Wing Tai Properties Announces 2024 Annual Results

Office Property Performance Remains Resilient amid Subdued Market
Set for Long-Term Development with Residential, Hospitality and Mixed-Use Projects

28 March 2025, Hong Kong - **Wing Tai Properties Limited** ("Wing Tai" or "the Group", SEHK stock code: 369) announced today the Group's audited consolidated results for the year ended 31 December 2024.

During the year, the Group's revenue was HK$1,031 million, compared with HK$882 million in 2023. The increase was mainly due to more sales of remaining units of OMA OMA and OMA by the Sea, and revenue generated from Lanson Place Causeway Bay hotel since its re-opening after renovation.

Core consolidated profit attributable to shareholders, excluding non-cash net valuation loss and impairment provision was HK$92 million, a decrease of HK$105 million, compared with HK$197 million in 2023. The decrease was mainly attributable to (i) HK$41 million gain on disposal of a subsidiary in Beijing, China in 2023, (ii) HK$52 million decrease in profit from the property development segment due to lower profit margin from sales of our remaining residential units, and (iii) HK$23 million increased loss from the hospitality investment and management segment due to pre-opening/re-opening expenses of Lanson Place Causeway Bay hotel after renovation.

Including total non-cash net valuation loss, consolidated loss attributable to shareholders was HK$2,560 million, an increase of HK$1,670 million, compared with HK$890 million in 2023.

With prudent consideration of the Group's business performance and financial position, the Board of Directors recommended a final dividend of HK4.0 cents per share. Together with the interim dividend of HK3.0 cents per share, the total dividends for 2024 will be HK7.0 cents per share.

Wing Tai Properties Limited said, "2024 has proven to be difficult for the Hong Kong economy and property market. High interest rates, US-China tensions, and weak investment sentiment created an adverse operating environment and dampened economic activities. Despite three US Federal Reserve rate cuts in the latter half of 2024 and the Hong Kong Government's stimulus efforts, high supply and weak demand have pressured Grade A office rents. This subdued market led to many Hong Kong developers further marking down valuations of residential and commercial property assets at year-end, highlighting the sector's ongoing challenges, as reported in recent result announcement of many Hong Kong property developers.

While the Hong Kong Monetary Authority's decision to ease mortgage lending restrictions in October 2024 generated some positive sentiment, the residential market remained subdued throughout the fourth quarter. The considerable volume of existing unsold inventory continued to exert downward pressure on overall property prices, limiting the impact of the eased restrictions. This challenging environment reinforces the importance of strategic project positioning, a focus on delivering high-quality homes that meet market demand, and prudent financial management.

For our residential properties, we have obtained pre-sale consent for both of our residential projects, Cloudview, our medium-density residential site near Sheung Shui MTR and our joint-venture residential site near Tai Wai and Hin Keng MTR stations, and we are now preparing for the pre-sale launch.

For office properties, our Hong Kong Landmark East twin towers managed to maintain an occupancy of approximately 90% amidst the challenges currently faced by the Hong Kong office leasing market, benefited from our proactive asset enhancement initiatives and tenant engagement programmes. Our 118 Wellington Street development, a rare mixed-use project, which comprises Grade A offices, a luxury international hotel, bespoke retail spaces and a green open space in Central, has commenced superstructure work since August 2023 with marketing and pre-leasing works in progress.

Lanson Place Causeway Bay hotel has reopened in March 2024 and has continued to refine its offerings by launching six penthouse residences. The elegant and sophisticated French design by world-renowned Parisian hotel design maestro Pierre-Yves Rochon is well-received. Lanson Place Causeway Bay hotel has entered a 3-year sustainability-linked loan facility, which marked the first sustainability-linked loan of the Group.

We would like to express our sincere gratitude to all our dedicated employees for their unwavering commitment and contribution in helping the Group navigate the challenges and ensure the smooth operation of our business over the past year. We would also like to extend our appreciation to our fellow Board members, business partners and stakeholders for their continued support."

BUSINESS REVIEW

Property Development

The property development segment revenue excluding inter-segment sales was HK$325 million in 2024, compared with HK$212 million in 2023, mainly due to more sales of remaining units of OMA OMA and OMA by the Sea, albeit at thinner profit margin. Core segment loss before taxation was HK$15 million, compared with core segment profit before taxation of HK$36 million in 2023. Due to the weakening of Hong Kong property market, and in line with market valuation mark down, impairment provision of HK$1,416 million (2023: HK$274 million) was booked based on the December valuation on our properties under development. Segment loss before taxation including impairment provision and net valuation loss (2024: HK$1,439 million; 2023: HK$326 million) was HK$1,454 million, compared with HK$290 million in 2023.

For the Group's wholly-owned project, OMA OMA, a medium-density residential site on So Kwun Wat Road, So Kwun Wat, Tuen Mun, provides a saleable area of approximately 234,000 square feet for 466 residential apartment units. Cumulatively, as at 31 December 2024, around 95% (in terms of number) of the residential units were sold. Around 0.2% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2024.

Regarding the Group's majority-owned projects, the Group has a 70% interest in OMA by the Sea, Tai Lam, Tuen Mun. This medium-density residential site has a saleable area of approximately 252,000 square feet for 517 residential apartment units. In 2024, around 4% (in terms of number) of the residential units were sold. Cumulatively, as at 31 December 2024, around 96% (in terms of number) of the residential units were sold. Around 4% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2024.

The Group also has a 85% interest in a medium-density residential site located at the junction of Fan Kam Road and Castle Peak Road – Kwu Tung, Fanling, New Territories. This project is named as "Cloudview". This is adjacent to Fanling Golf Course and is within a 10-minute walk to Sheung Shui MTR station, with a gross floor area of approximately 284,000 square feet. The Group is the lead project manager and lead sales and marketing manager for this project. Superstructure work of the project is in progress. Pre-sale consent was obtained in October 2024 and we are preparing for pre-sale launch.

Regarding joint venture projects, the Group has a 50% interest in a commercial mixed-use site in Central. Advantageously located in the heart of the bustling Central financial hub, the site provides a gross floor area of up to 433,500 square feet to be developed into a Grade A office tower, a hotel, retail shops, as well as public open space with green facilities for the neighbourhood. The Group is the lead project manager and lead leasing manager for this project. Superstructure work of the project is in progress.

The Group also has a 50% interest in a residential site in Sha Tin. The site which enjoys the dual convenience of the East Rail and the Tuen Ma MTR transportation network, is walking distance to the Tai Wai and Hin Keng MTR stations. The site provides a gross floor area of approximately 89,000 square feet. The Group is the lead sales and marketing manager for this project. Superstructure work of the project is in progress. Pre-sale consent was obtained in March 2025 and we are preparing for pre-sale launch.

Property Investment and Management

The property investment and management segment revenue excluding inter-segment sales was HK$560 million in 2024, compared with HK$573 million in 2023. Core segment profit before taxation was HK$320 million, compared with HK$320 million in 2023. Segment loss before taxation including net valuation loss was HK$740 million, compared with HK$411 million in 2023, mainly due to higher net valuation loss (2024: HK$1,060 million; 2023: HK$772 million) on office buildings, mainly Landmark East.

As at 31 December 2024, the Group's portfolio of investment properties, mostly Grade A office buildings, has a total area of approximately 1,961,000 square feet with an aggregate attributable fair market valuation of around HK$19,000 million. The portfolio covers 1,633,000 square feet in Hong Kong and 328,000 square feet in London.

For investment properties in Hong Kong, Landmark East, the Group's flagship Grade A office complex located in Kowloon East, achieved an occupancy of approximately 90% as at 31 December 2024. As a testament to our commitment to upgrade the building quality and green standard, we successfully obtained 3 certificates, of which WELL v2 Platinum issued by International WELL Building Institute and BEAM Plus Existing Buildings Platinum issued by Hong Kong Green Building Council Limited in 2024, and LEED Existing Buildings Platinum issued by U.S. Green Building Council in 2023.

Meanwhile, Shui Hing Centre, an industrial building in Kowloon Bay, achieved an occupancy of approximately 78% as at 31 December 2024. Town Planning Board's approval for redevelopment was obtained in April 2021. We obtained first land premium offer which is under appeal.

The Group also holds Le Cap and La Vetta, Kau To, Sha Tin, low-density residential projects, for leasing. In 2024, 1 unit and 1 car parking space of Le Cap were sold, and related revenue will be recognised upon hand over to the buyer in 2025. Around 88% of the Le Cap's residential units (in terms of number) and around 71% of La Vetta's residential units (in terms of number) were leased as at 31 December 2024.

Regarding the investment properties in the United Kingdom, the Group has three wholly-owned commercial properties in West End, London located at Savile Row/Vigo Street, Brook Street and Berkeley Square respectively. As at 31 December 2024, the above three wholly-owned properties achieved an average occupancy of approximately 70%.

In addition, the Group has investments in four joint venture commercial properties located at Fleet Place, City of London, Cavendish Square, West End, 30 Gresham Street, City of London, and 66 Shoe Lane, City of London which the Group has a 25%, 33%, 50% and 21% interest respectively. As at 31 December 2024, the above four joint venture properties achieved an average occupancy of approximately 96%.

Hospitality Investment and Management

The hospitality investment and management segment revenue was HK$86 million in 2024, compared with HK$37 million in 2023. Core segment loss before taxation was HK$104 million, compared with HK$72 million in 2023, mainly due to pre-opening/re-opening expenses of Lanson Place Causeway Bay hotel and higher finance cost. Segment loss before taxation including net valuation loss (2024: HK$156 million; 2023: HK$9 million) was HK$260 million, compared with HK$81 million in 2023.

Following an extensive refurbishment project led by the world-renowned Parisian hotel design maestro, our wholly-owned Lanson Place Causeway Bay hotel in Hong Kong was soft reopened in March 2024, and is building up market awareness and occupancy.

Lanson Place Waterfront Suites, our wholly-owned prime harbour-front furnished residence in Sai Wan Ho, was held for leasing. Its occupancy and performance remained stable.

The Group has a 50% interest in Lanson Place Bukit Ceylon in Kuala Lumpur. Its occupancy and performance remained stable.

Others

This segment represents investing activities and central management and administrative function. Segment revenue was HK$60 million in 2024, compared with HK$60 million in 2023. Core segment profit before taxation was HK$31 million, compared with HK$25 million in 2023, mainly due to HK$15 million gain on release of other long-term liability in 2024. Segment loss before taxation including net valuation loss (2024: HK$99 million; 2023: HK$12 million) was HK$68 million, compared with segment profit before taxation of HK$13 million in 2023.

PROSPECTS

The Hong Kong economy faces ongoing uncertainties in 2025. While the previous interest rate cuts from the US Federal Reserve could offer some support to the local market, the outlook remains cautious.

Improved market sentiment and investment activity will depend on the evolving global economic landscape and any further policy adjustments. On a positive note, China's support for private enterprises, particularly those in the high-tech sector, has revived investor confidence, as reflected in the recent growing stock market in Mainland China and Hong Kong. Should the Chinese economy recover gradually, increased investment and corporate presence from Mainland China in Hong Kong is anticipated. Furthermore, eased visa restrictions for Shenzhen residents and initiatives like the Top Talent Pass Scheme are boosting visitor arrivals, talent, and capital inflows, which may further strengthen Hong Kong's economy and its property market.

The residential property market may benefit from a gradual recovery in demand, driven partly by the inflow of talent and capital under the New Capital Investment Entrant Scheme. This increased demand should provide underlying support to property prices in the long run. Nonetheless, the substantial supply of unsold units will likely prevent any significant price growth in the near term. This presents both challenges and opportunities in attracting homebuyers, requiring a thoughtful plan and a focus on delivering compelling value propositions, such as attractive pricing and enhanced features.

Our Cloudview and Sha Tin residential projects, comprising primarily one-bedroom and two-bedroom units conveniently located near MTR stations, are poised for pre-sale launch. These projects are well-positioned to capture demand from first-time buyers, particularly if market confidence recovers.

The commercial property market, particularly the office sector, continues to face challenges due to global economic headwinds. Hong Kong office market is expected to see downward pressure in rents and occupancy rates. On the other hand, London office market continues to improve as we have seen continual rental growth on newly upgraded and ESG compliant buildings. We expect our Hong Kong rental income will drop slightly while London rental income will remain solid.

The Government's active promotion of mega-events would likely attract more travellers to Hong Kong, thus contributing to a potential rise in occupancy rates at our Lanson Place Causeway Bay hotel. We anticipate further gradual improvement as the city's tourism sector and overall economy continue to recover.

Looking ahead, we remain cautiously optimistic about the prospects of the Hong Kong property market. While challenges persist, the underlying fundamentals of the Hong Kong economy and the Government's commitment to supporting the property sector provide a basis for long-term growth. Maintaining a healthy financial position and diversified portfolio remain a priority. Going forward, we will continue to operate prudently amidst market volatility, diligently pursuing suitable investment opportunities.

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About Wing Tai Properties Limited

The business of Wing Tai Properties Limited (SEHK stock code: 369) spans three core areas: property development under the Wing Tai Asia brand; property investment and management arm; and hospitality investment and management arm under the Lanson Place brand in Hong Kong, Shenzhen, Shanghai, Singapore, Kuala Lumpur, Manila and Melbourne. Wing Tai Properties has been listed on The Stock Exchange of Hong Kong Limited since 1991.

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CONSOLIDATED INCOME STATEMENT

	Year ended 31 December	
	2024	**2023**
	HK$'M	HK$'M
Revenue	1,031.1	882.4
Cost of sales	(395.9)	(201.7)
Gross profit	635.2	680.7
Other (losses)/gains, net	(0.2)	1.8
Selling and distribution costs	(54.3)	(20.7)
Administrative expenses	(366.9)	(355.7)
Impairment provision for properties for sale	(756.2)	(118.6)
Change in fair value of		
– investment properties	(1,237.2)	(631.5)
– financial instruments	(120.7)	(58.5)
	(1,357.9)	(690.0)
Gain on disposal of a subsidiary	-	41.0
Loss from operations	(1,900.3)	(461.5)
Finance costs	(208.9)	(204.0)
Finance income	158.1	140.0
Share of results of joint ventures	(570.8)	(243.1)
Share of results of an associate	0.3	-
Loss before taxation	(2,521.6)	(768.6)
Taxation	(54.4)	(43.8)
Loss for the year	(2,576.0)	(812.4)
(Loss)/profit for the year attributable to:		
Shareholders of the Company	(2,559.5)	(890.4)
Holders of perpetual capital securities	66.3	65.8
Non-controlling interests	(82.8)	12.2
	(2,576.0)	(812.4)
Loss per share attributable to shareholders of the Company		
– Basic	(HK$1.89)	(HK$0.66)
– Diluted	(HK$1.89)	(HK$0.66)

CONSOLIDATED BALANCE SHEET

	At 31 December	
	2024	**2023**
	HK$'M	HK$'M
ASSETS AND LIABILITIES		
Non-current assets		
Investment properties	18,459.3	19,693.4
Other properties, plant and equipment	62.8	64.8
Interests in joint ventures	4,808.5	5,086.1
Interests in an associate	43.8	43.7
Financial investments at amortised cost	372.9	295.8
Financial investments at fair value through profit or loss	483.5	593.1
Deferred tax assets	5.3	9.1
Derivative financial instruments	182.2	213.0
	24,418.3	25,999.0
Current assets		
Properties for sale	3,359.7	3,834.3
Trade and other receivables, deposits and prepayments	261.8	561.4
Financial investments at amortised cost	208.7	531.9
Financial investments at fair value through profit or loss	298.5	49.3
Other current assets	32.4	242.1
Derivative financial instruments	50.9	67.5
Sales proceeds held in stakeholders' accounts	-	23.2
Tax recoverable	9.3	10.1
Pledged bank deposits	51.8	27.0
Bank balances and cash	2,362.1	2,642.3
	6,635.2	7,989.1
Assets classified as held for sale	32.0	-
	6,667.2	7,989.1
Current liabilities		
Trade and other payables and accruals	568.4	693.0
Derivative financial instruments	1.7	12.9
Tax payable	126.8	122.6
Bank and other borrowings	2,088.6	2,808.2
	2,785.5	3,636.7

CONSOLIDATED BALANCE SHEET (Continued)

	At 31 December 2024 HK$'M	2023 HK$'M
Non-current liabilities		
Bank and other borrowings	4,737.4	4,000.3
Other long-term liability	-	16.2
Deferred tax liabilities	241.8	240.3
	4,979.2	4,256.8
NET ASSETS	23,320.8	26,094.6
EQUITY		
Shareholders' funds		
Share capital	678.6	678.6
Reserves	21,070.7	23,761.5
	21,749.3	24,440.1
Perpetual capital securities	1,491.4	1,491.4
Non-controlling interests	80.1	163.1
TOTAL EQUITY	23,320.8	26,094.6

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