



**KERRY PROPERTIES LIMITED**

*(Incorporated in Bermuda with limited liability)*

嘉里建設有限公司\*

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

(Stock Code: 00683)

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**Total Contracted Sales Set Record in FY 2016**

FY 2016 Financial Highlights		FY 2016 (HK\$ million)	Change (%) (vs. 2015)
<b>Turnover</b>	- recurrent (rental and hotel business)	5,787	+9%
	- non-recurrent (property sales)	7,204	+42%
	- total	12,991	+25%
<b>Gross Profit</b>	- recurrent (rental and hotel business)	3,393	+9%
	- non-recurrent (property sales)	2,463	+204%
	- total	5,856	+50%
<b>Profit Attributable to Shareholders</b>	- underlying profit	3,671	+5%
	- reported profit	6,537	+18%
<b>Earnings per Share</b>	- based on underlying profit	2.54	
	- based on reported profit	4.53	
<b>Dividend per Share</b>	- interim	HK\$0.30	
	- final	HK\$0.80	
	- total	HK\$1.10	
<b>Payout Ratio</b>		43.3%	
<b>Net Asset Value per Share</b>		HK\$57.34	

**Business Highlights:**

- In FY 2016, in terms of contracted sales, the Group achieved HK\$12.2bn from projects in HK, and HK\$14.2bn from projects in the PRC, totalling HK\$26.4bn, achieved 203% the full year sales target of HK\$13bn.
  - In HK, key projects sold include the inventory units of The Bloomsway, One and Three Ede Road, 8 LaSalle, Dragons Range and Mantin Heights, which was successfully launched in the first half of the year.
  - In the PRC, the Group was able to achieve contracted sales growth of 109% YoY, as a result of the satisfactory market responses to the pre-sale of Castalia Court in Hangzhou, Nanjing Jinling Arcadia Court, Phase II of The Metropolis-Arcadia Court in Chengdu. Other key projects sold include the inventory units of projects in Putian, Nanchang, Shenyang, Tianjin, and Shanghai.
  - During 2016, the Group signed Shares Transfer Agreements with independent third parties to divest the entire investment in Yingkou, Phase III of The Metropolis-Arcadia Court in Chengdu, and Changsha. Completion of the shares transfer for Phase III of The Metropolis-Arcadia Court in Chengdu and Changsha were completed in October 2016 and January 2017, respectively. Shares transfer for Yingkou is expected in 2017.
- In the Mainland, Hangzhou Kerry Centre is the new addition during 2016 to the portfolio of large-scale mixed-use projects in the CBDs of major cities. In pursuance of the Group's focus on maintaining a steady revenue base, the resulting rental property portfolio is now posting rental and occupancy rates that meet expectations.
  - PRC property rental and hotel revenue increased 7% YoY to HK\$4.7bn in FY 2016.
  - Overall PRC occupancy for office, commercial and serviced apartments maintained at 95% as of December 31, 2016.
  - Hotel revenue increased by 15% YoY, mainly due to new and increasing contributions from Midtown Shangri-La, Hangzhou, which was soft-opened in March 2016 and Nanchang Shangri-La hotel.
- The Group's underlying profit increased 5% YoY to HK\$3.7bn in FY 2016. An increase in fair value of investment properties (net of deferred taxation) of HK\$2,866 million were recorded in FY 2016 (FY 2015: HK\$2,049 million). After taking into account the net increase in fair value, profit attributable to shareholders increased 18% YoY to HK\$6,537 million (FY 2015: HK\$5,530 million).
- Net asset value increased by 2% from beginning of the year to HK\$57.34 per share as of December 31, 2016.
- Balance sheet position is solid, with HK\$16.5bn in cash and bank balances and HK\$9.3bn in available undrawn bank loan facilities, making up a total of HK\$25.8bn in available funds as of December 31, 2016. Net debt to total equity increased to 30.3% as of December 31, 2016 from 27.8% as of December 31, 2015.
- Final dividend per share at HK\$0.80 has been declared, representing an annual payout ratio of 43.3%
- During the year, the Group completed the acquisition of the entire building at Nos. 168—168C Boundary Street in Ho Man Tin and will jointly redevelop the site together with a site at Nos. 10-12A LaSalle Road with an aggregate developable GFA of 45,000 square feet, scheduled for completion in 2019. The Group also increased its land bank by acquiring a residential site in Beacon Hill with a buildable GFA of approximately 343,000 square feet and a site in Qianhai for commercial use of a planned GFA of approximately 1.19 million square feet jointly with Kerry Holdings Limited and The Bank of East Asia in 2016.