



**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)

March 18, 2015

**Solid HK Property Sales**  
**HK & PRC Total Contracted Sales of HK\$14.7 bn was 23% Beyond Target**  
**Total PRC Recurrent Revenue in FY 2014 increased 99% YoY**

FY2014 Financial Highlights		FY14 (HK\$ million)	Change (%) (vs. 2013)
Turnover	- recurrent (rental and hotel business)	4,390	+62%
	- non-recurrent (property sales)	10,274	-9%
	- total	14,664	+5%
Gross Profit	- recurrent (rental and hotel business)	2,549	+62%
	- non-recurrent (property sales)	3,659	-18%
	- total	6,208	+2%
Profit Attributable to Shareholders	- underlying profit	4,384	-0.7%
	- reported profit	6,774	-49%
Earnings per Share	- based on underlying profit	HK\$3.04	
	- based on reported profit	HK\$4.69	
Dividend per Share	- final	HK\$0.60	
	- total	HK\$0.90	
Payout Ratio		29.6%	
Net Asset Value per Share		HK\$55.43	

**Business Highlights**

- In terms of contracted sales, the Group achieved HK\$ 11.1bn from projects in HK, and HK\$ 3.6bn from projects in the PRC, totalling HK\$14.7bn in FY 2014, representing a 23% over-achievement of the full year sales target of HK\$ 12bn
  - In HK, key projects sold include The Summa (launched at the beginning of the year and was 100% sold by the year end), Three Ede Road, 8 LaSalle and Dragons Range which were successfully launched in the second half of the year. Total contracted sales also includes the disposal of Lion Rise Mall for HK\$1.4 bn during 2014
  - In the PRC, key projects sold include new project launches at Putian Arcadia Court Ph 1 and Nanchang Arcadia Court Ph 1, and other inventory units of our Hangzhou, Chengdu, Tianjin, Tangshan, Shenyang, Changsha and Ningbo residential projects
- In pursuance of the Group's strategy to develop and operate large scale mixed-use investment properties in prime locations of major cities in the PRC, property rental and hotel revenue increased 99% YoY to HK\$ 3.5 bn and gross profit increased 128% YoY to HK\$1.9 bn in FY 2014
  - Property rental increase was mainly from Jing An Kerry Centre, Beijing Kerry Centre and Shenzhen Kerry Plaza Ph II in PRC
  - In particular, Jing An Kerry Centre's Phase II office units were delivered and the retail mall was opened in 2013. As at 31 December 2014, 88% of the office (2013: 43%) and 94% of the retail space (2013: 83%) were occupied. Together with Ph I, total annual rental revenue of Jingan Kerry Centre, excluding hotel, reached HK\$1.0 bn
  - Hotel revenue increase mainly came from two new Shangri-La Hotels in Shanghai Jing An and Shenyang with operations commencing in 2H 2013, and the newly renovated Kerry Hotel in Beijing
- The Group's underlying profit dropped slightly to HK\$4.4 bn in FY 2014. A smaller valuation gain on the Group's investment properties was recorded in FY 2014 as FY 2013 reflected a higher valuation for Jing An Kerry Centre upon its full completion. Coupled with the absence of the one-off gain of HK\$4.3 bn arising from the spin-off of Kerry Logistics Network Limited ("Kerry Logistics") recorded in the year ended 31 December 2013, profit attributable to shareholders for the year ended 31 December 2014 decreased 49% to HK\$6.8 bn
- Net asset value increased by 5.7% from beginning of the year to HK\$ 55.43 per share as of December 31, 2014
- Balance sheet position is solid, with HK\$ 11.4bn in cash and bank balances and HK\$ 13.8bn in available undrawn bank loan facilities, making up a total of HK\$ 25.2bn in available funds as of December 31, 2014. Gearing lowered to 28.5% as of December 31, 2014 from 31.0% as of December 31, 2013
- Final dividend per share rose 9% to HK\$ 0.60 with full year payout ratio being 29.6%
- Subsequent to the reporting period, 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