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## **ALLIED GROUP LIMITED**

**( 聯合集團有限公司 )**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 373)**

### **ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR 2024**

The board of directors (“Board”) of Allied Group Limited (“Company”) announces that the audited consolidated results of the Company and its subsidiaries (“Group”) for the year ended 31st December, 2024 are as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*FOR THE YEAR ENDED 31ST DECEMBER, 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$ Million</b>	<b>2023</b> <b>HK\$ Million</b>
Revenue	(3)	<b>7,669.8</b>	7,618.6
Other income		<b>178.2</b>	212.8
Total income		<b>7,848.0</b>	7,831.4
Cost of sales and other direct costs		<b>(2,893.8)</b>	(2,755.4)
Brokerage and commission expenses		<b>(106.8)</b>	(126.8)
Selling and marketing expenses		<b>(216.5)</b>	(247.9)
Administrative expenses		<b>(1,992.4)</b>	(1,853.4)
Changes in values of properties	(5)	<b>(1,123.0)</b>	70.9
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(6)	<b>580.9</b>	(470.4)
Net exchange (loss) gain		<b>(82.2)</b>	12.8
Net impairment losses on financial assets	(7)	<b>(930.6)</b>	(1,035.6)
Other operating expenses		<b>(246.0)</b>	(255.2)
Gain on bargain purchase of a subsidiary		<b>–</b>	495.1
Finance costs	(8)	<b>(749.2)</b>	(822.8)
Share of results of associates		<b>(301.9)</b>	172.0
Share of results of joint ventures		<b>(263.4)</b>	(379.8)
(Loss) profit before taxation	(9)	<b>(476.9)</b>	634.9
Taxation	(10)	<b>(235.4)</b>	(378.9)
(Loss) profit for the year		<b>(712.3)</b>	256.0

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Cont'd)***FOR THE YEAR ENDED 31ST DECEMBER, 2024*

	<i>Note</i>	<b>2024</b> <b><i>HK\$ Million</i></b>	2023 <i>HK\$ Million</i>
Attributable to:			
Owners of the Company		<b>(776.7)</b>	(125.4)
Non-controlling interests		<u><b>64.4</b></u>	<u>381.4</u>
		<u><b>(712.3)</b></u>	<u>256.0</u>
		<b><i>HK\$</i></b>	<b><i>HK\$</i></b>
<b>Loss per share</b>	<i>(11)</i>		
Basic		<u><b>(0.22)</b></u>	<u>(0.04)</u>
Diluted		<u><b>(0.22)</b></u>	<u>(0.04)</u>

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31ST DECEMBER, 2024*

	<b>2024</b>	2023
	<i>HK\$ Million</i>	<i>HK\$ Million</i> (Restated)
(Loss) profit for the year	<u>(712.3)</u>	<u>256.0</u>
Other comprehensive (expenses) income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income	<b>75.3</b>	(79.1)
Revaluation gain on properties transferred from owner-occupied properties to investment properties	<b>52.0</b>	20.1
Exchange differences arising on translation to presentation currency	<b>(263.6)</b>	(398.9)
Share of other comprehensive expenses of associates	<b>(3.1)</b>	(6.4)
Share of other comprehensive expenses of joint ventures	<u><b>(87.2)</b></u>	<u>(208.2)</u>
	<u><b>(226.6)</b></u>	<u>(672.5)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Investments in financial assets at fair value through other comprehensive income		
– Net fair value changes during the year	<b>(5.2)</b>	(3.5)
– Reclassification adjustment for realisation upon disposal/redemption	<u><b>(0.8)</b></u>	<u>(0.1)</u>
	<u><b>(6.0)</b></u>	<u>(3.6)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (Cont'd)**

*FOR THE YEAR ENDED 31ST DECEMBER, 2024*

	<b>2024</b>	2023
	<b><i>HK\$ Million</i></b>	<i>HK\$ Million</i>
		(Restated)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
<i>(Cont'd)</i>		
Reclassification adjustment to profit or loss on liquidation of subsidiaries	<b>46.1</b>	–
Others	–	0.2
Exchange differences arising on translation of foreign operations	<b>(130.5)</b>	(43.8)
Share of other comprehensive (expenses) income of associates	<b>(86.8)</b>	20.0
Share of other comprehensive expenses of joint ventures	<b>(23.4)</b>	(2.8)
	<u><b>(200.6)</b></u>	<u>(30.0)</u>
Other comprehensive expenses for the year, net of tax	<u><b>(427.2)</b></u>	<u>(702.5)</u>
Total comprehensive expenses for the year	<u><b>(1,139.5)</b></u>	<u>(446.5)</u>
Attributable to:		
Owners of the Company	<b>(1,014.9)</b>	(531.4)
Non-controlling interests	<b>(124.6)</b>	84.9
	<u><b>(1,139.5)</b></u>	<u>(446.5)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*AT 31ST DECEMBER, 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$ Million</i>	2023 <i>HK\$ Million</i> (Restated)
<b>Non-current assets</b>			
Investment properties		<b>26,327.7</b>	26,704.0
Property, plant and equipment		<b>3,206.0</b>	3,781.5
Right-of-use assets		<b>710.3</b>	777.7
Net investments in finance lease		<b>0.5</b>	2.4
Properties for development		<b>96.5</b>	5,419.4
Other assets - properties interests		<b>51.1</b>	151.0
Goodwill		<b>132.9</b>	135.7
Intangible assets		<b>69.3</b>	71.5
Interests in associates		<b>3,387.9</b>	3,907.8
Interests in joint ventures		<b>10,752.3</b>	11,178.5
Financial assets at fair value through other comprehensive income		<b>426.5</b>	333.7
Amounts due from associates		<b>217.5</b>	87.1
Amounts due from joint ventures		<b>4,500.6</b>	3,451.8
Loans and advances to consumer finance customers	(13)	<b>3,712.7</b>	3,709.0
Mortgage loans	(14)	<b>539.2</b>	758.1
Deferred tax assets		<b>397.0</b>	504.6
Financial assets at fair value through profit or loss		<b>10,615.8</b>	10,584.4
Term loans	(15)	<b>41.9</b>	180.0
Trade receivables, prepayments and other receivables	(16)	<b>49.8</b>	53.3
		<b>65,235.5</b>	71,791.5
<b>Current assets</b>			
Other inventories		<b>73.9</b>	68.0
Inventories of properties			
– under development		<b>9,651.2</b>	5,300.4
– completed		<b>5,793.1</b>	3,164.8
Financial assets at fair value through profit or loss		<b>4,102.6</b>	5,220.2
Loans and advances to consumer finance customers	(13)	<b>6,815.7</b>	6,918.2
Mortgage loans	(14)	<b>1,439.6</b>	1,710.6
Term loans	(15)	<b>599.2</b>	446.8
Trade receivables, prepayments and other receivables	(16)	<b>1,042.4</b>	879.0
Amounts due from brokers		<b>427.3</b>	590.9
Amounts due from associates		<b>229.9</b>	210.9
Amounts due from joint ventures		<b>346.9</b>	1,192.8
Financial assets at fair value through other comprehensive income		<b>44.2</b>	29.3
Tax recoverable		<b>591.6</b>	336.0
Pledged bank deposits		<b>–</b>	33.4
Bank deposits		<b>2,426.2</b>	1,214.8
Cash and cash equivalents		<b>15,139.0</b>	14,702.0
		<b>48,722.8</b>	42,018.1

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)**

AT 31ST DECEMBER, 2024

	Notes	2024 HK\$ Million	2023 HK\$ Million (Restated)
<b>Current liabilities</b>			
Trade payables, other payables and accruals	(17)	3,298.7	3,099.5
Contract liabilities		14,096.1	7,177.6
Financial liabilities at fair value through profit or loss		163.7	256.0
Amounts due to associates		12.6	187.9
Amounts due to brokers		88.5	77.4
Amounts due to joint ventures		1,866.5	1,934.5
Amounts due to non-controlling interests		0.2	0.2
Tax payable		2,186.5	2,285.5
Bank and other borrowings due within one year		11,066.9	9,766.6
Notes payable		156.1	2,780.8
Lease liabilities		139.4	124.4
Other liabilities		55.0	27.0
Provisions		61.8	60.6
		<b>33,192.0</b>	<b>27,778.0</b>
<b>Net current assets</b>		<b>15,530.8</b>	<b>14,240.1</b>
<b>Total assets less current liabilities</b>		<b>80,766.3</b>	<b>86,031.6</b>
<b>Capital and reserves</b>			
Share capital	(18)	2,221.7	2,221.7
Reserves		40,303.1	41,317.2
<b>Equity attributable to owners of the Company</b>		<b>42,524.8</b>	<b>43,538.9</b>
Shares held for employee ownership scheme		(25.6)	(30.2)
Employee share-based compensation reserve		5.1	9.3
Share of net assets of subsidiaries		23,262.9	23,876.6
<b>Non-controlling interests</b>		<b>23,242.4</b>	<b>23,855.7</b>
<b>Total equity</b>		<b>65,767.2</b>	<b>67,394.6</b>
<b>Non-current liabilities</b>			
Bank and other borrowings due after one year		5,783.2	8,845.7
Notes payable		2,893.9	2,987.8
Lease liabilities		187.2	258.6
Other liabilities		29.9	36.9
Contract liabilities		5.9	8.1
Rental deposits from tenants		17.3	17.8
Financial liabilities at fair value through profit or loss		139.2	111.6
Deferred tax liabilities		5,941.2	6,366.3
Provisions		1.3	4.2
		<b>14,999.1</b>	<b>18,637.0</b>
		<b>80,766.3</b>	<b>86,031.6</b>

*Notes:*

**(1) Basis of preparation**

**Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1st January, 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

**Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)**

The Group has applied the amendments for the first time in the current year. The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the 2020 and 2022 Amendments has no material impact on the classification of the Group's liabilities. The change in accounting policy does not have impact to the Group's profit or loss or loss per share for the years ended 31st December, 2024 and 31st December, 2023.

#### **Disclosure in accordance with section 436 of the Hong Kong Companies Ordinance**

The financial information relating to the financial years ended 31st December, 2024 and 2023 included in this announcement of annual results does not constitute the Company's statutory annual financial statements for those financial years but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31st December, 2023 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31st December, 2024 in due course. The Company's auditor has reported on those financial statements for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

**(2) Change of accounting policy for measurement of hospital and other buildings in the People's Republic of China**

The Group re-assessed its accounting policy for measurement of hospital and other buildings in the People's Republic of China ("PRC") after initial recognition. The Group had previously adopted the revaluation model to measure the carrying amount of its hospital and other buildings in the PRC whereby, after initial recognition, the hospital and other buildings in the PRC were stated at fair value, based on annual valuations by an independent and qualified professional valuer not connected with the Group, less subsequent accumulated depreciation and impairment losses, if any.

The Group changed its accounting policy for the measurement of hospital and other buildings in the PRC, as the Group believes that adopting cost model provides a more reliable and more relevant information to reflect the Group's operational performance, as well as aligns with the industry's practice in the measurement of hospital and other buildings in the PRC. Under the cost model, the hospital and other buildings in the PRC were measured at their costs less accumulated depreciation and accumulated impairment losses. The Group applied the cost model retrospectively and the comparative figures in the consolidated statement of financial position as at 31st December, 2023 have been restated. After the acquisition of Tian An Medicare Limited ("TAMC") (formerly known as China Medical & HealthCare Group Limited) as an indirectly non wholly-owned subsidiary of the Company on 5th October, 2023, the Group recognised the hospital and other buildings in the PRC held by TAMC. Before the acquisition of TAMC, the Group did not own any hospital and other buildings in the PRC. Therefore, no comparative figures in the consolidated statement of financial position as at 1st January, 2023 have been restated. In addition, such change in accounting policy has not resulted in restatement of the amounts reported in the consolidated statement of profit or loss for the year ended 31st December, 2023.

The effect on the line items on the consolidated statement of profit or loss and other comprehensive income for the year ended 31st December, 2023 arising from the change in accounting policy are set out below:

Consolidated statement of profit or loss and other comprehensive income for the year ended 31st December, 2023

	<b>As previously reported HK\$ Million</b>	<b>Effect HK\$ Million</b>	<b>As restated HK\$ Million</b>
Gain on revaluation of hospital and other buildings included in property, plant and equipment	5.5	(5.5)	–
Total comprehensive expenses for the year attributable to:			
Owners of the Company	(527.7)	(3.7)	(531.4)
Non-controlling interests	<u>86.7</u>	<u>(1.8)</u>	<u>84.9</u>

The effect on the line items on the consolidated statement of financial position as at 31st December, 2023 arising from the change in accounting policy are set out below:

Consolidated statement of financial position as at 31st December, 2023

	<b>As previously reported HK\$ Million</b>	<b>Effect HK\$ Million</b>	<b>As restated HK\$ Million</b>
<b>Non-current assets</b>			
Property, plant and equipment	3,788.7	(7.2)	3,781.5
<b>Non-current liabilities</b>			
Deferred tax liabilities	6,368.0	(1.7)	6,366.3
<b>Capital and reserves</b>			
Reserves	41,320.9	(3.7)	41,317.2
<b>Non-controlling interests</b>			
Share of net assets of subsidiaries	<u>23,878.4</u>	<u>(1.8)</u>	<u>23,876.6</u>

**(3) Revenue**

	<b>2024 HK\$ Million</b>	<b>2023 HK\$ Million</b>
Contracts with customers		
Sales of completed properties	<b>520.5</b>	1,530.1
Sales of building materials	<b>113.0</b>	100.3
Hotel operations	<b>53.5</b>	56.0
Management services	<b>369.7</b>	370.0
Advisory and service income, commission income and others	<b>123.7</b>	74.2
Elderly care services	<b>210.9</b>	135.8
Logistics services	<b>15.8</b>	38.2
Hospital fees and charges	<u><b>1,581.0</b></u>	<u>394.2</u>
	<u><b>2,988.1</b></u>	<u>2,698.8</u>
Interest income on loans and advances to consumer finance customers	<b>3,054.3</b>	3,176.0
Interest income received from mortgage loans, term loans and others	<b>758.4</b>	868.0
Property rental	<b>769.5</b>	783.0
Dividend income	<b>85.3</b>	83.6
Distribution from perpetual securities	<u><b>14.2</b></u>	<u>9.2</u>
	<u><b>4,681.7</b></u>	<u>4,919.8</u>
	<u><b>7,669.8</b></u>	<u>7,618.6</u>

Revenue from contracts with customers are included in the segment revenue as follows:

	2024								
	Investment and finance	Consumer finance	Property development	Property investment	Property management	Elderly care services	Healthcare services	Corporate and other operations	Total
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Sales of completed properties	-	-	520.5	-	-	-	-	-	520.5
Sales of building materials	-	-	-	-	-	-	-	113.0	113.0
Hotel operations	-	-	-	53.5	-	-	-	-	53.5
Management services	-	-	-	9.9	356.8	-	-	3.0	369.7
Advisory and service income, commission income and others	36.3	85.8	-	-	-	-	-	1.6	123.7
Elderly care services	-	-	-	-	-	210.9	-	-	210.9
Logistics services	-	-	-	-	-	-	-	15.8	15.8
Hospital fees and charges	-	-	-	-	-	-	1,581.0	-	1,581.0
Revenue from contracts with customers	36.3	85.8	520.5	63.4	356.8	210.9	1,581.0	133.4	2,988.1
	2023								
	Investment and finance	Consumer finance	Property development	Property investment	Property management	Elderly care services	Healthcare services	Corporate and other operations	Total
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Sales of completed properties	-	-	1,530.1	-	-	-	-	-	1,530.1
Sales of building materials	-	-	-	-	-	-	-	100.3	100.3
Hotel operations	-	-	-	56.0	-	-	-	-	56.0
Management services	-	-	-	9.4	357.4	-	-	3.2	370.0
Advisory and service income, commission income and others	22.5	51.7	-	-	-	-	-	-	74.2
Elderly care services	-	-	-	-	-	135.8	-	-	135.8
Logistics services	-	-	-	-	-	-	-	38.2	38.2
Hospital fees and charges	-	-	-	-	-	-	394.2	-	394.2
Revenue from contracts with customers	22.5	51.7	1,530.1	65.4	357.4	135.8	394.2	141.7	2,698.8

#### (4) Segmental information

The operating business organised and managed in each segment represents a strategic business unit that offers different products and services for the purpose of resource allocation and assessment of segment performance by the Executive Directors of the Company.

Analysis of the Group's revenue and results is as follows:

	2024								Total HK\$ Million
	Investment and finance HK\$ Million	Consumer finance HK\$ Million	Property development HK\$ Million	Property investment HK\$ Million	Property management HK\$ Million	Elderly care services HK\$ Million	Healthcare services HK\$ Million	Corporate and other operations HK\$ Million	
Segment revenue	839.3	3,144.8	520.5	908.6	358.1	211.0	1,581.0	373.5	7,936.8
Less: inter-segment revenue	(43.0)	-	-	(96.3)	(0.7)	-	-	(127.0)	(267.0)
Segment revenue from external customers	<u>796.3</u>	<u>3,144.8</u>	<u>520.5</u>	<u>812.3</u>	<u>357.4</u>	<u>211.0</u>	<u>1,581.0</u>	<u>246.5</u>	<u>7,669.8</u>
Segment results	680.0	807.3	(331.3)	(484.9)	11.9	(27.8)	99.4	83.0	837.6
Finance costs	-	-	-	-	-	-	-	-	(749.2)
Share of results of associates	-	-	(5.6)	(66.1)	-	-	-	-	(71.7)
Share of results of associates (unallocated)	-	-	-	-	-	-	-	-	(230.2)
Share of results of joint ventures	53.2	-	(64.5)	(197.3)	31.1	-	-	(85.9)	(263.4)
Loss before taxation	-	-	-	-	-	-	-	-	(476.9)
Taxation	-	-	-	-	-	-	-	-	(235.4)
Loss for the year	-	-	-	-	-	-	-	-	<u>(712.3)</u>
	2023								Total HK\$ Million
	Investment and finance HK\$ Million	Consumer finance HK\$ Million	Property development HK\$ Million	Property investment HK\$ Million	Property management HK\$ Million	Elderly care services HK\$ Million	Healthcare services HK\$ Million	Corporate and other operations HK\$ Million	
Segment revenue	907.8	3,231.8	1,530.1	897.9	359.0	136.5	394.2	379.8	7,837.1
Less: inter-segment revenue	(22.6)	-	-	(73.7)	(1.1)	-	-	(121.1)	(218.5)
Segment revenue from external customers	<u>885.2</u>	<u>3,231.8</u>	<u>1,530.1</u>	<u>824.2</u>	<u>357.9</u>	<u>136.5</u>	<u>394.2</u>	<u>258.7</u>	<u>7,618.6</u>
Segment results	(361.2)	979.5	(262.8)	712.6	1.8	(17.0)	10.5	107.0	1,170.4
Gain on bargain purchase of a subsidiary	-	-	-	-	-	-	-	-	495.1
Finance costs	-	-	-	-	-	-	-	-	(822.8)
Share of results of associates	-	-	8.0	(4.3)	-	-	-	-	3.7
Share of results of associates (unallocated)	-	-	-	-	-	-	-	-	168.3
Share of results of joint ventures	(141.4)	-	(340.9)	64.6	22.7	-	-	15.2	(379.8)
Profit before taxation	-	-	-	-	-	-	-	-	634.9
Taxation	-	-	-	-	-	-	-	-	(378.9)
Profit for the year	-	-	-	-	-	-	-	-	<u>256.0</u>

**(5) Changes in values of properties**

	<b>2024</b>	<b>2023</b>
	<b><i>HK\$ Million</i></b>	<b><i>HK\$ Million</i></b>
Changes in values of properties comprise:		
Net decrease in fair value of investment properties	<b>(1,026.2)</b>	(27.7)
Impairment loss reversed for hotel property	<b>2.7</b>	2.2
Impairment loss (recognised) reversed for leasehold land and buildings	<b>(6.1)</b>	0.2
Impairment loss on other assets - properties interests	<b>(108.0)</b>	–
Fair value gain on transfer of inventories of completed properties to investment properties	<b>0.5</b>	29.6
Impairment loss recognised on properties for development	<b>(2.6)</b>	–
Net impairment loss reversed for properties under development	<b>16.7</b>	66.6
	<b><u>(1,123.0)</u></b>	<b><u>70.9</u></b>

**(6) Net gain (loss) on financial assets and liabilities at fair value through profit or loss**

The following is an analysis of the net gain (loss) on financial assets and liabilities at fair value through profit or loss (“FVTPL”):

	<b>2024</b>	<b>2023</b>
	<b><i>HK\$ Million</i></b>	<b><i>HK\$ Million</i></b>
Net realised and unrealised gain (loss) on financial assets and liabilities		
Held for trading	<b>62.7</b>	(393.4)
At FVTPL	<b>518.2</b>	(77.0)
	<b><u>580.9</u></b>	<b><u>(470.4)</u></b>

(7) **Net impairment losses on financial assets**

	<b>2024</b> <i>HK\$ Million</i>	2023 <i>HK\$ Million</i>
Loans and advances to consumer finance customers		
Net impairment losses	<b>1,007.6</b>	911.7
Recoveries of amounts previously written off	<b>(217.8)</b>	(235.1)
	<b>789.8</b>	676.6
Mortgage loans		
Net impairment losses	<b>76.3</b>	57.5
Recoveries of amounts previously written off	<b>(0.1)</b>	–
	<b>76.2</b>	57.5
Term loans		
Net impairment losses	<b>46.8</b>	299.8
Amounts due from associates		
Net recognition (reversal) of impairment losses	<b>1.1</b>	(0.4)
Trade and other receivables		
Net impairment losses	<b>16.7</b>	2.1
	<b>930.6</b>	1,035.6

**(8) Finance costs**

	<b>2024</b>	2023
	<b><i>HK\$ Million</i></b>	<i>HK\$ Million</i>
Total finance costs included in:		
Cost of sales and other direct costs	<b>482.0</b>	480.4
Finance costs	<b>749.2</b>	822.8
	<b><u>1,231.2</u></b>	<u>1,303.2</u>

**(9) (Loss) profit before taxation**

	<b>2024</b>	2023
	<b><i>HK\$ Million</i></b>	<i>HK\$ Million</i>
(Loss) profit before taxation has been arrived at after charging:		
Amortisation of intangible assets – computer software	<b>5.7</b>	5.2
Amortisation of properties for development	<b>4.7</b>	19.0
Cost of inventories recognised as expenses	<b>1,143.5</b>	1,347.9
Depreciation of other assets – properties interests	<b>0.5</b>	0.5
Depreciation of property, plant and equipment	<b>202.5</b>	171.2
Less: amount capitalised in properties under development	<b>(0.7)</b>	(1.0)
	<b>201.8</b>	170.2
Depreciation of right-of-use assets	<b>179.4</b>	182.4
Less: amount capitalised in properties under development	<b>(0.2)</b>	(0.2)
	<b>179.2</b>	182.2
Net write down of inventories of completed properties (included in cost of sales)	<b><u>112.5</u></b>	<u>3.1</u>

**(10) Taxation**

	2024 <i>HK\$ Million</i>	2023 <i>HK\$ Million</i>
The income tax charged comprises:		
Current tax		
Hong Kong	186.9	198.5
PRC	219.7	151.8
Other jurisdictions	–	2.4
Land Appreciation Tax	75.2	86.4
	481.8	439.1
Under (over) provision in prior years	15.2	(116.8)
	497.0	322.3
Deferred tax	(261.6)	56.6
	235.4	378.9

**(11) Loss per share**

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following information:

	2024 <i>HK\$ Million</i>	2023 <i>HK\$ Million</i>
<u>Loss</u>		
Loss for the purpose of basic loss per share (loss attributable to owners of the Company)	(776.7)	(125.4)
Adjustments to loss in respect of adjustments under the employee ownership scheme of a subsidiary ( <i>Note</i> )	(0.2)	–
Loss for the purpose of diluted loss per share	(776.9)	(125.4)
	<i>Million shares</i>	<i>Million shares</i>
<u>Number of shares</u>		
Weighted average number of shares in issue for the purpose of basic and diluted loss per share	3,513.7	3,513.7

*Note:* During the year ended 31st December, 2023, the loss for the purpose of calculating diluted loss per share had not adjusted for the effect under the employee ownership scheme of a subsidiary as it was anti-dilutive.

**(12) Dividend**

	<b>2024</b> <i>HK\$ Million</i>	2023 <i>HK\$ Million</i>
Dividend recognised as distribution during the year		
Nil (2023: 2022 second interim dividend (in lieu of a final dividend) of HK11.75 cents per share)	<u>–</u>	<u>412.9</u>

The Board does not recommend any dividend for the years ended 31st December, 2024 and 2023.

**(13) Loans and advances to consumer finance customers**

	<b>2024</b> <i>HK\$ Million</i>	2023 <i>HK\$ Million</i>
Loans and advances to consumer finance customers		
Hong Kong	<b>9,199.4</b>	9,123.7
PRC	<b>1,942.3</b>	2,073.3
	<u>11,141.7</u>	<u>11,197.0</u>
Less: impairment allowance	<b>(613.3)</b>	(569.8)
	<u><b>10,528.4</b></u>	<u>10,627.2</u>
Analysed for reporting purposes as:		
Non-current assets	<b>3,712.7</b>	3,709.0
Current assets	<b>6,815.7</b>	6,918.2
	<u><b>10,528.4</b></u>	<u>10,627.2</u>

The aging analysis for the loans and advances to consumer finance customers (net of impairment allowance) that are past due is as follows:

	<b>2024</b> <i>HK\$ Million</i>	2023 <i>HK\$ Million</i>
Less than 31 days past due	<b>654.2</b>	707.9
31 to 60 days	<b>168.7</b>	159.1
61 to 90 days	<b>36.4</b>	22.2
91 to 180 days	<b>6.7</b>	58.6
Over 180 days	<b>88.1</b>	61.6
	<b>954.1</b>	1,009.4

**(14) Mortgage loans**

	<b>2024</b> <i>HK\$ Million</i>	2023 <i>HK\$ Million</i>
Mortgage loans		
Hong Kong	<b>2,146.2</b>	2,569.1
Less: impairment allowance	<b>(167.4)</b>	(100.4)
	<b>1,978.8</b>	2,468.7
Analysed for reporting purposes as:		
Non-current assets	<b>539.2</b>	758.1
Current assets	<b>1,439.6</b>	1,710.6
	<b>1,978.8</b>	2,468.7

The aging analysis for the mortgage loans that are past due is as follows:

	<b>2024</b> <i>HK\$ Million</i>	2023 <i>HK\$ Million</i>
Less than 31 days past due	<b>102.4</b>	101.1
31 to 60 days	<b>31.7</b>	8.9
61 to 90 days	<b>81.2</b>	7.0
91 to 180 days	<b>231.6</b>	381.4
Over 180 days	<b>481.8</b>	114.6
	<b>928.7</b>	613.0

(15) Term loans

	2024 <i>HK\$ Million</i>	2023 <i>HK\$ Million</i>
Secured term loans	1,375.5	1,380.7
Unsecured term loans	<u>108.4</u>	<u>91.5</u>
	1,483.9	1,472.2
Less: impairment allowance	<u>(842.8)</u>	<u>(845.4)</u>
	<u>641.1</u>	<u>626.8</u>
Analysed for reporting purposes as:		
Non-current assets	41.9	180.0
Current assets	<u>599.2</u>	<u>446.8</u>
	<u>641.1</u>	<u>626.8</u>

The Group considers a loan to be secured when there is collateral or credit enhancement in place. The main types of collateral and credit enhancement obtained include share charges over unlisted and listed equity securities, personal guarantees, assignment of rights and charges over properties.

No aging analysis is disclosed for term loans financing, as, in the opinion of the management, the aging analysis does not give additional value in the view of the nature of the term loans financing business.

**(16) Trade receivables, prepayments and other receivables**

The following is an aging analysis of trade and other receivables based on the date of invoice/contract note at the end of the reporting date:

	<b>2024</b>	2023
	<b><i>HK\$ Million</i></b>	<i>HK\$ Million</i>
Less than 31 days	<b>380.5</b>	190.4
31 to 60 days	<b>60.6</b>	32.5
61 to 90 days	<b>13.8</b>	26.8
91 to 180 days	<b>19.4</b>	23.7
Over 180 days	<b>96.2</b>	89.2
	<b>570.5</b>	362.6
Trade and other receivables without aging	<b>385.4</b>	423.8
Less: impairment allowances	<b>(74.9)</b>	(62.6)
	<b>881.0</b>	723.8
Trade and other receivables at amortised cost	<b>211.2</b>	208.5
Prepayments		
	<b>1,092.2</b>	932.3
Analysed for reporting purposes as:		
Non-current assets	<b>49.8</b>	53.3
Current assets	<b>1,042.4</b>	879.0
	<b>1,092.2</b>	932.3

**(17) Trade payables, other payables and accruals**

The following is an aging analysis of the trade payables, other payables and accruals based on the date of invoice/contract note at the end of the reporting date:

	<b>2024</b> <i>HK\$ Million</i>	<b>2023</b> <i>HK\$ Million</i>
Less than 31 days/repayable on demand	<b>632.3</b>	734.3
31 to 60 days	<b>174.3</b>	159.1
61 to 90 days	<b>39.0</b>	102.7
91 to 180 days	<b>202.5</b>	91.8
Over 180 days	<b>1,037.2</b>	606.8
	<b>2,085.3</b>	1,694.7
Accrued staff costs, other accrued expenses and other payables without aging	<b>1,213.4</b>	1,404.8
	<b>3,298.7</b>	3,099.5

**(18) Share capital**

	<b>Number of shares</b>	<b>Amount</b> <i>HK\$ Million</i>
Issued and fully paid:		
At 1st January, 2023, 31st December, 2023, 1st January, 2024 and 31st December, 2024	<b>3,513,684,360</b>	<b>2,221.7</b>

## **DIVIDEND**

The Board does not recommend the payment of a dividend for the year ended 31st December, 2024 (2023: nil).

## **CLOSURE OF REGISTER OF MEMBERS**

**For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company scheduled on 29th May, 2025 (“2025 AGM”)**

- Latest time to lodge transfer documents for registration with the Company’s share registrar At 4:30 p.m.  
on Friday, 23rd May, 2025
- Closure of the register of members of the Company Monday, 26th May, 2025  
to Thursday, 29th May, 2025  
(both days inclusive)

During the above closure period, no transfer of shares of the Company will be registered. In order for a shareholder of the Company (“Shareholder”) to be eligible to attend and vote at the 2025 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than the aforementioned latest time.

## FINANCIAL HIGHLIGHTS

	<b>2024</b>	2023
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Revenue	<b>7,669.8</b>	7,618.6
Loss for the year attributable to owners of the Company	<b>(776.7)</b>	(125.4)
Equity attributable to owners of the Company	<b>42,524.8</b>	43,538.9
Return on equity attributable to owners of the Company	<b>(1.8)%</b>	(0.3)%
Loss per share		
– Basic	<b>HK\$(0.22)</b>	HK\$(0.04)
– Diluted	<b>HK\$(0.22)</b>	HK\$(0.04)
	<b>At</b>	At
	<b>31st December,</b>	31st December,
	<b>2024</b>	2023
Net asset value per share attributable to owners of the Company	<b>HK\$12.10</b>	HK\$12.39
Gearing ratio	<b>5.5%</b>	19.4%

## FINANCIAL REVIEW

### Financial Results

The revenue of the Group for the year was HK\$7,669.8 million (2023: HK\$7,618.6 million).

The loss attributable to owners of the Company for the year was HK\$776.7 million, as compared to a loss of HK\$125.4 million for the year 2023.

The increase in loss for the year is primarily the net effect of:

- the loss attributable to Tian An China Investments Company Limited (“TACI”) instead of an attributable profit for the year 2023;
- a higher net decrease in the fair value of investment properties of the Group as compared with the year 2023;

- an attributable loss on the share of results of the Company’s listed associate, APAC Resources Limited (“APAC”) instead of an attributable profit for the year 2023; and
- the profit attributable to Sun Hung Kai & Co. Limited (“SHK”) instead of an attributable loss for the year 2023.

#### *Loss per share*

Basic loss per share amounted to HK\$0.22 for the year, as compared to the basic loss per share of HK\$0.04 for the year 2023.

### **Capital Management and Treasury Policy**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debts (which include bank and other borrowings and notes payable) and equity attributable to owners of the Company comprising issued share capital and reserves. The Group’s management reviews the capital structure on an ongoing basis using gearing ratio, which is the net debt comprising the Group’s bank and other borrowings and notes payable less bank deposits and cash and cash equivalents divided by equity attributable to owners of the Company.

In addition, the Group’s treasury policy is to ensure that funding requirements for capital commitments, investments and operations of the Group can be fulfilled and liquidity can be managed to ensure that fund inflows are matched against all maturing repayment obligations to achieve maximum harmony on cash flow management. The credit facilities of the Group are reviewed from time to time and new credit facilities will be obtained or renewed. The Group manages its liquidity position to ensure a prudent and adequate liquidity ratio. This is achieved by a transparent and collective monitoring approach across the Group involving the management of the relevant group companies.

### **Financial Resources, Liquidity and Capital Structure**

At the end of the reporting period, the equity attributable to owners of the Company amounted to HK\$42,524.8 million, representing a decrease of HK\$1,014.1 million from 2023. The Group maintained a strong cash and bank balance position and had cash and bank balances of approximately HK\$17,565.2 million as at 31st December, 2024 (2023: HK\$15,950.2 million). The Group’s bank and other borrowings and notes payable totaling HK\$19,900.1 million (2023: HK\$24,380.9 million) of which the portion due on demand or within one year was HK\$11,223.0 million (2023: HK\$12,547.4 million) and the remaining long-term portion was

HK\$8,677.1 million (2023: HK\$11,833.5 million). The liquidity of the Group as evidenced by the current ratio (current assets/current liabilities) was 1.47 times (2023: 1.51 times). The Group's gearing ratio (net bank and other borrowings and notes payable/equity attributable to the owners of the Company) was 5.5% (2023: 19.4%).

Further details of bank and other borrowings and notes payable are set out below:

	<b>2024</b>	2023
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
<b>Bank and other borrowings</b>		
Bank loans	<b>16,247.5</b>	17,950.2
Other borrowings	<b>602.6</b>	662.1
	<b>16,850.1</b>	18,612.3
Amount repayable within one year shown under current liabilities	<b>11,066.9</b>	9,766.6
Amount due after one year	<b>5,783.2</b>	8,845.7
	<b>16,850.1</b>	18,612.3
<b>Notes payable</b>		
5.75% US dollar notes ^	–	2,322.6
5.00% US dollar notes ^	<b>2,949.7</b>	3,044.8
Asset backed notes	<b>100.3</b>	401.2
	<b>3,050.0</b>	5,768.6
Analysed for reporting purpose		
– Current liabilities	<b>156.1</b>	2,780.8
– Non-current liabilities	<b>2,893.9</b>	2,987.8
	<b>3,050.0</b>	5,768.6
<b>Total borrowings</b>	<b>19,900.1</b>	24,380.9

^ Listed on The Stock Exchange of Hong Kong Limited

At the end of the reporting period, total borrowings accounted for around 19% were at fixed rates. There are no known seasonal factors in the Group's borrowing profile.

At the end of the reporting period, the Group had HK\$16,850.1 million (2023: HK\$18,612.3 million) in bank and other borrowings, which were denominated in HK dollars, British pounds, Australian dollars, Renminbi and US dollars. The Group had HK\$17,565.2 million (2023: HK\$15,950.2 million) in bank deposits, bank balances and cash, which were mainly denominated in HK dollars, Australian dollars, British pounds, Euro, Renminbi and US dollars.

The banking facilities of the Group are reviewed from time to time and new banking facilities will be obtained or renewed to meet the funding requirements for capital commitments, investments and operations of the Group.

### **Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

In February 2024, Colony SHK Gen Par S.à r.l. ("General Partner") was established in Luxembourg as a joint venture between a subsidiary of SHK and Colony Investment Management SAS and was owned as to 50% and 50% by each of them respectively. Furthermore, a partnership ("Partnership") was also established as a joint venture between the subsidiary of SHK group, Colony Invest Platform I SCSP and the General Partner, of which an almost total stake was owned by the subsidiary of SHK group. The Partnership is managed by the General Partner to carry on the business of holding, monitoring and realising qualifying investments. As at 31st December, 2024, SHK group committed EUR75.7 million and injected approximately EUR49.6 million into the Partnership. The Partnership has executed a commitment to subscribe for preferred equity shares in a vehicle which in turn invests in preferred equity shares in one of Europe's largest hotel owners.

Save as disclosed above, there were no material acquisitions or disposal of subsidiaries, associates and joint ventures for the year ended 31st December, 2024 and up to the date of this announcement.

### **Segment Information**

Detailed segmental information in respect of the revenue and profit or loss is shown in note 4 to the audited consolidated financial information.

## **Risk of Foreign Exchange Fluctuation**

The Group is required to maintain foreign currency exposure to cater for its recurring operating activities and present and potential investment activities, meaning it will be subject to reasonable exchange rate exposure. However, the Group will closely monitor this risk exposure as required.

The Group's foreign exchange risk primarily arises from currency exposures originating from proprietary trading positions, private equity investments, loans and advances and bank and other borrowings denominated in foreign currencies, mainly in Australian dollars, British pounds, Euro, Japanese yen, Malaysian ringgit, Renminbi and Thai baht. Foreign exchange risk is managed and monitored by senior management of the relevant group companies. The risk arises from open currency positions is subject to ratios that are monitored and reported weekly. Should the Group consider that its exposure to foreign currency risk justifies hedging, the Group may use forward or hedging contracts to reduce the risks.

## **Contingent Liabilities**

- (a) Property for development that is held by a joint venture of the Group with total carrying value of approximately HK\$867.0 million is under idle land investigation by the local authority. The development progress cannot fully fulfill building covenants under the land grant contracts. The whole pieces of land of the joint venture were held under several land use right certificates. They are under phased construction stage and certain portions of them are under development, except for the portions which are retained for the remaining development of the whole project.

Property for development that is held by another joint venture of the Group with carrying value of approximately HK\$181.6 million had been identified as idle land by the local authority. The development of more than half of the piece of land was completed, except for the portions which are retained for the remaining development of the whole project. In particular, the construction work for Phase 3 Part 2 has started in current year.

The Group is currently working diligently with joint venture partners to prevent the possible classification as idle land for those under idle land investigation and taking remedy action to prevent from prosecution for those had been identified as idle land, including negotiating the feasibility of development plans with local authorities. Based on legal advices, the Group has assessed the issue and in the opinion of the management of the Group, the economic outflows caused by the above cases are not probable.

- (b) As at 31st December, 2024, guarantees given to banks in respect of mortgage loans granted to property purchasers, loan facilities granted to or utilised by the joint ventures and investee companies classified as financial assets at fair value through profit or loss amounted to approximately HK\$4,197.8 million. All the guarantees provided by the Group were requested by banks under normal commercial terms.
- (c) A legal action was taken against an indirect wholly-owned subsidiary of Tian An Medicare Limited (“TAMC”) resulting in possible contingent liabilities of approximately HK\$155.4 million. The Group, after seeking PRC legal advice, is of the view that the litigation has no merits and hence no material impact on the operations and financial position of the Group. Subsequent to the end of the reporting period, a legal action was taken against a subsidiary of the Company resulting in possible contingent liabilities of approximately HK\$35.1 million. The Group has assessed the claim and obtained PRC legal advice, and considers that it is too early to assess the possible liability at this stage.

### **Pledge of Assets**

At 31st December, 2024, the following assets were pledged:

- (a) Certain of the Group’s property, plant and equipment, properties for development, properties under development, inventories of completed properties and investment properties with an aggregate carrying value of HK\$19,387.0 million (2023: HK\$28,695.3 million), financial assets at fair value through profit or loss (“FVTPL”) of nil (2023: HK\$148.5 million), financial assets at fair value through other comprehensive income of nil (2023: HK\$42.9 million), notes receivables of nil (2023: HK\$1.0 million), bank deposits of nil (2023: HK\$33.4 million) together with certain securities in respect of a listed subsidiary with investment cost of HK\$266.4 million (2023: HK\$266.4 million) were pledged to secure loans and general banking facilities granted to the Group.
- (b) HK\$156.3 million (2023: HK\$732.0 million) of mortgage loans receivable were pledged for a securitisation financing transaction.
- (c) The Group’s interest in a subsidiary with net asset value HK\$3.3 million (2023: HK\$2.8 million) and equity securities at FVTPL with carrying values of HK\$4.1 million (2023: HK\$5.7 million) were pledged to securities brokers houses for margin loan facilities granted to the Group.

## **Events after the Reporting Period**

On 21st January, 2025, SHK entered into binding Heads of Agreement, pursuant to which SHK agreed to commit US\$100 million of capital to invest in WCD Funds and AU\$25 million to the Wentworth GP Trust as an anchor investment, which will be invested across the investment strategies of Wentworth, provision of strategic services and working capital loan facility for an amount of up to AU\$6 million to WCD. Further details of this transaction (as well as terms and expressions used herein) are set out in the joint announcement of the Company and SHK dated 21st January, 2025.

On 20th February, 2025, SHK entered into a binding term sheet pursuant to which SHK agreed to subscribe US\$30 million of senior convertible bonds to be issued by Pantheon Resources plc due March 2028. Further details of this transaction are set out in SHK's announcement dated 20th February, 2025.

## **OPERATIONAL REVIEW**

### **Financial Services**

#### *Investment and Finance*

- The profit attributable to owners of SHK for the year was HK\$377.7 million, as compared to a loss of HK\$471.4 million for the year 2023.
- SHK's investment management business reported a pre-tax loss of HK\$405.9 million (2023: pre-tax loss of HK\$1,291.3 million). The loss included SHK allocating a cost of capital charge of HK\$669.4 million (2023: HK\$739.7 million).
- SHK's funds management business reported a pre-tax profit of HK\$49.0 million (2023: HK\$16.8 million). Total assets under management reached US\$2.0 billion, more than doubling from 2023, driven by both organic growth as well as new partnerships forged during the year.
- Sun Hung Kai Credit Limited reported a pre-tax profit of HK\$39.5 million (2023: HK\$65.7 million). Its gross loan balance was HK\$2.1 billion at the end of 2024 (at 31st December, 2023: HK\$2.6 billion).

## *Consumer Finance*

- Profit attributable to owners of United Asia Finance Limited (“UAF”) for the year amounted to HK\$568.5 million (2023: HK\$715.8 million).
- In view of the challenging operating conditions in Mainland China, UAF continued to reduce operating costs and focused on its shift from unsecured to secured lending.
- UAF’s Hong Kong business was affected by a weakened local economy. UAF has tightened its measures to mitigate credit risks and manage loan charge-offs. UAF’s “SIM” credit card (Simple Instant Money) operations are on track and expected to break even in 2025.
- At the end of 2024, the consolidated consumer finance gross loan balance amounted to HK\$11.1 billion (at 31st December, 2023: HK\$11.2 billion). There were 15 branches in Mainland China and 46 branches in Hong Kong.

## **Properties**

### *Hong Kong*

- Rental income from the Group’s Hong Kong property portfolio was maintained at a steady level when compared to 2023.
- Allied Kajima Limited, the Group’s 50% joint venture, holding various properties including Allied Kajima Building, Novotel Century Hong Kong hotel, Sofitel Philippine Plaza hotel, and AKI Hong Kong MGallery hotel, reported a higher loss for the year as compared with the loss in the year 2023 which was mainly attributable to higher fair value loss provisions for its property portfolio.

### *Mainland China*

- The loss attributable to owners of TACI reported by TACI itself was HK\$207.1 million (2023: profit of HK\$1,217.4 million). However, the financial results of TACI for the year from the Company’s perspective was a loss of HK\$701.7 million (2023: profit of HK\$363.7 million). When TACI became an indirect non wholly-owned subsidiary of the Company in October 2021, the Company performed a fair value assessment in accordance with relevant accounting standards which increased the value of the net assets of TACI in the books of the Company. This led to different cost bases for TACI and the Company.

- TACI's total rental income decreased by 1.4% as compared with 2023.
- The Phase 3 of TACI's urban renewal project, Tian An Cloud Park, in Bantian residential district, Longgang, Shenzhen comprising a gross floor area of approximately 1,111,900 m<sup>2</sup> has commenced construction and is expected to be completed in stages in 2027 and 2028.
- The development of Phase 2C of The One Tian An Place, a residential project in Shanghai, has been completed by the end of 2024 after the successful pre-sales during the 4th quarter of 2022 and most of the sold units were handed over to customers in early 2025. The pre-sales of Phase 2B in 2024 has also been a success and will provide steady contributions in the course of its phased development.
- Asiasec Properties Limited, the listed subsidiary of TACI, reported a loss of HK\$74.8 million (2023: profit of HK\$265.0 million) attributable to its shareholders.
- TAMC, the listed subsidiary of TACI, reported a profit of HK\$28.8 million (2023: HK\$14.7 million) attributable to its shareholders.

#### *Services*

- Allied Services Hong Kong Limited which principally engages in the businesses of property management and elderly care services reported a profit of HK\$12.5 million for the year (2023: HK\$9.1 million).

### **Investment**

#### *Resource Investments*

- At the end of 2024, the Group held approximately 45.4% interest in APAC. The Group recorded a share of loss from APAC amounting to HK\$232.8 million for the year as compared to a share of profit of HK\$138.4 million in the year 2023.

### **Employees**

The total number of headcount of the Group as at 31st December, 2024 was 5,751 (2023: 5,713). Total staff cost, including Directors' emoluments, amounted to HK\$1,353.2 million (2023: HK\$1,390.8 million). The Group reviews remuneration packages from time to time. In addition to salary payments, other staff benefits include contributions to employee provident funds, medical subsidies and a discretionary bonus scheme. The Group recognises the importance of continuing professional education and development, and appropriate courses are arranged on a periodical basis as well as subsidies are granted to employees who take job-related courses.

## **LONG TERM CORPORATE STRATEGIES**

The Group's policy has been to adopt the following long term strategies:

1. To maintain the organic growth of its core businesses;
2. To maintain a balance between the demands of short term returns and long term capital appreciation; and
3. To seek investment opportunities that assist in strengthening and broadening its earnings base.

## **BUSINESS OUTLOOK**

The financial problems of many sizeable China property developers, high dollar interest rates, geopolitical tensions, the war in Ukraine and the conflict in the Middle East have led to uncertainty and poor market sentiment. The policy of derisking by the United States and the European Union towards China and the raising of tariffs on Chinese products by the United States will continue to have a negative impact on the economy of China.

SHK remains vigilant about the various risks and challenges facing the market and will continue to mitigate the volatility in its business and investment portfolio.

UAF will continue to manage its Hong Kong business by balancing business growth and risk. As for the Mainland China business, UAF will focus on secured lending while implementing cost cutting measures to generate better returns.

Elevated interest rates will continue to add downward pressure on the local property market. The Group will continue to focus on boosting the occupancy and leasing potential of its property portfolio.

TACI welcomes the measures introduced by the Central and local governments to stabilise the property market. These together with a lower loan prime rate and the reduction in bank reserve requirement ratio should increase liquidity and help stimulate the economy of Mainland China.

There is no doubt that 2025 will remain challenging. With the Group's solid financial position and diversified income streams, the Board will continue to adopt a prudent approach in implementing the Group's stated strategies for the benefit of the Group and all its shareholders.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

During the year ended 31st December, 2024, the Company has applied the principles of, and complied with, the applicable code provisions set out in the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (“CG Code”) under Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except for certain deviation which is summarised below:

### **Code Provision D.3.3**

Code provision D.3.3 of the CG Code stipulates that the terms of reference of the audit committee should include, as a minimum, those specific duties as set out in the code provision.

During the year ended 31st December, 2024, the Board has reviewed and updated the terms of reference of the audit committee (“Audit Committee”). The updated terms of reference of the Audit Committee adopted by the Company are in compliance with the code provision D.3.3 of the CG Code except that the Audit Committee (i) shall recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have effective risk management and internal control systems; and (iii) can promote (as opposed to ensure under the code provision) the coordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

The reason for the above deviation is set out in the Corporate Governance Report to be contained in the Company’s Annual Report for the financial year ended 31st December, 2024 (“2024 Annual Report”). The Board has reviewed the terms during the year under review and considers that the Audit Committee should continue to operate according to its updated terms of reference, and will continue to review the terms of reference at least annually and make appropriate changes if considered necessary.

Further information on the Company’s corporate governance practices during the year under review will be set out in the Corporate Governance Report to be contained in the Company’s 2024 Annual Report which will be sent to the Shareholders by the end of April 2025.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 31st December, 2024.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st December, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26th March, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31st December, 2024.

## **FORFEITURE OF UNCLAIMED DIVIDENDS**

According to Article 160(A) of the articles of association of the Company, all dividends unclaimed for 6 years after having been declared may be forfeited by the Board and shall revert to the Company. The Board wishes to inform the Shareholders that any of the following dividends declared remaining unclaimed on 25th April, 2025 will be forfeited and revert to the Company.

### **Financial Year End**

### **Types of Dividends**

2017

Interim Dividend and Second Interim Dividend

Shareholders who are entitled to but yet to receive the dividends payments in respect of the aforesaid dividends are advised to contact the share registrar of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but no later than 4:30 p.m. on 25th April, 2025.

## **APPRECIATION**

The Board would like to thank all the staff for their effort and contribution in 2024, and would like to express appreciation to the Shareholders for their continued support.

On behalf of the Board  
**Allied Group Limited**  
**Arthur George Dew**  
*Chairman*

Hong Kong, 26th March, 2025

*As at the date of this announcement, the Board comprises Messrs. Lee Seng Hui (Chief Executive), Edwin Lo King Yau and Mak Pak Hung being the Executive Directors, Mr. Arthur George Dew (Chairman), Mr. Akihiro Nagahara (Vice Chairman) and Ms. Lee Su Hwei being the Non-Executive Directors; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing being the Independent Non-Executive Directors.*