



KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)

嘉里建設有限公司*

website: www.kerryprops.com

(Stock Code: 00683)

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PRC contracted sales grew 88% YoY

Total PRC Recurrent Revenue and Gross Profit increased 25% and 29% YoY, respectively

FY 2015 Financial Highlights		FY 2015 (HK\$ million)	Change (%) (vs. 2014)
Turnover	- recurrent (rental and hotel business)	5,308	+21%
	- non-recurrent (property sales)	5,085	-51%
	- total	10,393	-29%
Gross Profit	- recurrent (rental and hotel business)	3,101	+22%
	- non-recurrent (property sales)	810	-78%
	- total	3,911	-37%
Share of Results of Associates		2,018	+55%
Profit Attributable to Shareholders	- underlying profit	3,481	-21%
	- reported profit	5,530	-18%
Earnings per Share	- based on underlying profit	HK\$2.41	
	- based on reported profit	HK\$3.83	
Dividend per Share	- interim	HK\$0.30	
	- final	HK\$0.60	
	- total	HK\$0.90	
Payout Ratio		37.3%	
Net Asset Value per Share		HK\$56.27	

Business Highlights

- In terms of contracted sales, the Group achieved HK\$ 5.8bn from projects in HK, and HK\$ 6.8bn from projects in the PRC, totalling HK\$12.6bn in FY 2015, exceeding the full year sales target of HK\$12bn.
 - In HK, key projects sold include the inventory units of One and Three Ede Road, 8 LaSalle, Dragons Range, and The Bloomsway which were successfully launched in the second half of the year.
 - In the PRC, the Group was able to achieve contracted sales growth of 88% YoY, as a result of a series of mildly relaxed government control policies and the satisfactory market responses to the pre-sale of Castalia Court in Hangzhou, Enterprise Centre in Shanghai, Phase II of The Metropolis-Arcadia Court in Chengdu and Nanjing Jinling Arcadia Court. Other key projects sold include the inventory units of Putian, Nanchang, Tianjin, and Shenyang.
- In pursuance of the Group's focus on developing large-scale mixed-use properties in core locations of first-tier cities and certain provincial capitals in the PRC, the resulting rental property portfolio is now posting rental and occupancy rates that meet expectations.
 - PRC property rental and hotel revenue increased 25% YoY to HK\$ 4.4 bn and gross profit increased 29% YoY to HK\$2.4 bn in FY 2015.
 - Overall PRC occupancy for office, commercial and serviced apartments further improved to 96% as of December 31, 2015 (December 31, 2014: 93%)
 - Property rental and hotel income growth during the year was mainly attributable to Jing An Kerry Centre and Beijing Kerry Centre.
- Share of results of associates increased 55% to HK\$2,018 million in FY 2015 from HK\$1,303 million in FY 2014 mainly due to the sales recognition of Dragons Range in FY 2015.
- The Group's underlying profit decreased 21% YoY to HK\$3.5 bn in FY 2015. An increase in fair value of investment properties (net of deferred taxation) of HK\$2,049 million were recorded in FY 2015 (FY 2014: HK\$2,390 million). After taking into account the net increase in fair value, profit attributable to shareholders decreased 18% YoY to HK\$5,530 million (FY 2014: HK\$6,774 million).
- Net asset value increased by 2% from beginning of the year to HK\$ 56.27 per share as of December 31, 2015.
- Balance sheet position is solid, with HK\$10.9bn in cash and bank balances and HK\$16.2bn in available undrawn bank loan facilities, making up a total of HK\$ 27.1bn in available funds as of December 31, 2015. Net debt to total equity increased to 27.8% as of December 31, 2015 from 24.5% as of December 31, 2014.
- The Board declared a final dividend at HK\$0.60 per share, bringing a full year dividend for FY 2015 to HK\$0.90 per share, in line with FY 2014, despite underlying profit has decreased 21% in FY 2015. Thus, full year payout ratio rose to 37.3% (2014: 29.6%)
- During the year, the Group increased its land bank by acquiring a site in Qianhai, Shenzhen, PRC, for RMB3.9 bn in January 2015 and a site in Beacon Hill, Kowloon, HK, for HK\$2.4 bn in February 2015 through public land sales.