

## Press Release

*[For Immediate Release]*

# **KWIH Announces 2021 Annual Results Total Attributable Contracted Sales Exceeds HK\$14.3 billion Underlying Profit Reaches HK\$2.9 billion**

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(Hong Kong, 22 March 2022) **K. Wah International Holdings Limited** (“KWIH” or “the Group”) (stock code: 00173) today announced its annual results for the year ended 31 December 2021.

During the year under review, KWIH launched its premium projects with a sound and shrewd strategy and reported satisfactory sales results. For the year ended 31 December 2021, total attributable contracted sales exceeded HK\$14.3 billion, mainly from K.SUMMIT, Solaria and Grand Victoria in Hong Kong; Azure and Windermere in Shanghai; as well as Bayview in Dongguan, etc. During the year under review, the Group’s attributable revenue amounted to HK\$17.2 billion. As of 31 December 2021, the total attributable contracted sales yet to be recognised amounted to HK\$8.6 billion, which are expected to be accounted for in 2022 or 2023, underpinning the Group’s future profitability. During the year under review, the Group’s underlying profit amounted to approximately HK\$2.9 billion, while profit attributable to equity holders amounted to about HK\$3.4 billion. The Board of Directors has recommended a final dividend of 14 HK cents per share. Together with the interim dividend of 7 HK cents per share paid, total dividend for the year amounted to 21 HK cents per share, continuing to provide shareholders with stable returns.

**Dr Lui Che-woo, Chairman of KWIH**, said, “Facing waves of pandemic globally, governments had been proactively fighting against the outbreaks last year. With monetary easing measures adopted by a number of major economies, global economy recovered steadily. KWIH achieved satisfactory sales results as it grasped the right timing to launch its premium projects in Hong Kong and Mainland China.”

### **Satisfactory sales results recorded**

In 2021, K.SUMMIT in Kai Tak achieved satisfactory sales performance, with over 320 units sold. As at the end of December 2021, approximately 95% of its total units had been sold for a total contracted sales of around HK\$11.4 billion. Delivery of the presold units to buyers started from December 2021 with majority of the relevant contracted sales recognised during the year upon handover to buyers the presold units. Contracted sales of approximately HK\$3 billion will be recognised in 2022 upon handover of the remaining sold units. More than 100 units of Solaria in Pak Shek Kok, Tai Po, were sold in 2021. In addition, Grand Victoria, the harbourfront project in South West Kowloon, had been launched to the market in phases since March 2021 and recorded satisfactory results.

In the Yangtze River Delta region, Azure in Pudong New District, Shanghai, was launched for sale in May 2021 which received an overwhelming response from buyers. All units were taken up on the day of launch, generating total contracted sales of approximately RMB2.4

billion. VETTA in Xiangcheng District, Suzhou, was launched to the market since July 2021 with satisfactory sales. In the Pearl River Delta region, despite the tightening property-related restrictive measures in Dongguan in the second half of last year, Bayview in Songshan Lake District, was well-received by the buyers, resulting in satisfactory sales in general. The sales performance of Cosmopolis, Phase 1 of Cosmo in Huadu District, Guangzhou; J City in Jiangmen and other joint ventures projects was stable.

### **Premium projects to be rolled out in 2022**

#### ***Hong Kong: 2 Grampian Road in Kowloon, Tuen Ma Line Kam Sheung Road Station Project in Yuen Long, Kai Tak Area 4A Site 1 and Site 2 projects and LOHAS Park Package 11 Project in Tseung Kwan O***

2 Grampian Road located in the traditionally prestigious residential area of Kowloon offers five premium house units of over 4,000 sq. ft. each. The completed project is expected to be launched for public tender in the second quarter of this year. Additionally, several joint venture projects will be launched, which include Tuen Ma Line Kam Sheung Road Station Project in Yuen Long, two projects located at the Kai Tak former runway area and LOHAS Park Package 11 Project in Tseung Kwan O. Among them, the pre-sale consent applications for Phase 1A of Kam Sheung Road Station project, Phase 1 of Kai Tak Area 4A Site 1, Phases 1-4 of Kai Tak Area 4A Site 2 and Phases B, C & D of LOHAS Park Package 11 Project had been submitted.

#### ***Mainland China: Cavendish in Nanjing, Navale in Shanghai, Avanti in Suzhou and the project at Site 2020G72, Hexi New Town, Jianye District, Nanjing***

In the Yangtze River Delta region, Cavendish in Jiangning District, Nanjing, was completed by 2021 year end. The project was launched for sale in February 2022 with satisfactory responses. Pre-sale consent for Navale in Pudong New District in Shanghai was obtained in February 2022 and the project is targeted to be launched for sale in late March 2022. Avanti in National Hi-Tech District, Suzhou is expected to be launched in 2022. For the mega comprehensive development project in Hexi New Town, Jianye District, Nanjing, awarded in 2020, construction of the residential portions of Phase 1 was started in the second half of last year and has been progressing well. It is expected that the first batch of residential units can be launched to the market in 2022.

The Group will closely monitor market changes and put the remaining units of our launched projects, including K.SUMMIT and Solaria in Hong Kong, Windermere in Shanghai, COSMO in Guangzhou, Bayview in Dongguan, J City in Jiangmen and other joint venture projects, etc. to the market. In addition, the Group is also developing its projects as scheduled and will launch its projects in a timely manner.

### **Landbank replenishment in a prudent yet proactive manner**

Capitalising on its solid financial position, KWIH has been adopting flexible strategies to acquire premium land parcels in Hong Kong and Mainland China. In April 2021, the Group participated in a commercial and residential project with a total GFA of approximately 47,000 sq. m. on Siping Road, Hongkou District in Shanghai via a joint venture. The residential portions of the project had been launched for presale in January 2022, offering 215 high-quality residential units. All units were presold on the day of launch, with attributable sales amount of approximately RMB2.1 billion.

Currently, the Group has a landbank of a total attributable GFA of approximately 1.7 million sq. m. in Hong Kong and Mainland China for development. The Group will continue to proactively seek new investment opportunities for development to sustain its growth while appropriately managing land costs.

### **Sound investment property portfolio**

KWIH has a comprehensive portfolio of properties for investment, comprising Grade-A office towers, hotel and serviced apartments and retail premises. As of the end of December 2021, the attributable GFA of the Group's portfolio of properties for investment was approximately 280,000 sq. m. During the year under review, rental income (including hotel income) increased by 17% year-on-year to approximately HK\$740 million.

For commercial facilities, the occupancy at Shanghai K. Wah Centre, EDGE in Shanghai and J SENSES, the speciality retail and dining complex in Hong Kong, reached 100% as at December end 2021. In addition, the urban redevelopment project at Wuyi Road in Shanghai is expected to be completed in 2022/2023. Pre-leasing activities are underway.

For serviced apartments and hotel, Stanford Residences Jing An and Stanford Residences Xu Hui maintained a high occupancy rate of 90% on average. The occupancy rate of Crowne Plaza Guangzhou Huadu also maintained stable during the year under review.

### **Financial strength maintained**

KWIH maintained a healthy financial position. In October 2021, KWIH signed an 8 billion HK revolving credit and term loan facility with a consortium of 11 banks. The facility not only maintained the Group's available financial facilities and lowered the interest cost, but also extended its debt maturity profile, thus enhancing the Group's financial flexibility and financing capabilities. As of 31 December 2021, the Group's net gearing ratio dropped to 24%. Cash on hand amounted to approximately HK\$8.1 billion. Together with the available undrawn banking facilities of around HK\$18.1 billion, the Group has sufficient funds to enable it undertake appropriate investment opportunities.

**Dr Lui** concluded, "Amid the rise in global inflation, more interest rate hikes are expected in many countries. The ongoing pandemic and geopolitical tensions will continue to cast shadow on the global economic growth and market outlook. Although the business environment in 2022 is challenging, underlying demand for residential properties remains. On the other hand, closer cooperation between the Mainland and Hong Kong, especially in the Greater Bay Area, will provide more opportunities for Hong Kong and the Group. KWIH remains cautiously optimistic about the long-term development of the local and Mainland property markets. Backed by years of extensive experience, KWIH will continue to launch new projects adhering to the philosophies of "K. Wah Plus" and the persistence in delivering projects of impeccable quality. Meanwhile, the Group will replenish land parcels in an orderly manner and grasp any development opportunities in Hong Kong, the Yangtze River Delta and the Pearl River Delta regions."

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### **About K. Wah International Holdings Limited (stock code: 00173)**

K. Wah International Holdings Limited (“KWIH”), listed in Hong Kong in 1987, is the property flagship of K. Wah Group. An integrated property developer and investor with a foothold in Hong Kong, the Yangtze River Delta and Pearl River Delta regions, KWIH encompasses a portfolio of large-scale residential communities and comprehensive development undertakings such as premium residential developments, Grade-A office towers, hotel and serviced apartments, and retail premises. Cresleigh Property, the property management arm of KWIH, delivers exceptional hotel serviced property management services guided by advanced and international standards in general to premium residential buildings, commercial facilities, office towers and real estate complexes. Driven by a keen market sense and a versatile strategy, and backed by strong financial capability, KWIH has built up a prime land reserve in major cities of China, and thus a strong foothold for future growth.

KWIH is a constituent stock of the Hang Seng Composite SmallCap Index, MSCI Hong Kong Small Cap Index and Hang Seng Stock Connect Greater Bay Area Composite Index as well as an eligible stock under the Shenzhen-Hong Kong Stock Connect programme. KWIH held a 3.73% stake in Galaxy Entertainment Group Limited (stock code: 00027) as of 31 December 2021.

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