



嘉里建設有限公司
KERRY PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)
website: www.kerryprops.com
(Stock Code: 00683)

20 August 2019

UNDERLYING PROFIT INCREASED 15%*

1H 2019 Financial Highlights		1H 2019 (HK\$ million)	Change (%) (vs. 1H 2018)
Turnover	- recurrent (rental and hotel business)	3,393	-3%
	- non-recurrent (property sales)	7,832	+11%
	- total	11,225	+6%
Gross Profit	- recurrent (rental and hotel business)	2,069	-4%
	- non-recurrent (property sales)	2,926	+39%
	- total	4,995	+17%
Profit Attributable to Shareholders	- underlying profit (b/f 1H 2018 provision)	3,143	+15%
	- underlying profit (a/f 1H 2018 provision)	3,143	+103%
	- reported profit	3,595	-10%
Earnings per Share	- based on underlying profit	HK\$2.16	+102%
	- based on reported profit	HK\$2.47	-10%
Interim Dividend per Share		HK\$0.40	+0%
Net Asset Value per Share (vs. 31 December 2018)		HK\$68.52	+2%
Gearing ratio (vs. 31 December 2018)		24.2%	+5.0% pts

*Exclude the HK\$1.2bn provision for impairment loss for property under development in Macau in 1H 2018

Business Highlights:

- The Group continued to deliver satisfactory results during the first six months of 2019.
- Before taking into account the net increase in fair value and excluding the HK\$1.2bn provision for impairment loss for property under development in Macau in 1H2018, underlying profit in 1H2019 increased 15% (1H2018: HK\$2.7bn). An increase in fair value of investment properties (net of deferred taxation) of HK\$452 million was recorded in 1H 2019 (1H 2018: HK\$2.4bn). As a result, profit attributable to shareholders during 1H 2019 decreased 10% to HK\$3.6bn, compared with HK\$4.0bn reported for the same period in 2018.
- In 1H 2019, in terms of contracted sales, the Group achieved HK\$5.2bn from projects in HK, and HK\$1.3bn from projects in the Mainland, totalling HK\$6.5bn.
 - In HK, key projects sold include inventory units of The Bloomsway, Mantin Heights and Mont Rouge, which was successfully launched during the period.
 - In the Mainland, key projects sold include 1) Lake Grandeur in Hangzhou 2) Qianhai Kerry Centre 3) Shenyang Arcadia Height 4) Jinling Arcadia Court in Nanjing and 5) Habitat in Qinhuangdao
- In pursuance of the Group's focus on maintaining a steady revenue base, the investment asset portfolio continued to maintain an overall healthy performance.
 - The decrease in recurring revenue and gross profit in the Mainland was mainly due to RMB depreciation during the period.
 - Excluding newly completed projects at Jinan and Shenyang, overall Mainland occupancy for office, commercial and serviced apartments maintained at 94% as of 30 June 2019.
 - Hotel revenue decreased by 11% YoY, mainly affected by the overall economic growth downturn, which impacted tourism.
 - The Group will continue to build up a prime investment asset portfolio in core metropolitan locations. These premium assets are held as long-term investment, and will contribute to the Group's growing recurrent income base.
- Net asset value increased by 2% from beginning of the year to HK\$68.52 per share as of 30 June 2019.
- Balance sheet position is solid, with HK\$14.2bn in cash and bank balances and HK\$10.9bn in available undrawn bank loan facilities, making up a total of HK\$25.1bn in available funds as of 30 June 2019. The gearing ratio increased 5.0% points to 24.2% as of 30 June 2019 from 19.2% as of 31 December 2018.
- Interim dividend per share at HK\$0.40 has been declared, remained flat YoY.