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萬科海外投資控股有限公司

VANKE OVERSEAS INVESTMENT HOLDING COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01036)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS

The Board of Directors (the “**Board**”) of Vanke Overseas Investment Holding Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce the consolidated results of the Group for the year ended 31 December 2024 as follows:

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
Revenue	3	775,467	364,291
Cost of sales and services		(641,431)	(189,858)
Gross profit		134,036	174,433
Other income and net gain	4	6,210	18,796
Administrative and other operating expenses		(160,722)	(53,368)
Increase in fair value of investment properties		9,900	54,268
Operating (loss)/profit		(10,576)	194,129
Finance income	5(a)	19,694	18,314
Finance costs	5(b)	(16,128)	(36,595)
Share of results of associates		(51,228)	(130,239)
Share of results of joint ventures		(179)	(27)
(Loss)/profit before taxation	5	(58,417)	45,582
Income tax credit/(expense)	6	7,887	(17,883)
(Loss)/profit for the year		(50,530)	27,699
Attributable to:			
Shareholders of the company		(50,530)	27,699
Non-controlling interests		–	–
(Loss)/profit for the year		(50,530)	27,699
		HK\$	HK\$
(Loss)/earnings per share — basic and diluted	8	(0.13)	0.07

Details of dividends paid and payable to shareholders of the Company attributable to the (loss)/profit for the year are set out in note 7.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the year	(50,530)	27,699
Other comprehensive income for the year:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of the financial statements of overseas subsidiaries	<u>(424)</u>	<u>1,041</u>
Total comprehensive income for the year	<u>(50,954)</u>	<u>28,740</u>
Attributable to:		
Shareholders of the Company	(50,954)	28,740
Non-controlling interests	<u>–</u>	<u>–</u>
Total comprehensive income for the year	<u>(50,954)</u>	<u>28,740</u>

Consolidated Statement of Financial Position
At 31 December 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Investment properties	<i>9</i>	1,954,600	1,993,100
Property, plant and equipment		966,744	980,279
Interests in associates	<i>10</i>	75,331	251,936
Interests in joint ventures	<i>11</i>	296,175	256,114
Deferred tax assets		18,935	–
		<u>3,311,785</u>	<u>3,481,429</u>
Current assets			
Inventories	<i>12</i>	632,718	939,657
Trade and other receivables	<i>13</i>	64,399	76,668
Tax recoverable		2,186	3,283
Bank balances and cash		457,222	610,286
		<u>1,156,525</u>	<u>1,629,894</u>
Current liabilities			
Trade and other payables	<i>14</i>	(145,011)	(328,517)
Contract liabilities		(7,705)	(36,272)
Lease liabilities		(10,378)	(5,026)
Tax payable		(18,493)	(16,534)
		<u>(181,587)</u>	<u>(386,349)</u>
Net current assets		<u>974,938</u>	<u>1,243,545</u>
Total assets less current liabilities		<u>4,286,723</u>	<u>4,724,974</u>

	<i>Note</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current liabilities			
Bank loan	15	–	(367,058)
Lease liabilities		(18,200)	(13,308)
Deferred tax liabilities		(47,225)	(48,984)
		<u>(65,425)</u>	<u>(429,350)</u>
NET ASSETS		<u>4,221,298</u>	<u>4,295,624</u>
CAPITAL AND RESERVE			
Share capital		3,895	3,895
Reserves		4,217,404	4,291,730
Total equity attributable to shareholders of the Company		4,221,299	4,295,625
Non-controlling interests		(1)	(1)
TOTAL EQUITY		<u>4,221,298</u>	<u>4,295,624</u>

Notes

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands whose shares are listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The registered office of the Company is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and the principal office of the Company in Hong Kong is Room A, 43rd Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong. The principal activities of the Group are asset management, property development, property investment and serviced apartments and hotel operations.

The Board considers the immediate holding company and the ultimate holding company of the Company to be Wkland Investments Company Limited and China Vanke Co., Ltd.. Wkland Investments Company Limited is a company incorporated in the British Virgin Islands with limited liability, while China Vanke Co., Ltd. is a joint stock company with limited liability incorporated in the People’s Republic of China and the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and its interests in associates and joint ventures. The consolidated results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2024 but are extracted from those financial statements.

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”). As Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and accounting principles generally accepted in Hong Kong, are derived from and consistent with IFRS Accounting Standards, these financial statements also comply with HKFRSs. These financial statements also comply with the requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. The equivalent amendments to HKFRSs consequently issued by the HKICPA as a result of these developments have the same effective date as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB.

None of these amendments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue recognised during the year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Revenue from contracts with customers within the scope of IFRS/HKFRS 15 recognised over time</i>		
Property management fee income	16,667	17,558
Asset management fee income	180,938	216,186
Income from serviced apartments and hotel	48,913	10,236
<i>Revenue from contracts with customers within the scope of IFRS/HKFRS 15 recognised point in time</i>		
Sale of properties	452,810	–
<i>Revenue from other sources</i>		
Rental income from investment properties	76,139	79,747
Interest income on investment instruments	–	40,564
	<u>775,467</u>	<u>364,291</u>

(b) Segment reporting

The Group's chief operating decision maker assesses the performance of the operating segment primarily based on segment profit. Segment profit represents the profit earned by the segment and excludes mainly head office and corporate expenses (net of unallocated income), finance income – bank interest income and income tax.

In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has presented the following four segments:

Property investment:	The leasing of the Group's investment properties to earn rental and management fee income and to gain from the appreciation in properties' values in the long term
Property development:	Sales of properties, share of the results of associates and joint ventures which the principal activities are property development and financing from the Group's perspective, interest income from an associate and interest income on investment instruments
Asset management:	Asset management fee income from the provision of asset management services
Serviced apartments and hotel:	Income from operating serviced apartments and hotel

Segment assets principally comprise all non-current assets and current assets directly attributable to each segment except for plant and equipment, deferred tax assets, other receivables, other deposits, prepayments, tax recoverable and bank balances and cash. No segment liabilities analysis is presented as the Group monitors and manages its liabilities on a group basis.

Revenue from customers which accounts for 10% or more of the Group's revenue are set out below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Property development segment — Customer A	–	40,564
Asset management segment — entities controlled by the ultimate holding company	180,938	216,186
	<u>180,938</u>	<u>216,186</u>

Operating segments

The segment results are as follows:

For the year ended 31 December 2024

	Property investment <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Serviced apartments and hotel <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>92,806</u>	<u>452,810</u>	<u>180,938</u>	<u>48,913</u>	<u>775,467</u>
Segment results before changes in fair value of investment properties	50,178	(181,939)	45,151	7,377	(79,233)
Increase in fair value of investment properties	<u>9,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,900</u>
Segment results	60,078	(181,939)	45,151	7,377	(69,333)
Head office and corporate expenses (net of unallocated income)					(7,635)
Finance income — bank interest income					<u>18,551</u>
Loss before taxation					(58,417)
Income tax credit					<u>7,887</u>
Loss for the year					<u>(50,300)</u>

For the year ended 31 December 2023

	Property investment <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>97,305</u>	<u>50,800</u>	<u>216,186</u>	<u>364,291</u>
Segment results before changes in fair value of investment properties and net gain on disposal of investment properties	33,641	(125,390)	62,736	(29,013)
Increase in fair value of investment properties	54,268	-	-	54,268
Net gain on disposal of investment properties	<u>13,719</u>	<u>-</u>	<u>-</u>	<u>13,719</u>
Segment results	101,628	(125,390)	62,736	38,974
Head office and corporate expenses (net of unallocated income)				(10,188)
Finance income — bank interest income				<u>16,796</u>
Profit before taxation				45,582
Income tax expense				<u>(17,883)</u>
Profit for the year				<u>27,699</u>

Total assets by segment

	2024	2023
	HK\$'000	HK\$'000
Property investment	1,956,692	1,994,844
Property development	1,014,254	2,410,297
Asset management	72,905	68,855
Serviced apartments and hotel	934,016	–
	<hr/>	<hr/>
Segment assets	3,977,867	4,473,996
Plant and equipment	–	9,631
Deferred tax assets	18,935	–
Other receivables	12,100	14,127
Tax recoverable	2,186	3,283
Bank balances and cash	457,222	610,286
	<hr/>	<hr/>
Total assets	4,468,310	5,111,323
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Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's investment properties, serviced apartments and hotel, inventories, other property leased for own use, interests in associates and joint ventures (“**specified non-current assets**”). The geographical location of customers is based on the location at which the services were provided or inventories sold. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of investment properties, serviced apartments and hotel, inventories and other properties leased for own use, and the location of operations, in the case of interests in associates and joint ventures.

	Revenue from		Specific	
	external customers		non-current assets	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	699,000	218,237	3,245,173	3,388,777
United Kingdom	7,756	13,289	–	–
United States	68,711	132,765	47,677	83,021
	<hr/>	<hr/>	<hr/>	<hr/>
Total	775,467	364,291	3,292,850	3,471,798
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4 OTHER INCOME AND NET GAIN

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Compensation received from tenants on early lease termination	50	56
Management fee income from related companies	4,417	4,894
Net gain on disposal of investment properties	–	13,719
Others	1,743	127
	<u>6,210</u>	<u>18,796</u>

5 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(a) Finance income		
Interest income on bank deposits and bank balances	(18,551)	(16,796)
Interest income on an amount due from an associate	(1,143)	(1,518)
	<u>(19,694)</u>	<u>(18,314)</u>
(b) Finance costs		
Interest expense on bank loan	14,111	34,806
Other borrowing costs	872	1,356
	<u>14,983</u>	<u>36,162</u>
Interest expenses on lease liabilities	1,145	433
	<u>16,128</u>	<u>36,595</u>
(c) Staff costs (including directors' emoluments)		
Contributions to defined contribution plan	6,189	5,995
Salaries, wages and other benefits	108,243	118,408
	<u>114,432</u>	<u>124,403</u>
(d) Others		
Auditors' remuneration		
— audit services	1,153	1,130
— non-audit services	238	238
Depreciation	35,270	18,341
Impairment loss on trade receivables	75	–
Impairment losses on investment instruments	–	30,654
Provision on inventories	72,000	–
Net foreign exchange gain	(305)	(1,233)
Rental and related income from investment properties less direct outgoings of HK\$25,039,000 (2023: HK\$26,242,000)	(67,767)	(71,063)
	<u>(67,767)</u>	<u>(71,063)</u>

6 INCOME TAX (CREDIT)/EXPENSE

(a) Income tax (credit)/expense represents:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Provision for the year	8,954	7,834
Under-provision in prior years	<u>1,397</u>	<u>514</u>
	<u>10,351</u>	<u>8,348</u>
Current tax — Overseas		
Provision for the year	12,257	10,434
(Over)/under-provision in prior years	<u>(9,801)</u>	<u>138</u>
	<u>2,456</u>	<u>10,572</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(20,694)</u>	<u>(1,037)</u>
	<u>(7,887)</u>	<u>17,883</u>

Provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits for the year, except for a subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Overseas taxation is calculated at rate of tax applicable in the jurisdictions in which the Group is assessed for tax.

Share of associates' income tax expense of HK\$301,000 (2023: HK\$99,000) is included in the share of results of associates for the year ended 31 December 2024.

7 DIVIDENDS

(a) Dividends attributable to the year

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend proposed after the end of reporting period of HK\$0.06 (2023: HK\$0.06) per share	<u>23,372</u>	<u>23,372</u>

At a meeting held on 21 March 2025, the Board recommended a final dividend of HK\$0.06 per share. This proposed dividend is not reflected as a dividend payable in the Group's consolidated financial statements until it has been approved by the shareholders of the Company and will be reflected as an appropriation of reserves in the year ending 31 December 2025.

(b) Dividends attributable to the previous financial year, approved and paid during the year

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.06 (2023: HK\$0.09) per share	<u>23,372</u>	<u>35,058</u>

8 (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share is based on loss attributable to shareholders of the Company of HK\$50,530,000 (2023: earning per share is based on profit attributable to shareholders of HK\$27,699,000) and 389,527,932 (2023: 389,527,932) shares in issue during the year.

Diluted loss per share equals to the basic loss per share as the Company had no dilutive potential shares in issue during the year (2023: nil).

9 INVESTMENT PROPERTIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	1,993,100	1,994,300
Additions	–	1,935
Fair value gain	9,900	54,268
Disposals of investment properties	<u>(48,400)</u>	<u>(57,403)</u>
At 31 December	<u>1,954,600</u>	<u>1,993,100</u>

The Group's investment properties were revalued at 31 December 2024. The valuation was carried out by independent firm of surveyors, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, which as among its staff experienced members of the Hong Kong Institute of Surveyors with recent experience in the location and category of the property being valued.

The fair value of investment properties in Hong Kong is determined by taking into account the net rental income of the property derived from the existing leases with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at appropriate capitalisation rates, and with reference to the comparable sale transactions as available in the market. The fair value measurement is positively correlated to the market rent per square foot, and negatively correlated to the capitalisation rates.

10 INTERESTS IN ASSOCIATES AND AMOUNTS DUE FROM/TO ASSOCIATES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Share of net assets	48,347	216,966
Amount due from an associate (non-current) (<i>note (a)</i>)	<u>26,984</u>	<u>34,970</u>
	<u>75,331</u>	<u>251,936</u>
Amount due from an associate (current) (<i>note (a)</i>)	<u>810</u>	<u>1,081</u>
Amount due to an associate (current) (<i>note (b)</i>)	<u>1,434</u>	<u>134,834</u>

Notes:

- (a) An amount due from Gold Value Limited of HK\$27,794,000 (2023: HK\$36,051,000) is unsecured and interest-bearing at Hong Kong Prime Rate minus 2.1% per annum. The amount of HK\$810,000 (2023: HK\$1,081,000) is expected to be recovered within one year, while the remaining amount of HK\$26,984,000 (2023: HK\$34,970,000) will be recovered after one year.
- (b) An amount due to Ultimate Vantage Limited of HK\$1,434,000 (2023: HK\$134,834,000) is unsecured, interest-free and repayable on demand.

11 INTERESTS IN JOINT VENTURES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Share of net liabilities	(206)	(27)
Amounts due from joint ventures (non-current) (<i>note (a)</i>)	<u>296,381</u>	<u>256,141</u>
	<u>296,175</u>	<u>256,114</u>

Notes:

- (a) An amount due from Champion Estate (HK) Limited of HK\$296,381,000 (2023: HK\$256,133,000) is unsecured and recoverable after one year. The amount of HK\$296,133,000 (2023: HK\$256,133,000) is interest-bearing at 3% per annum, while the remaining amount of HK\$248,000 (2023: nil) is interest-free. As at 31 December 2023, an amount due from Champion Estate Holdings Limited of HK\$8,000 was unsecured, interest-free and recoverable after one year.
- (b) As at 31 December 2024, a guarantee provided by the Group for term loan facilities granted by a bank to Champion Estate (HK) Limited of HK\$372,275,000 (2023: HK\$372,275,000) is several and proportionate to the shareholding interest of the Company in Champion Estate (HK) Limited.

12 INVENTORIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Properties under development	–	939,657
Completed properties	<u>632,718</u>	<u>–</u>
	<u>632,718</u>	<u>939,657</u>

The properties are located in No. 221–233 Yee Kuk Street, Sham Shui Po, Kowloon, Hong Kong with remaining lease term between 10 and 50 years. The properties were under construction as at 31 December 2023 and the construction is completed during the year ended 31 December 2024.

Completed properties as at 31 December 2024 are expected to be recovered within one year. As at 31 December 2023, properties under development were expected to be completed within the normal operating cycle, recovered after more than one year from the end of the reporting period and included under current assets.

Note:

- (a) The analysis of the amount of inventories recognised as an expense and included in the profit or loss is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Carrying amount of completed properties sold	373,525	–
Provision on inventories	72,000	–
	445,525	–

13 TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables (<i>note (a)</i>)	1,339	1,445
Unamortised rent receivables	1,287	299
Other receivables	2,610	2,192
Other deposits	6,828	7,180
Prepayments	10,531	9,364
Amount due from an associate (<i>note 10(a)</i>)	810	1,081
Amount due from an intermediate holding company (<i>note (b)</i>)	24,894	32,055
Amounts due from fellow subsidiaries (<i>note (b)</i>)	16,100	23,052
	64,399	76,668

(a) Ageing analysis

Trade receivables represent mainly rental receivables from tenants of the Group's investment properties. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 15 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

As at the end of the reporting period, the ageing analysis of trade receivables based on the date of revenue recognition, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	1,023	1,044
31 to 90 days	316	401
	1,339	1,445

- (b) The amounts due from an intermediate holding company and fellow subsidiaries are unsecured, interest-free and recoverable on demand. Included in the balances were trade receivables from an intermediate holding company and fellow subsidiaries of HK\$24,894,000 (2023: HK\$32,055,000) and HK\$15,058,000 (2023: HK\$20,184,000), respectively, which arose from the provision of asset management services. The ageing of the balance of HK\$39,952,000 (2023: HK\$52,239,000) is less than 30 days from the date of revenue recognition.

14 TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables (<i>note (a)</i>)	14,699	32,620
Other payables	18,842	19,413
Rental and other deposits received	25,190	26,751
Accruals	69,183	71,147
Amount due to an associate (<i>note 10(b)</i>)	1,434	134,834
Amount due to an intermediate holding company (<i>note (b)</i>)	13,821	37,319
Amounts due to fellow subsidiaries (<i>note (b)</i>)	1,842	6,433
	145,011	328,517

Notes:

(a) Ageing analysis

As at the end of the reporting period, the ageing analysis of trade payables based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 90 days	6,940	19,077
Over 90 days	7,759	13,543
	14,699	32,620

- (b) Amounts due to an intermediate holding company and fellow subsidiaries are unsecured, interest-free and repayable on demand.
- (c) Except for the rental and other deposits received on properties and other payables of HK\$11,603,000 (2023: HK\$12,975,000) which are expected to be settled after one year, all of the trade payables, other payables, rental and other deposits received and accruals are expected to be settled within one year or repayable on demand.

15 BANK LOAN

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Secured bank loan	–	367,596
Other borrowing costs capitalised	–	(538)
	<u>–</u>	<u>(538)</u>
Total bank loan	<u>–</u>	<u>367,058</u>
<i>Representing secured bank loan repayable:</i>		
After 1 year but within 2 years	<u>–</u>	<u>367,058</u>

At 31 December 2023, the Group had a banking facility of HK\$721,178,000 in which the balance of HK\$367,596,000 was utilised. The banking facility was interest-bearing at Hong Kong Interbank Offered Rate plus 1.6% per annum, secured by share charges in respect of the equity interests of certain subsidiaries of the Group (the “**HK Subsidiaries**”) and floating charges over all the rental related receivables of the HK Subsidiaries, and guaranteed by the Company. It had an initial term of 12 months from its utilisation date and upon the end of the initial 12-month term, the Group could exercise not more than four consecutive 12-month extension options subject to satisfaction of certain extension conditions.

The banking facility was subject to the fulfilment of covenants relating to the HK Subsidiaries’ and the Company’s financial ratios, obligations on the HK Subsidiaries’ immediate holding companies to maintain their beneficial interests in the HK Subsidiary’s issued share capital and obligation on the Company’s ultimate holding company to maintain its beneficial interest of at least 30% of the entire issued share capital of a subsidiary of the Group.

At 31 December 2024, the bank loan is repaid in full and the banking facility has been cancelled.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Year 2024 was a year full of challenges. The global economy faced multiple unfavorable factors which included economic uncertainties, high interest rates, tightening liquidity and geopolitical tensions which affected numerous economies and real estate markets. Such crisis resulted in disruptions over credit availability and dampened investment sentiment, and added significant uncertainty to the economic growth. In light of the above negative factors, Hong Kong real estate market also faced a squeeze from sluggish sales as buyers and investors became more cautious.

Despite the headwinds in the Hong Kong real estate market, the Group's diversified portfolio spanning residential properties for sale and rental properties, delivered a stable performance. This is driven by the handover of residential units upon the completion of development and stabilised occupancy rates in the rental properties.

The Group recorded a loss attributable to the shareholders of the Company for the year of approximately HK\$50.5 million (2023: profit of HK\$27.7 million).

During the year, the Group continued to hold various equity interests in certain properties in Hong Kong and San Francisco in the United States of America (the "US") (collectively, the "Investments"). These Investments are summarised as follows:

Location/project	Effective interest	Segment	Type	Status
Various units and car park spaces of Regent Centre 63 Wo Yi Hop Road and 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong (" Regent Centre ")	100%	Property investment	Industrial	Leasing stabilised
62, 64, 66 and 68 Chun Yeung Street, Hong Kong (" The Stellar ")	100%	Serviced apartments and hotel	Serviced apartments and hotel	Began operation in September 2023
No. 221-233 Yee Kuk Street, Sham Shui Po, Hong Kong (" Bondlane I ")	100%	Property development	Residential	Completed
Sha Tin Town Lot No. 643, located at Hin Wo Lane, Sha Tin, New Territories, Hong Kong (the " Hin Wo Lane Property ")	50%	Property development	Residential	Under development
657 and 663-667 Mission Street, San Francisco, California, the US (" Mission ")	45%	Property development	Commercial	Completed

During the year under review, the Group's revenue is derived from (i) the leasing of units and car parking spaces in Regent Centre; (ii) the leasing of hotel rooms and serviced apartments in The Stellar; (iii) sales of residential units; and (iv) provision of asset management services (the "**Management Services**"). Revenue for the year was approximately HK\$775.5 million (2023: HK\$364.3 million), representing an increase of approximately 113%. The increase was mainly due to the combined effect of (i) an increase in revenue generated from The Stellar due to its opening in September 2023; (ii) the handover of Bondlane I's sold units to the buyers during the year; but which was reduced by (iii) the absence of interest income on the investment instruments during the year as the principals on the investment instruments (the "**Investment Instruments**") for funding the development of the property located at 25 Park Row, New York, the US have been fully recovered during the year ended 31 December 2023 and, as at 31 December 2023, the Group no longer had any interest in the Investment Instruments; and (iv) the decrease in revenue generated from the asset management services as Vanke Property (Hong Kong) Company Limited and its subsidiaries (the "**VPHK Parties**") reduced their invested capital in relevant projects in Hong Kong, the United Kingdom (the "**UK**") and the US.

The Group's investment in Regent Centre was at a fair value of HK\$1,954.6 million as at 31 December 2024 (31 December 2023: HK\$1,993.1 million). There has been no change in the valuation methodology of the Group's investment properties. Part of the Group's investment in Regent Centre was disposed of during the year. After netting off the fair value of such part of Regent Centre that was disposed of approximately HK\$48.4 million (2023: HK\$57.4 million), the fair value gain amounted to approximately HK\$9.9 million (2023: HK\$54.3 million).

Asset management

The Group provides Management Services to the VPHK Parties with respect to VPHK Parties' projects in Hong Kong, the UK and the US. In return, the Management Service fees were charged by the Group calculated at (i) 1.25% per annum of the total capital of the relevant projects invested by VPHK Parties in the UK and the US; and (ii) 1.8% per annum of the total capital of the relevant projects invested by VPHK Parties in Hong Kong. Revenue from the provision of Management Services during the year amounted to approximately HK\$180.9 million (2023: HK\$216.2 million), representing a decrease of approximately 16%. The decrease was due to the reduced total capital invested by the VPHK Parties in the relevant projects located in Hong Kong, the UK and the US during the year.

Segment profit from the provision of Management Services decreased to approximately HK\$45.2 million for the year ended 31 December 2024 (2023: HK\$62.7 million), representing a decrease of approximately 28%. The decrease was mainly due to (i) the decrease in revenue generated from the Management Services as VPHK Parties reduced their invested capital in relevant projects in Hong Kong, the UK and the US; but which was offset by (ii) a decrease in direct operating expenses of the asset management teams.

Property investment

The Group's investment properties comprise various portions of Regent Centre, which is located at 63 Wo Yi Hop Road and 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong. A portion of Regent Centre was disposed by the Group during the year. As at 31 December 2024, the Group owned a total gross floor area of approximately 623,000 square feet (2023: 637,000 square feet), representing 60% (2023: 62%) of the total gross floor area of Regent Centre.

Occupancy rate of Regent Centre was 94% as at 31 December 2024 (31 December 2023: 93%) and monthly passing rent was HK\$9.3 per square foot as at 31 December 2024 (31 December 2023: HK\$9.6 per square foot). Apart from monthly rent, the tenants are responsible for the payment of a property management fee to the landlord, whose income has been accounted for as part of the revenue of the Group. Total revenue from the leasing of units and car parking spaces during the year was approximately HK\$92.8 million (2023: HK\$97.3 million), representing a decrease of approximately 5%. The decrease was mainly due to the decrease in leasable area as certain units were sold during the year.

Segment profit before change in fair value of investment properties of the Group amounted to approximately HK\$50.2 million for the year (2023: HK\$47.4 million), representing an increase of approximately 6%. The increase was mainly due to the combined effect of (i) the decrease in interest expenses as the bank loan was fully repaid during the year; and (ii) the gain on the disposal of certain units of Regent Centre recorded during the year ended 31 December 2023, but not during the year.

Property development

The Group's property development projects comprise (i) investment in the development of the West Rail Tsuen Wan West Station TW6 property development project (the "**TW6 Project**" and also known as "**The Pavilia Bay**"); (ii) investment in Mission; (iii) the development of Bondlane I; and (iv) investment in the development of the Hin Wo Lane Property.

One of the Group's property development projects is the investment in Ultimate Vantage Limited ("**Ultimate Vantage**"), an associate of the Group in which the Group holds 20% equity interests thereof. Ultimate Vantage is a special purpose vehicle established in January 2013 for the development of The Pavilia Bay. Up to the date hereof, all units have been sold at gross proceeds of approximately HK\$10.1 billion and all of the sold units of The Pavilia Bay have been handed over to the buyers.

Gold Value Limited ("**Gold Value**"), an associate of the Group in which the Group holds 20% equity interests thereof, was formed by the Group and the joint venture partner in Ultimate Vantage (the "**TW6 Partner**") in November 2016 for the purpose of providing first and second mortgage financing to the buyers of the TW6 Project on market terms. Finance for the business of Gold Value is provided by the Group and the TW6 Partner by way of interest-bearing shareholder's loans on a several basis and in proportion to each parties' shareholding interests in Gold Value.

The Group's total investment in Ultimate Vantage and Gold Value (collectively, the “**TW6 Associates**”), comprising the share of net assets of the Group in the TW6 Associates as well as an amount due from Gold Value, amounted to approximately HK\$28.5 million as at 31 December 2024 (31 December 2023: HK\$170.0 million). The decrease in total investment of the Group during the year was mainly due to the combined effect of (i) partial repayment of amount due from Gold Value of approximately HK\$8.3 million (out of the repayment of mortgages by the buyers of The Pavilia Bay to Gold Value); (ii) the receipt of dividend from Ultimate Vantage of approximately HK\$133.4 million; and (iii) the Group's share of profit of TW6 Associates which amounted to approximately HK\$0.2 million for the year (2023: HK\$0.2 million).

Another property development projects of the Group included the investment in 657–667 Mission Street Venture LLC, an associate of the Group in which the Group holds 45% equity interests thereof, and its subsidiaries (collectively, the “**Mission Street Group**”). The Mission Street Group owns Mission with a total gross floor area of approximately 155,000 square feet.

During the year, the Group had shared a loss of HK\$51.4 million (2023: HK\$130.4 million) from Mission Street Group. The decrease in share of loss was mainly due to the decrease in fair value loss of Mission in the current year.

The Group owns the entire equity interest in Bondlane I which is a redevelopment project to redevelop the site into residential properties. The Group completed the development during the year in accordance with the development plan. Up to the date hereof, 109 units have been sold at gross proceeds of approximately HK\$772 million and 84 sold units have been handed over to the buyers. As at 31 December 2024, Bondlane I was written down to net realisable value resulting from various local market factors.

The Group also owns 50% effective interest in the Hin Wo Lane Property. The Hin Wo Lane Property is being redeveloped into residential properties and is under development during the year in accordance with the development plan.

Segment loss amounted to approximately HK\$181.9 million for the year (2023: HK\$125.4 million), representing an increase of approximately 45%. The increase was mainly due to the combined effect of (i) the net loss arising from Bondlane I upon the handover of sold units to the buyers; (ii) the write-down of Bondlane I to net realisable value; but offset by (iii) the decrease in fair value loss of Mission during the year.

Serviced apartments and hotel

During the year, the Group's serviced apartments and hotel comprised The Stellar. The Group owns the entire equity interest in The Stellar. The Stellar was redeveloped into serviced apartments and hotel and launched in September 2023.

Average occupancy rate of The Stellar amounted to approximately 87% (2023: 74%) with average room rate at HK\$938 during the year (2023: HK\$811). The revenue generated from The Stellar during the year amounted to approximately HK\$48.9 million (2023: HK\$10.2 million).

Segment profit amounted to approximately HK\$7.4 million for the year.

Head office and corporate expenses

Head office and corporate expenses, net of unallocated income, were approximately HK\$7.6 million during the year (2023: HK\$10.2 million). The decrease was mainly due to the decrease in staff costs as a result of a decrease in headcount.

Finance income

Finance income for the year amounted to approximately HK\$19.7 million (2023: HK\$18.3 million), comprising interest income on bank deposits and bank balances of HK\$18.6 million (2023: HK\$16.8 million) and interest income on shareholders' loans due from Gold Value amounted to approximately HK\$1.1 million (2023: HK\$1.5 million). The increase in finance income was mainly due to the higher interest rates throughout the year.

FINANCIAL REVIEW

Liquidity and financial resources

Equity attributable to shareholders of the Company amounted to approximately HK\$4,221.3 million as at 31 December 2024 (31 December 2023: HK\$4,295.6 million). The decrease was due to the deficit attributable to the shareholders of the Company for the year of HK\$50.9 million less a payment of 2023 final dividend of HK\$23.4 million.

The Group's other borrowings of approximately HK\$28.6 million as at 31 December 2024 (31 December 2023: interest-bearing bank and other borrowings of approximately HK\$385.4 million) were mainly denominated in Hong Kong dollars. The bank loan of HK\$367.1 million as at 31 December 2023 was arranged on a floating rate basis. The lease liabilities of HK\$28.6 million as at 31 December 2024 (31 December 2023: HK\$18.3 million) were arranged on a fixed rate basis. The decrease in interest-bearing bank and other borrowings was mainly due to the full repayment of bank loan during the year.

The Group has no utilised banking facility as at 31 December 2024. As at 31 December 2023, the Group had a banking facility amounting to HK\$721.2 million in which approximately HK\$367.6 million has been utilised.

As at 31 December 2024, the Group has no outstanding bank loan. As at 31 December 2023, after deducting other borrowing costs capitalised of approximately HK\$0.5 million, the total outstanding bank loan was approximately HK\$367.1 million. The maturity profile of this bank loan is set out on page 15 to this announcement. The maturity profile of the outstanding bank loan is as follows:

	At 31 December 2024 <i>HK\$'000</i>	At 31 December 2023 <i>HK\$'000</i>
After 1 year but within 2 years	<u>–</u>	<u>367,058</u>

As at 31 December 2024, the debt-to-equity ratio of the Company, which is calculated by dividing interest-bearing bank and other borrowings by total equity of the Group, was 0.7% (31 December 2023: 9.0%). The ratio of net debts (interest-bearing bank and other borrowings net of bank balances and cash) divided by total equity was nil (31 December 2023: nil). The decrease in the debt-to-equity ratio is primarily due to the full repayment of bank loan during the year.

The Group's bank balances and cash amounted to HK\$457.2 million as at 31 December 2024 (31 December 2023: HK\$610.3 million). Regent Centre and The Stellar are free from encumbrances for the time being which can be leveraged to raise funds and bring in additional cash resources to the Group as and when required. Taking these into account, it is expected that the Group should have sufficient working capital for its current requirements.

Risk of fluctuations in exchange rates

As the Group operates in Hong Kong, the US and the UK, all its assets and liabilities are denominated in Hong Kong dollar, the US dollar and pound sterling. The Group will monitor the foreign exchange exposures and take appropriate measures from time to time in order to minimise the Group's foreign exchange exposures.

Capital commitments

The Group had no contractual commitment as at 31 December 2024 (31 December 2023: HK\$6.9 million).

Contingent liabilities and financial guarantees

As at 31 December 2023, a wholly-owned subsidiary of the Company engaging in the business of property investment has been granted with a banking facility of HK\$721.2 million, of which HK\$367.6 million has been utilised, which is subject to a guarantee given by the Company to the bank for up to 100% of the fund drawn down. The banking facility has been cancelled upon the full repayment of the outstanding bank loan during the year. As a result, the Company ceased to be liable under this guarantee, and the guarantee is no longer the Group's contingent liability as at 31 December 2024.

As at 31 December 2024, a joint venture company indirectly held as to 50% by the Company engaging in the business of property development has been granted with term loan facilities of HK\$744.6 million (31 December 2023: HK\$744.6 million), of which HK\$314.8 million (31 December 2023: HK\$314.8 million) has been utilised, which is subject to a guarantee given by the Company, in accordance with the relevant joint venture agreement, to the bank for up to 50% (31 December 2023: 50%) of the fund drawn down.

Pledge of assets

The loan collaterals over the Group's assets were discharged in full, following full repayment of the outstanding bank loan on 19 August 2024.

There was no pledge on the Group's assets as at 31 December 2024.

Significant investments held, material acquisitions and disposals of subsidiaries and associates

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries and associates by the Group during the year.

EMPLOYEES AND REMUNERATION POLICY

The Group had 93 employees as at 31 December 2024 (31 December 2023: 100). Staff costs (including directors' emoluments) decreased to approximately HK\$114.4 million (2023: HK\$124.4 million) during the year.

VPHK provides administrative and management support to the Group on a cost basis. During the year, total fee payable to VPHK in relation to administrative and management support to the Group was nil (2023: HK\$4.0 million), with the decrease mainly attributable to the decrease in the rental expenses recharged by VPHK as all office rent in Hong Kong was paid by the Group directly to the landlord and VPHK no longer recharged rental expenses to the Group from mid-July 2023 onwards.

The executive directors periodically review the adequacy of the staffing of the Group by reference to the Group's business requirements. Should there be employees recruited under the Group, their remuneration and benefit packages will be structured on market terms with regard to individual responsibility and performance. All eligible employees in Hong Kong are enrolled to a defined mandatory provident fund scheme. Other employment benefits are awarded at the discretion of the Group.

OUTLOOK

The future of Hong Kong's real estate market will likely be shaped by a mixture of challenges and opportunities. In the short term, the market may face headwinds from global economic uncertainties, high interest rates, and geopolitical tensions, which could dampen investment sentiment and demand in the real estate market. However, the government's ongoing efforts such as cancellation of all the demand-side management measures and implementation of Quality Migrant Admission Scheme and New Capital Investment Entrant Scheme will stimulate residential housing demand and property investment sentiment. Looking ahead, the Group remains cautiously optimistic about the overall property market in Hong Kong.

The Board anticipates that in 2025, despite the existing unfavourable conditions, Hong Kong real estate market is resilient and will stabilise in the future. The Group will continue to prioritise maintaining a healthy and stable financial position to navigate future market fluctuations. Meanwhile, in order to facilitate business growth and development of the Group, the Group remains open to good investment opportunities and thereby creating value for all the shareholders as a whole.

The Group's investment properties in Hong Kong, Regent Centre, are expected to be able to maintain the occupancy rate and the passing rent in 2025. The serviced apartments and hotel, The Stellar, is expected to maintain the occupancy rate and the average room rate in 2025. The sales of residential properties for Bondlane I is expected to continue contributing revenue to the Group upon the handover of the sold units to the buyers in 2025. Last but not least, the Group's asset management business is expected to generate stable revenue and profit in 2025.

FINAL DIVIDEND

The Board recommend the payment of a final dividend of HK\$0.06 per share (2023: HK\$0.06 per share). Subject to the passing of the relevant resolution at the annual general meeting of the Company to be held on 13 June 2025 (the "**2025 AGM**"), the proposed final dividend will be payable to the shareholders of the Company on 30 June 2025.

CLOSURE OF REGISTER OF MEMBERS AND THE TRANSFER BOOKS

The Register of Members and the Transfer Books of the Company will be closed during the following periods:

(i) **For ascertaining the shareholders' entitlement to attend and vote at the 2025 AGM**

The Register of Members and the Transfer Books of the Company will be closed from Tuesday, 10 June 2025 to Friday, 13 June 2025, both days inclusive, for the purpose of ascertaining the shareholders' entitlement to attend and vote at the 2025 AGM. In order to be eligible to attend and vote at the 2025 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited ("**Computershare**") at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 9 June 2025.

(ii) For ascertaining the shareholders' entitlement to the proposed final dividend

The Register of Members and the Transfer Books of the Company will be closed on Thursday, 19 June 2025 for the purpose of ascertaining the shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with Computershare at the abovementioned address no later than 4:30 p.m. on Wednesday, 18 June 2025.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any material event that has occurred since the end of the financial year ended 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") in Appendix C1 of the Listing Rules during the year ended 31 December 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding directors' securities transactions. Having made specific enquiries to the directors of the Company, all the directors of the Company confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2024. The Company has also established written guidelines on no less exacting terms than the Model Code for relevant employees (as such term is defined in the CG Code) in respect of their dealings in the securities of the Company. The Board reviews and monitors the compliance of such codes and guidelines periodically.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the code provisions under the CG Code. The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2024, including the accounting policies and practices adopted by the Group, and also discussed the internal control and financial reporting matters applicable to the Group with the management.

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been compared by the Group's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by the auditors.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Company at www.vankeoverseas.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk. The annual report of the Company will be despatched to shareholders and published on the aforesaid websites in due course.

BOARD OF DIRECTORS

At the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Sun Jia (Chairman)

Ms. Yip Hoi Man (Chief Executive Officer)

Mr. Ding Changfeng

Non-Executive Director:

Ms. Han Huihua

Independent Non-Executive Directors (in alphabetical order):

Mr. Ching Hiu Yuen

Mr. Choi Fan Wai

Mr. Zhang Anzhi

By order of the Board
**Vanke Overseas Investment Holding
Company Limited**
Yip Hoi Man

Executive Director and Chief Executive Officer

Hong Kong, 21 March 2025