the offices and retail portions are held for long-term investment purposes.

*Cosmo, Xinhua Zhen West Site, Huadu District, Guangzhou (99.99% owned)*

This project sits just steps away from Baiyun District and is poised to benefit from enhanced transportation networks. It has a total GFA of approximately 579,000 square metres and is being developed in phases for residential units and commercial complexes. The first phase, offering residential units with a GFA of approximately 187,000 square metres, provides 1,474 units of two- to four-room types in 12 towers and a commercial complex of 23,000 square metres. The development of the first phase was completed with more than 60% of the launched units sold as of year-end. The development of the second phase is well underway and on schedule.



*An urban redevelopment project, Huangpu District, Guangzhou (70% owned)*

The Group participated in a joint venture with a local government-owned company for an urban redevelopment project. It is located in Huangpu District, close to the Dashadi and Yuzhu Stations of Metro Line 5, with a site area for redevelopment of approximately 22,000 square metres. Government approval for the project's master layout plan is in progress.

*Bayview, Songshan Lake District, Dongguan (100% owned)*

This project, situated in a prominent location in Songshan Lake District, Dongguan, is close to the central living area of Chashan Town with panoramic river views and in close proximity to Chashan Station on Dongguan's Rail Transit Line 2. It has a total GFA of approximately 159,000 square metres, providing 1,196 units, mainly of three- and four-bedroom and some special units, with ancillary commercial facilities. The development was completed in 2023 with more than 75% of the launched units sold as of year-end.

*J City, Jianghai District, Jiangmen (100% owned)*

Located in Jianghai District and next to the Jiangmendong Railway Station of the Guangzhou-Zhuhai Intercity Railway, J City comprises two adjacent land sites with a total aggregate GFA of approximately 278,600 square metres, providing 2,111 residential units available for sale with ancillary commercial facilities and a hotel. The development was completed with approximately 75% of the launched units sold.

*Ziwei Gongguan, Xinhui District, Jiangmen (30% owned)*

This project, located in the area of Jiangmen Avenue, is close to various transportation networks, schools and commercial areas. It has a total GFA of approximately 74,100 square metres, providing 642 residential units available for sale with ancillary commercial facilities. The development was completed with approximately 75% of the units sold.

## **Property Investment**

The Group's leasing performance continued to be satisfactory during the year. The overall occupancy remained stable and continues to deliver the Group steady recurrent income.

Details of the Group's major investment projects are as follows:

### **(A) Hong Kong**

*J SENSES at J Residence, Johnston Road, Wan Chai (100% owned)*

With a total GFA of approximately 3,400 square metres, J SENSES is a premium dining and shopping arcade located in a prime Hong Kong Island location that offers the neighbourhood a high-end dining and leisure environment. It was fully leased as of year-end and continues to deliver the Group stable rental income.

*Commercial Complex at Twin Peaks, Tseung Kwan O (100% owned)*

With a total GFA of approximately 3,500 square metres, this complex serves the residents of Twin Peaks and the surrounding neighbourhood. It was fully leased as of year-end and continues to deliver the Group stable rental income.

*Chantilly, 6 Shiu Fai Terrace, Stubbs Road (100% owned)*

Located in a highly desirable area of Hong Kong Island, Chantilly offers a total GFA of approximately 4,700 square metres and is held for long-term investment. It was fully leased as of year-end.

*Shops at K. Summit, Kai Tak (100% owned)*

With a total GFA of approximately 1,200 square metres, this complex serves the residents of K. Summit and the surrounding neighbourhood. The shops were fully leased as of year-end.

## **(B) Mainland**

*Shanghai K. Wah Centre, Shanghai (69.6% effective interest)*

This prime investment property is situated on Huaihai Zhong Road in Xuhui District, a central business district of Shanghai, with a total GFA of approximately 72,000 square metres. It continues to be one of the city's landmark offices and the choice of multinational corporation tenants. The property achieved an average occupancy rate of approximately 90% for the year and continues to provide the Group stable rental income.

*Stanford Residences, Shanghai (100% owned)*

The Group is dedicated to providing a privileged residential lifestyle environment for tenants seeking high-end modern living. "Stanford Residences", including "Jing An" and "Xu Hui" with a total GFA of approximately 57,000 square metres, offer everything from five-star management services to sophisticated and contemporary interiors that feature stylish furniture and fittings. Throughout the year, they continued to enjoy high occupancy with an overall occupancy rate of approximately 90%, delivering the Group stable rental income.

*Palace Lane, Shanghai (100% owned)*

To serve its prestigious residents at The Palace and Xuhui's high-end retail market, Palace Lane, with a total GFA of approximately 8,000 square metres, offers consumers a variety of leisure, food and beverage experiences. It has been well received, with an overall occupancy of approximately 85% for the year.

*EDGE, Shanghai (53.61% owned)*

EDGE, located by Suzhou Creek in Jingan District, with a total GFA of approximately 21,000 square metres, is close to various public transportation networks and connected to Qufu Road Station, an interchange station for Line 8 and Line 12 of the Shanghai Metro. Sustainability is integrated into its building design by incorporating green building features and the use of energy-efficient technologies and materials. It has been well received and maintained full occupancy throughout the year.

*WYSH, Shanghai (100% owned)*

WYSH, on Wuyi Road in Changning District, is situated in a historical and cultural heritage area in a well-developed community with good public transport networks. With a total GFA of approximately 13,300 square metres, it is positioned as an urban oasis integrating commerce, dining, leisure and entertainment, featuring both modern and traditional architectural elements. The development was completed in 2023 and became operational during the year, with approximately 70% leased as of year-end.

*Cavendish's commercial portions, Nanjing (100% owned)*

This commercial complex has a total GFA of approximately 7,300 square metres and became operational in mid-2022, with approximately 90% leased as of year-end.

*Cove Gala, Dongguan (100% owned)*

This commercial complex situated within Silver Cove has a total GFA of approximately 11,600 square metres. It provides daily needs for residents and also serves the surrounding neighbourhood by offering consumers a wide variety of leisure and dining experiences. The occupancy rate was approximately 60% as of year-end.

*K. Wah Plaza, Guangzhou (100% owned)*

Situated in a prime location in Huadu District and offering convenient access to a number of public transportation networks, this retail space and offices held for rental have a total GFA of approximately 51,000 square metres, with overall occupancy of approximately 50% for the year.

*Cosmo Avenue, Guangzhou (99.99% owned)*

This commercial complex situated within Cosmo has a total GFA of approximately 23,000 square metres. It serves the residents of Cosmo and the neighbourhood by offering community with convenient living facilities and enjoying a wide variety of leisure, entertainment and dining experiences. It became operational in late 2024. Leasing campaigns have been rolled out with positive market responses, and around half occupancy as of the first year of operation.

## **Land Bank Replenishment**

The Group remains vigilant in monitoring the land markets both in Hong Kong and the Mainland, exercising discipline and sound judgment in evaluating opportunities for land replenishment. The aim is to maximise earning potential while exploring diverse avenues for new investment prospects.

## **Investment in GEG**

The Group has an investment of 162 million shares, or approximately 3.71% (2023: 3.72%) interest, in GEG, measured at fair value and classified as non-current assets. As of 31 December 2024, GEG represented 8% (2023: 10%) of the Group's total assets and its share price dropped to HK\$33 (2023: HK\$43.75). The decrease in fair value of HK\$1,747 million (2023: HK\$1,276 million) was recorded to reserves. During the year, a dividend of HK\$130 million (2023: HK\$32 million) was received from GEG.

The principal activities of GEG are gaming, the provision of hospitality and the sale, manufacture and distribution of construction materials. The audited consolidated profit attributable to equity holders of GEG for the year ended 31 December 2024 was HK\$8,759 million (2023: HK\$6,828 million), while the audited consolidated net asset value attributable to equity holders of GEG as at 31 December 2024 was HK\$75,946 million (2023: HK\$70,759 million). A final dividend of HK\$0.5 per share was just declared.

As stated in its 2024 annual results announcement, GEG continues to have confidence in the longer-term outlook of Macau. With its strong, healthy and liquid balance sheet and cash flow from operations, it is no doubt for GEG to fund its development pipelines and actively explore international development opportunities and return capital to shareholders via dividends.

The Board continues to view its investment in GEG as sound and for the long-term.

## **MARKET REVIEW AND OUTLOOK**

### **Global, Mainland and Hong Kong**

The global economic landscape in 2024 remains challenging amidst ongoing geopolitical tensions, energy price fluctuations, and supply chain disruptions. Although central banks worldwide have slowed the pace of interest rate hikes, with U.S. rates declining from 5.25% in 2023 to 4.5% in 2024, inflation has moderated to 2.9% in the U.S. and 2.4% in Europe. However, economic slowdown in the U.S. and Europe has weakened global demand, weighing on export-oriented economies. Additionally, the re-election of Donald Trump in the 2024 U.S. presidential election has introduced further policy uncertainty, exacerbating market volatility and economic instability.

In 2024, the Mainland's economy grew by 5% year-on-year, supported by policies aimed at boosting domestic demand. Despite this growth, the economy faces downward pressure due to persistent U.S.-China tensions, a global economic slowdown, subdued consumer confidence, and ongoing uncertainties in the real estate market. These factors have dampened both investment and consumer sentiment. To stabilise the property market, the government has implemented measures such as increased support for homebuyers and incentives for financial institutions to provide more loans. While challenges remain, there are signs of gradual stabilisation in the real estate sector.

Hong Kong's economy grew by 2.5% year-on-year in 2024, reflecting moderate but slower growth. Rising borrowing costs and external market uncertainties have posed challenges, but the recovery of cross-border supply chains and the revival of the tourism industry have been key drivers of economic activity. Government fiscal strategies and consumption-boosting measures have also played a crucial role in enhancing market confidence and supporting economic recovery.

### **Hong Kong Property Market**

In 2024, Hong Kong's property market showed signs of recovery, with first-hand residential transactions reaching 16,912 units, a 57% year-on-year increase and the highest level in three years. Government policies, including stamp duty relief, rate cuts, and higher loan-to-value ratios, have reduced home-buying costs and stimulated market activity. Additionally, improvements to investor immigration schemes, talent programmes, and Greater Bay Area initiatives are expected to generate further housing demand, supporting a gradual market recovery.

## **Mainland Property Market**

The Mainland property market has gradually stabilised in 2024, thanks to a series of supportive policies, including reductions in down payments, mortgage rates, and property taxes, as well as the relaxation of purchase restrictions. However, buyer confidence remains weak amid unclear economic trends. Nationwide, new property sales volume and value declined by 12.9% and 17.1% respectively year-on-year, although the rate of decline has narrowed towards the end of the year. The central government's emphasis on stabilising the real estate market and improving corporate liquidity signals a commitment to supporting the sector's recovery.

## **Outlook for 2025**

Looking ahead to 2025, the global economic environment is expected to remain challenging, with insufficient growth momentum continuing to weigh on major economies. However, positive trends are emerging within the framework of domestic economic cycles. The Federal Reserve is anticipated to slow the pace of rate cuts, while loan rates in China are expected to stabilise.

Despite the challenging environment, signs of economic stabilisation are evident in both the Mainland and Hong Kong, with stable development trends continuing in the property markets. The Group remains committed to delivering high-quality products, maintaining strong branding, and exercising disciplined cost and project management. Leveraging its strong financial position, the Group will continue to focus on prime projects in key areas of Hong Kong and the Mainland's first-tier cities, actively seeking investment opportunities and preparing to capitalise on the market recovery.

## **REVIEW OF FINANCE**

### **Financial Position**

The financial position of the Group remained satisfactory throughout the year. As of 31 December 2024, total funds employed (being total equity and total borrowings) were HK\$57 billion (2023: HK\$60 billion). The number of issued shares of the Company increased to 3,152,728,607 as of 31 December 2024 (2023: 3,132,894,615) as a result of the issuance of scrip dividends during the year.

### **Group Liquidity, Financial Resources and Gearing Ratio**

The Group monitors its liquidity requirements on a short-to-medium-term rolling basis and arranges refinancing of the Group's borrowings when appropriate. As of 31 December 2024, the Group's borrowings were HK\$14,563 million (2023: HK\$15,182 million) and 26% is repayable within one year. The maturity profile of the borrowings is spread over a period of up to five years except for an amount of HK\$305 million which is due after five years. The average interest rate for the Group during the year decreased to 4.3% from last year's average of 4.7%.

As of 31 December 2024, the Group had available undrawn banking facilities totaling HK\$17,666 million (2023: HK\$16,811 million) comprising HK\$14,416 million (2023: HK\$13,580 million) for working capital and HK\$3,250 million (2023: HK\$3,231 million) for project facility purposes.

As of 31 December 2024, the Group's cash and bank deposits amounted to HK\$9,649 million (2023: HK\$7,496 million), with approximately 83% held in Renminbi.

The ample financial resources will provide adequate funding for the Group's operational and capital expenditure requirements.

The gearing ratio, defined as the ratio of total borrowings less cash and bank deposits to total equity, dropped to 12% as of 31 December 2024 from 17% as of last year end.

## **Treasury Policies**

In order to minimise risk, the Group continues to adopt a prudent approach regarding foreign exchange exposure. Forward foreign exchange contracts are utilised when considered appropriate and when attractive pricing opportunities arise to mitigate foreign exchange exposures. Interest rate swap contracts are also utilised as appropriate to mitigate the impact of any undue interest rate fluctuations on the Group's operations in the medium and longer term. Accordingly, interest rate swap contracts were executed with an outstanding amount of HK\$1.4 billion as of year-end (2023: HK\$2 billion).

In addition, during the year, the Group entered into cross currency swap contracts to hedge a portion of its net investment in the Mainland's operations, which are designated as net investment hedges. The net investment hedges offset the risk of changes in the value of the investment in the Mainland due to the fluctuation of the Renminbi exchange rate. As of the year end, the notional principal amount of the cross currency swap contracts was approximately HK\$2.8 billion.

The Group do not utilise derivative financial instruments for speculative purpose and the use of derivative financial instruments is strictly monitored and controlled. The derivative financial instruments entered into by the Group were solely used for management of the Group's interest rate and foreign exchange exposures.

Of the Group's bank loans of HK\$14,563 million as of 31 December 2024, approximately 68% was denominated in Hong Kong dollars, with the remainder in Renminbi. Approximately 49% of such borrowings were on a floating rate basis, with the remainder on fixed rate basis.

## **Charges on Group Assets**

As of 31 December 2024, certain subsidiaries of the Group pledged assets (comprising investment properties and development properties) with aggregate carrying values of HK\$4,341 million (2023: HK\$5,242 million) to banks in order to secure the Group's borrowing facilities.

## **Guarantees**

As of 31 December 2024, the Group has executed guarantees in favour of banks in respect of facilities granted to certain joint ventures and associated companies, amounting to HK\$8,151 million (2023: HK\$9,289 million) and HK\$980 million (2023: HK\$980 million) respectively, of which facilities totaling HK\$6,735 million (2023: HK\$6,153 million) and HK\$980 million (2023: HK\$969 million) respectively have been utilised. In addition, the Group provided guarantees amounting to HK\$1,617 million (2023: HK\$518 million) in respect of mortgage facilities granted by banks relating to mortgage loans arranged for purchasers of the Group's properties.

As of 31 December 2024, the Company has executed guarantees in favour of banks in respect of facilities granted to certain subsidiaries, joint ventures and associated companies, amounting to HK\$28,471 million (2023: HK\$28,693 million), HK\$7,622 million (2023: HK\$8,748 million) and HK\$980 million (2023: HK\$980 million) respectively. Of these, facilities totaling HK\$13,517 million (2023: HK\$14,453 million), HK\$6,713 million (2023: HK\$6,051 million) and HK\$980 million (2023: HK\$969 million) respectively have been utilised.

## EMPLOYEES AND REMUNERATION POLICY

The Group believes its long-term growth and success depend upon the quality, performance and commitment of its employees. The Group's remuneration policy aims to offer competitive remuneration packages to attract, retain and motivate talents. With result-driven incentive programmes which are built upon our established performance management framework, the Group believes the remuneration packages of its employees are fair, reasonable and competitive in relation to comparable organisations with similar business interests.

The Group has put in place a share option scheme for its executives and employees since 1989 for the purposes of providing competitive remuneration package as well as retaining talents in the long term. The Group puts emphasis on employees' training and development opportunities which form an important component of the Group's human resources strategy. Training and development programmes are provided through internal and external resources in each year to address the needs of our employees for the sustainable development of our businesses.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

Adhering to its philanthropic spirit of "giving back to the society", the Group takes a holistic approach in taking tangible steps to minimise any negative impacts associated with its operations on the environment and keep abreast of industry best practices as it works to build a sustainable and resilient future.

As an integral part of the Group's operation, engaging its stakeholders in a collaborative manner is essential. To maintain a healthy relationship with employees, customers and suppliers, we constantly communicate with them and understand their needs and expectations. The Group works diligently to provide a safe working environment as well as attractive remuneration packages and self-learning platforms for our staff. To improve our products and customer service quality, we handle complaints in accordance with standard procedures in a timely and consistent manner. For the suppliers, we strictly comply with our standard operating procedures in the communication with them of our expectations on quality, Occupational Health and Safety requirements and regulatory compliance. Our management approach stresses quality control measures and regular audits to ensure our stringent requirements are met.

During the reporting year, the Group did not receive any reported cases of non-compliance with the relevant laws and regulations regarding the environment, labour standards, occupational health and safety, anti-corruption, or data privacy in Hong Kong and the Mainland. The Group has prepared a report for 2024 in compliance with Appendix C2 to the Rules Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited on "Environmental, Social and Governance Reporting Guide" (the "**ESG Report**"). A full version of the ESG Report will be available on the websites of the Company at ([www.kwih.com](http://www.kwih.com)) and Hong Kong Exchanges and Clearing Limited ("**HKEx**") at ([www.hkexnews.hk](http://www.hkexnews.hk)) respectively in late April 2025.

## CORPORATE GOVERNANCE

The Board and the management of the Company are committed to the principles of observing good corporate governance consistent with prudent management and enhancement of shareholders' value. The full Board is entrusted with the overall responsibility of developing and ensuring adherence to the Company's Corporate Governance Policy and the Shareholders Communication Policy. The Company is committed to maintaining high standards of corporate governance and enhancing corporate transparency and accountability.

Throughout the year under review, the Company had complied with the code provisions (“*CPs*”) set out in the Corporate Governance Code in Appendix C1 to the Listing Rules, apart from the deviations from (i) CP B.2.2, (ii) CP C.2.1, (iii) CPs C.2.2 to C.2.6 and C.2.8 to C.2.9, (iv) CP C.6.3 and (v) CP F.2.2, of which the abovementioned deviations numbered (iii) and (iv) were caused by the vacancy of the position of the Chairman and the Managing Director of the Company following the passing of the late Dr. Lui Che-woo on 7 November 2024.

- CP B.2.2 (retirement by rotation of directors)

Notwithstanding that the late Chairman and Managing Director of the Company was not subject to retirement by rotation under the Bye-laws of the Company, his leadership, vision and extensive knowledge of the various business of the Group, as established in different regions, had been a valuable asset of the Company and had helped to form the foundations for the Group’s development and continued success. In addition, given that the other Directors do retire by rotation in accordance with the Bye-laws of the Company, the Board considers that with Dr. Lui Che-woo’s leadership, wisdom and extensive knowledge of the Group’s business, the Group was best served by not requiring the late Chairman and Managing Director of the Company to retire by rotation and this was of considerable benefit to the Company.

- CP C.2.1 (roles of chairman and managing director)

The late Dr. Lui Che-woo acted in the dual capacity as the Chairman of the Board and the Managing Director of the Company until he passed away on 7 November 2024. The Board believes that vesting of two roles in the same person provided the Group with strong and consistent leadership vision and allowed effective development and implementation of the overall strategy of the Group. There were sufficient checks and balances in place within the Group to ensure that powers and authorities would not be over-concentrated in one individual within the decision-making process.

- CPs C.2.2 to C.2.6 and C.2.8 to C.2.9 (responsibilities of the chairman of the board)

The Board is of the view that the passing of the late Chairman of the Board does not have impact on the operations of the Group. The Company continues to operate its business in accordance with the business strategies laid down by the Board. During the period of the absence of the position of the Chairman from 7 November 2024 and up to the end of the year under review, the Executive Directors of the Company had collectively performed the responsibilities of the Chairman of the Board.

- CP C.6.3 (the company secretary should report to the chairman of the board)

The Company Secretary of the Company had reported to the Executive Directors of the Company since the passing of the late Chairman of the Board.

- CP F.2.2 (the chairman of the board should attend the annual general meeting)

The late Chairman of the Board was absent from the annual general meeting of the Company held on 12 June 2024 (“*2024 AGM*”) due to other business commitments. Mrs. Paddy Tang Lui Wai Yu, an Executive Director of the Company, was elected as the chairman of the 2024 AGM to hold the 2024 AGM and to, among others, ensure effective communication with the shareholders of the Company at the 2024 AGM.



Following the appointment of the new Chairman of the Board and the Co-Managing Directors of the Company with effect from 27 March 2025, the Board considers that (i) the roles of the Chairman and the Managing Director of the Company are separated and clearly defined under CP C.2.1; (ii) the responsibilities of the chairman of the board as required under CPs C.2.2 to C.2.6 and C.2.8 to C.2.9 are adequately discharged; and (iii) the Company has complied with the requirement under CP C.6.3. The appointment of the Chairman and the Co-Managing Directors of the Company have been disclosed in the announcement of the Company dated 27 March 2025.

The Board has taken alternative steps to address the abovementioned deviations and will continue to review and recommend steps and actions as appropriate in the circumstances of deviation of CP B.2.2.

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“*Model Code*”) as set out in Appendix C3 of the Listing Rules as code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all Directors, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code during the year ended 31 December 2024.

## **REVIEW OF ANNUAL RESULTS**

The Group’s annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee of the Company. The figures in the preliminary announcement relating to the results of the Group for the year ended 31 December 2024 have been agreed to the amounts set out in the Group’s draft consolidated financial statements for the year by the auditor of the Company, PricewaterhouseCoopers. The work of 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.

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

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2024.

## **FINAL DIVIDEND**

The Board has resolved to recommend at the forthcoming annual general meeting to be held on 18 June 2025 (“*2025 AGM*”) a final cash dividend for the year ended 31 December 2024 of 5 HK cents per share, totaling HK\$157,636,000, shall be payable on 31 July 2025 to the shareholders whose names appear on the registers of members of the Company at the close of business on 30 June 2025 (2023: a final scrip dividend (with a cash option) of 9 HK cents per share totaling HK\$281,961,000). Including the interim cash dividend of 4 HK cents per share (2023: interim cash dividend of 7 HK cents per share), the total dividends per share for the year ended 31 December 2024 is 9 HK cents (2023 total: 16 HK cents).

## **CLOSURE OF REGISTERS OF MEMBERS**

### ***Entitlement to attend and vote at the 2025 AGM***

The registers of members will be closed from 13 June 2025 to 18 June 2025, both dates inclusive, during which period no transfer of shares will be registered in order to ascertain shareholders' eligibility to attend and vote at the 2025 AGM, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 12 June 2025.

### ***Entitlement to Final Dividend***

The registers of members will be closed from 25 June 2025 to 30 June 2025, both dates inclusive, during which period no transfer of shares will be registered in order to ascertain shareholders' entitlement for the proposed final dividend, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 24 June 2025.

## **PUBLICATION OF FURTHER INFORMATION**

This announcement is published on the websites of the Company ([www.kwih.com](http://www.kwih.com)) and the HKEx ([www.hkexnews.hk](http://www.hkexnews.hk)). The Company's 2024 Annual Report containing all the relevant information as required by the Listing Rules will be available on the respective websites of the Company and HKEx and dispatched to the shareholders as per the Company's corporate communications arrangements in late April 2025.

## **DIRECTORS**

As at the date of this announcement, the Executive Directors are Mr. Francis Lui Yiu Tung (Chairman), Mrs. Paddy Tang Lui Wai Yu (Co-Managing Director) and Mr. Alexander Lui Yiu Wah (Co-Managing Director); the Non-executive Director is Dr. Moses Cheng Mo Chi; and the Independent Non-executive Directors are Mr. Wong Kwai Lam, Mr. Nip Yun Wing and Mr. Cheung Kin Sang.

By Order of the Board of  
**K. Wah International Holdings Limited**  
**Miranda Tse**  
*Company Secretary*

Hong Kong, 27 March 2025