

2024 Annual Results

March 2025

ENDURE. ADAPT. EXCEL

A Diversified Alternatives Investor



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Agenda

I About us

- Business overview
- Core strengths and differentiators
- Multiple value drivers for shareholders

II 2024 Annual results

III Business review

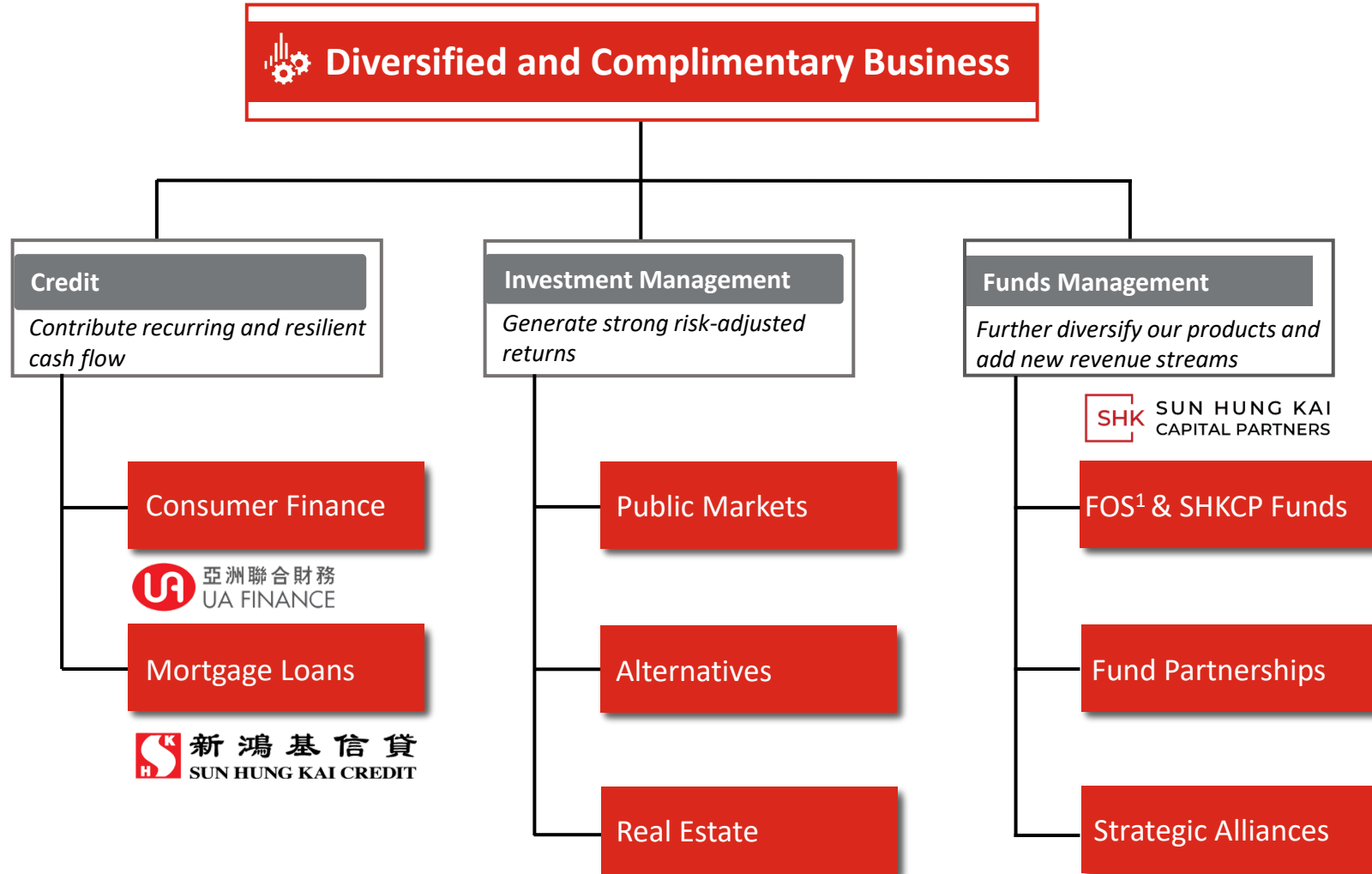
- Investment management
- Funds management
- Credit

IV Risk management & ESG updates

V Business outlook & Future plans



Business Overview



1. Family Office Solutions

Core Strengths and Differentiators

Deliver solid risk-adjusted returns through privileged access, deep expertise, and risk culture

Robust Business Model

- Ensures the Group's long-term sustainability and profitability
- Have returned a total of HK\$15.4 bn¹ to shareholders since 1997

Privileged Access

- Privileged access to high-quality investment opportunities provides superior risk-adjusted returns

Expertise in Alternatives

- Provides diversified investment options with higher returns and lower correlations with traditional asset classes

Strong Corporate Governance

- Operate with integrity and accountability
- Strong governance builds trust with all stakeholders

Transparency

- Transparency empowers investors to make well-informed decisions

Risk Culture

- Plays an instrument role in enabling the Group to navigate uncertainties and achieve sustained success

1. As at 31 Dec 2024.

Multiple Value Drivers for Shareholders



Credit

- Generate **steady returns** that are largely uncorrelated to capital markets
- **Cautious approach** to loan underwriting in response to economic slowdown across UAF and SHK Credit
- UAF's **SIM Credit Card** business broadens customer demographics and diversifies revenue streams
- SHK Credit focuses on proactive portfolio management while **developing mortgage servicing business** for 3rd party investors



Investment Management

- Our diversified portfolio, global mandate and portfolio management enabled us to deliver **positive returns** amidst ongoing market volatility
- Capitalise on opportunities arising from market dislocations to generate **privileged returns**
- Synergies across Investment Management, Funds Management and Credit Businesses well position the Group to develop **an alternative asset management platform**

Create sustainable value for shareholders



Funds Management

- Continued buildout of the Funds Management platform with **robust AUM growth** and increasingly evident **P&L contribution**
- Existing Fund Partnerships and SHKCP Funds delivered **strong performance**
- **FOS gained momentum** by offering family offices and UHNWIs unique access to alternative investments with alignment of interest
- **New alliances** (GAM and Wentworth) to broaden product offerings, expand global footprints and contribute growth



Sustained Growth and Long-Term Shareholder Value

- **Strong liquidity and low gearing** provide a solid foundation for sustained growth and resilience, positioning us to capture future opportunities.
- **Consistent dividend policy** and continued share buyback
- A total of **HK\$15.4 bn** returned to shareholders through dividend payments and share buybacks since 1997

2024 Annual Results



2024 Annual Results at a Glance

	FY24	FY23	Change
Revenue (HK\$ 'm)	3,762.0	3,916.6	-3.9%
Pre-tax profit (HK\$ 'm)	861.3	76.6	1,024.4%
Attributable profit/(loss) (HK\$ 'm)	377.7	(471.4)	N/A
Basic profit/(loss) per share (HK cents)	19.3	(24.1)	N/A
BVPS ¹ (HK\$)	10.8	10.8	-
	FY24	FY23	Change
ROE	1.8%	-2.2%	N/A
Net Gearing Ratio	31.2%	38.6%	-740bps
Interest Cover	1.94x	1.08x	79.6%
Cost to income	38.3%	37.5%	80bps

1. Figures are as at 31 December 2024 and 2023

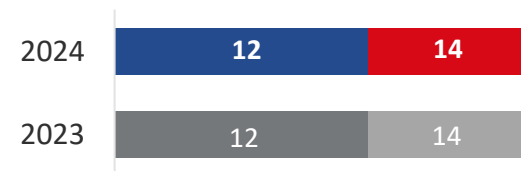
Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

We navigated the dynamic environment

- Remaining vigilant and exercising caution in underwriting new loans and deploying capital into new investments
- Maintaining a robust financial position with a priority on capital efficiency and liquidity
- Building out Funds Management business as part of our strategic business transformation
- Attributable profit in 2024 included one-off exchange losses of HK\$29.0 million associated with liquidation of a subsidiary and deferred tax assets written off amounting to HK\$55.9 million in Mainland China, both of which were non-cash and after non-controlling interests.

Continued return to shareholders

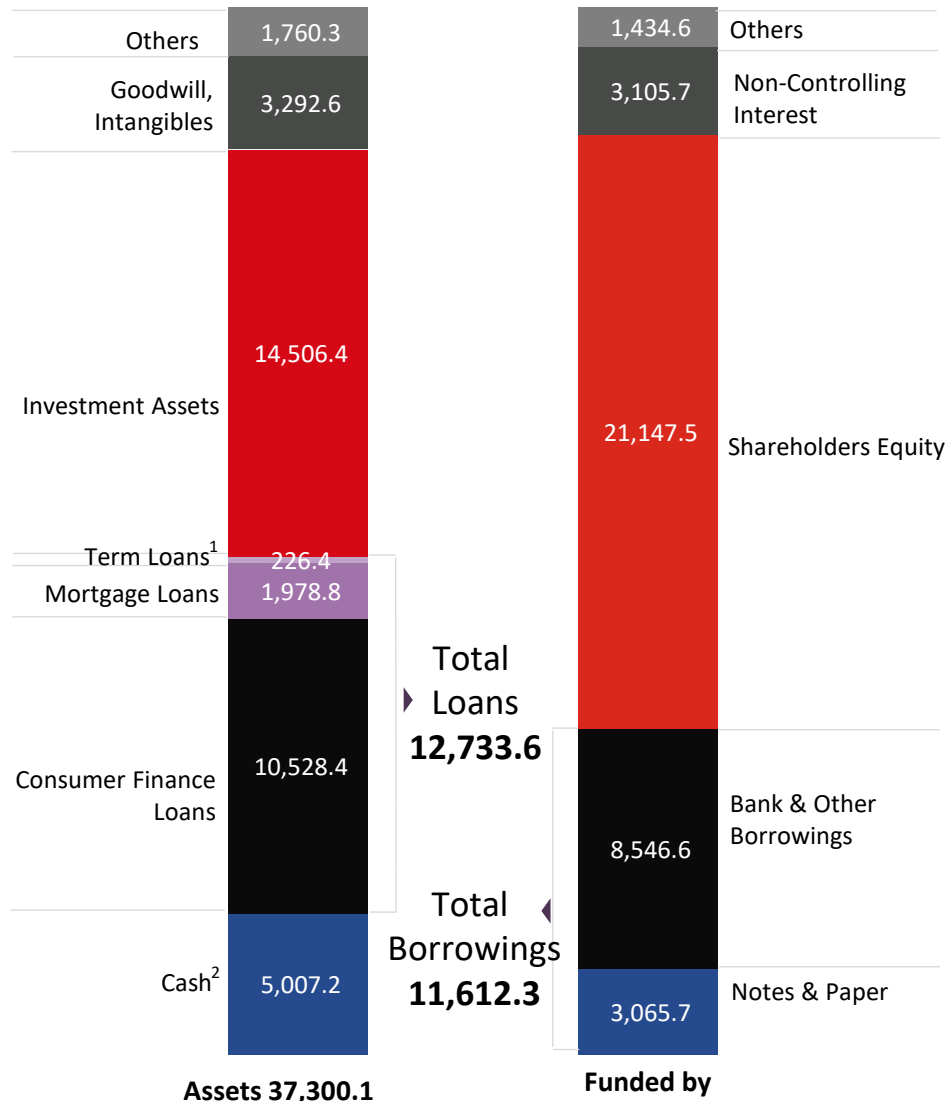
Dividend per share (HK cents)



- Consistent dividend payment
- Continued share buybacks in FY24

Balance Sheet and Capital Structure

(HK\$ 'm)



- ❑ Maintained a solid financial position with ample liquidity
- ❑ 26% of total borrowings were notes & paper and 74% were bank & other borrowings
- ❑ Repurchased MTN at an aggregate principal amount of US\$37.9 million in 2024 and redeemed US\$277.0 million of the outstanding MTNs due in 2024, reducing total MTN exposure by US\$314.8m in 2024
- ❑ Since 2022, we have reduced our MTN exposure by US\$434.1m through a combination of repurchases and redemptions
- ❑ Net debt decreased to HK\$6.6 billion at end-2024 from HK\$8.2bn a year ago, driving a further decline in net gearing ratio to 31.2%
- ❑ Interest cover increased to 1.94x for 2024, mainly driven by improved profitability

Figures are as at 31 December 2024

1. Not all Term Loans are held by Special Sits and Structured Credit.

2. Cash includes bank deposits, cash and cash equivalents.

Business Review

Investment Management

- Public Markets
- Alternatives
- Real Estate

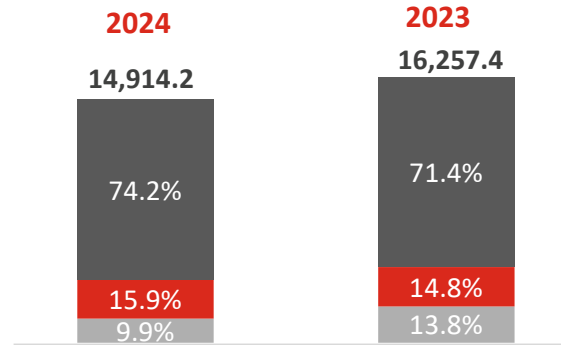


Investment Management Performance

Segment Assets¹ and Analysis of Pre-tax Profit by Nature

(HK\$ 'm)

■ Alternatives
 ■ Real Estate
 ■ Public Markets



Revenue ²	172.3	198.5
Net gain/(loss) on financial instruments	333.3	(466.5)
Share of results of associates & JV	54.2	22.6
Loss from revaluation on investment properties	(126.4)	(64.9)
Net impairment losses	(33.2)	(30.1)
Net exchange (loss)/ gain	(11.1)	5.8
Others	5.3	2.6
Total gains/(losses)	394.4	(332.0)
Total costs ³	(800.3)	(959.3)
Pre-tax contribution	(405.9)	(1,291.3)

Updates & Highlights

- Segment assets decreased YoY as we had some divestments and continued to receive distributions, while selectively deploying capital to new investments. Downward revaluation of investment properties also contributed to the decrease
- Segment total gains amounted to HK\$394.4 million. After an internal allocation of cost of capital charges of HK\$669.4 million, pre-tax loss narrowed 68.6% to HK\$405.9 million
- Financial instruments under Alternatives and Real Estate segments recorded a realised gain and unrealised gain of HK\$86.2 million and HK\$250.0 million, respectively, thanks to portfolio diversification and portfolio management
- Excluding revaluation loss from investment properties in Hong Kong, Real Estate recorded a gain of HK\$200.9 million, compared to HK\$142.2 million in 2023
- Including dividend and interest income, Public Markets posted a gain of HK\$35.1 million
- In the five years from 2020 to 2024, cumulative realised gain on financial instruments under Alternatives and Real Estate was HK\$5,247.7 million

1. Figures are as at 31 December 2024 and 2023

2. Revenue includes interest income, dividends received, rental income, and fees received

3. Total costs include opex, finance costs and an internal charge of cost of capital

Values rounded for simplicity of presentation. Numbers may not foot due to rounding

Investment Assets and Return

(HK\$ 'm)	2024			Return Track Record	
	Year End Value	Gain/ (loss) ¹	Annual Return ²	2023	2022
Public Markets	1,478.9	35.1	1.7%	-4.6%	-6.1%
- Corporate Holdings	1,232.5	35.1	1.9%		
- Strategic Holdings ³	246.4	-	N/A		
Alternatives	11,063.2	285.0	2.6%	-2.5%	-9.3%
- Private Equity:					
• External Funds	4,454.6	153.6	3.6%		
• Direct/Co-investments	3,889.9	(62.2)	-1.6%		
Subtotal	8,344.5	91.4	1.1%	-2.8%	-9.4%
- Hedge Funds ⁴					
• Ongoing Funds	1,927.8	205.2	10.6%		
• Terminated Funds ⁵	-	(13.1)	-9.4%		
Subtotal	1,927.8	192.1	9.3%	-6.9%	-14.3%
- Special Situations and Structured Credit ⁶	790.9	1.5	0.2%	19.3%	
Real Estate	2,372.1	74.3	3.0%	3.3%	-1.5%
Total	14,914.2	394.4	2.5%	-2.0%	-7.9%

1. In addition to net gain/(loss) on financial instruments, Gain/(loss) also includes interest income, dividends received, fee income, rental income, net impairment allowance recoveries/(losses), share of results of associates & joint venture, gain/(loss) from revaluation on investment properties, net exchange gain/(loss), and others, where applicable.

2. Gain (Loss) before costs of capital charge/average fair value for the year.

3. At FVTOCI

4. Including Hedge Funds portfolio and other funds managed by Funds Management division

5. Including the funds managed by GCO Asset Management Limited ("GCO") and East Point. The fund managed by GCO was closed and fully redeemed in April 2023. The rights for receiving seeded capital fee of the fund managed by East Point was acquired by Regal Partners in February 2023, following which the capital was redeemed in February 2024.

6. Formerly Special Situations

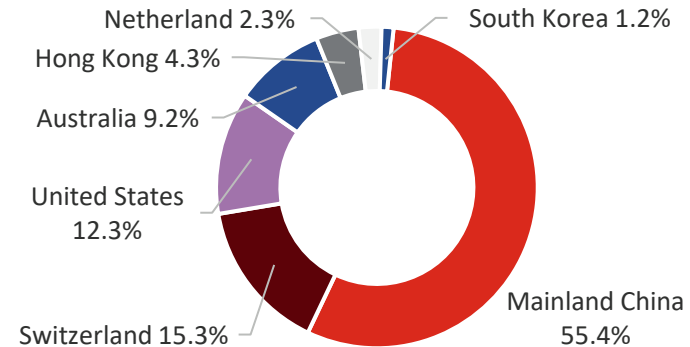
Public Markets – Corporate Holdings

Year End Value	HK\$1,232.5m
Annual Return	1.9% (Gain of HK\$35.1m)

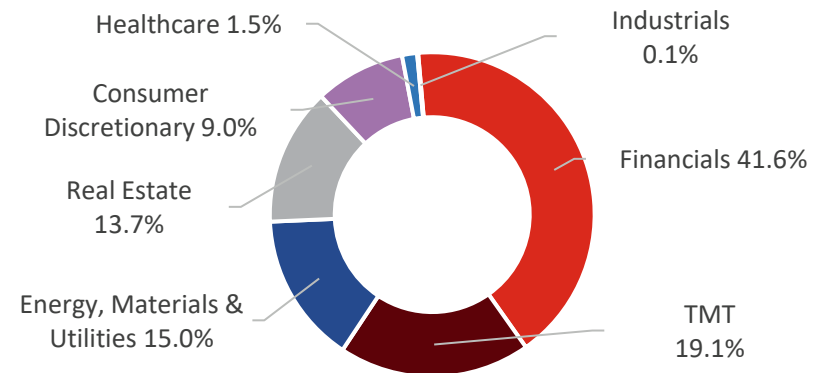
- Manage a mix of long-term and short-term equity positions, with the use of derivatives and hedging to mitigate risks
- Gains were mainly driven by strategic holdings in a Chinese fintech platform and other deeply discounted Chinese internet platforms, partly offset by losses in a Chinese CDMO manufacturer on the back of geopolitical issues
- Remain cautiously optimistic that the Chinese market will recover in 2025 from the drag caused by the property sector downturn
- In the US, see opportunities in select thematic, such as AI infrastructure buildout, but continue to monitor for emerging risks

Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

Exposure by Geography



Exposure by Sector



Alternatives – Private Equity

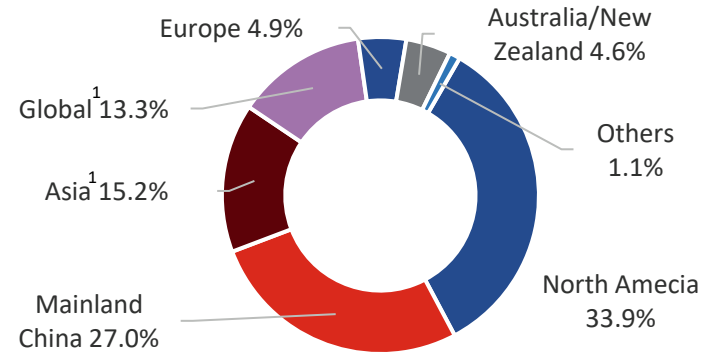
Year End Value	HK\$8,344.5m
Annual Return	1.1% (Gain of HK\$91.4m)

- The valuation of the portfolio stabilised in 2024, underpinned by its diversification across geography, sector and strategy
- Recorded net cash inflow for 2024 as we continued to receive programmatic distributions from GPs
- Private market activities in North America recovered modestly, primarily driven by the booming AI and tech thematic investments
- Investments in Greater China continued to generate stable cash flows due to the buyout and late-stage strategies with solid fundamentals
- Notable valuations across various funds and companies in Europe showcase the region's resilience and growth potential
- Continued to collaborate with SHKCP to provide third-party investors with access to select investment opportunities by completing several deals that were inaccessible to the broader market

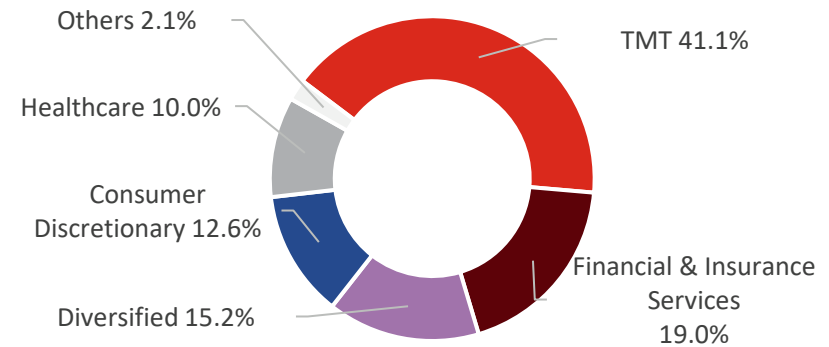
1. Based on GPs' geographic mandate

Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

Exposure by Geography



Exposure by Sector



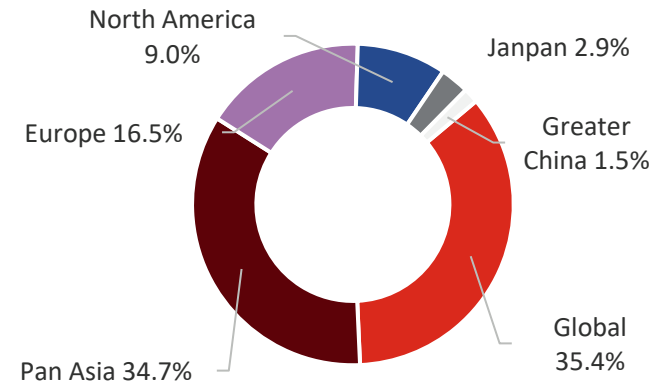
Alternatives – Hedge Funds

Year End Value	HK\$1,927.8m
Annual Return from ongoing funds	10.6% (Gain of HK\$205.2m)

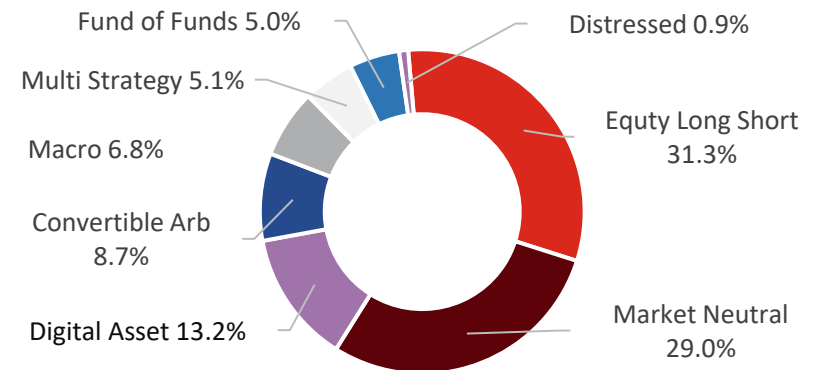
- Consists of a selected group of external hedge funds that are global in scope and diversified in terms of strategy. Managers are classified into two categories: “core” and “scout”
- Ongoing funds achieved a solid gain of 10.6% driven by broad-based gain across all underlying strategies
- “Core” managers who employ conservative strategies with the aim of avoiding losses and downside deviation, achieved returns of +13.5 to +32.0% in 2024, exceeding expectations
- “Scout” managers tend to run with higher volatility, aiming for higher returns and delivered performance ranging from -4.5% to +49.0%

Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

Exposure by Geography



Exposure by Sector



Alternatives – Special Situations and Structured Credit

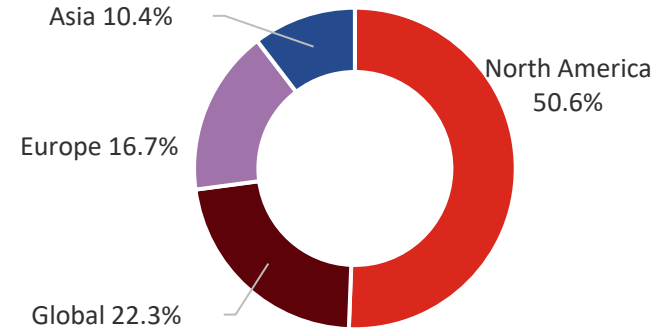
Year End Value	HK\$790.9m
Annual Return	0.2% (Gain of HK\$1.5m)

- Updated the name to Special Situations and Structured Credit to better reflect the scope of this segment's strategy and fully represent the dedicated focus of the team
- Leveraging unique opportunities arising from market dislocations and specific events, the portfolio has further expanded the geographical reach across Western Europe, North America and Asia, while integrating the residual term loan portfolio from Private Credit
- No major revaluations in the portfolio during 2024, as many investments are working through their repositioning phase
- Remain committed to our disciplined approach, which is designed to deliver favorable returns with robust defensive characteristics

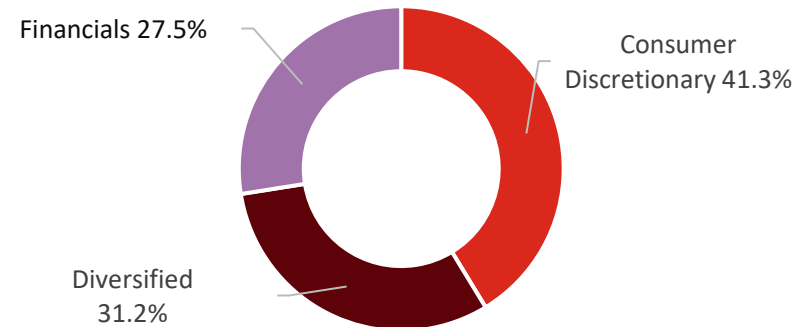
[^] Term loans regrouped from Private Credit are not included.

Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

Exposure by Geography



Exposure by Sector[^]



Real Estate

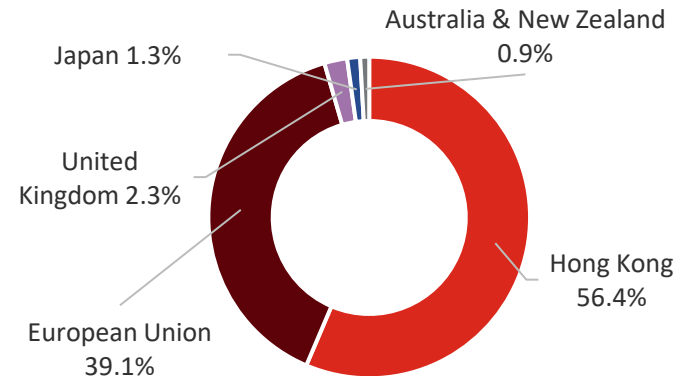
Year End Value	HK\$2,372.1m
Annual Return	3.0% (Gain of HK\$74.3m)



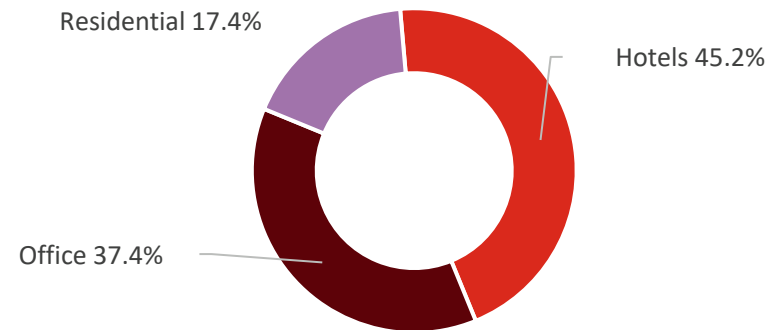
- Excluding loss from revaluation on investment properties in Hong Kong, Real Estate recorded a gain of HK\$200.9 million (2023: HK\$142.2 million), primarily driven by our investments in the hospitality sector in the EU which recorded strong performance
- Strategic divestment from commercial assets in the UK as we continue to rebalance the portfolio away from stabilised, lower-yield equity investments toward more opportunistic projects that deliver credit-like downside protection with equity-like, risk-adjusted returns

Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

Exposure by Geography



Exposure by Sector



Business Review

Funds Management

 SUN HUNG KAI
CAPITAL PARTNERS



Funds Management Business Lines

FOS and SHKCP Funds¹

SHK FAMILY OFFICE SOLUTIONS

- An alternatives investment platform for family offices and UHNW individuals with differentiated alternative investments solutions

SHK LATITUDE ALPHA

- Global Fund of Hedge Fund

MCIP | MULTIPLE CAPITAL INVESTMENT PARTNERS

- APAC Real Estate Loan Strategy

Fund Partnerships



- European, Asian, and Japan Discretionary Probabilistic Investing Equity Market Neutral Strategy



- Market Neutral Crypto Strategy



- Quantitative/Directional Crypto Strategy



- Deep Technology Venture Strategy



- Consumer Early Stage/Growth Strategy²

Strategic Alliances



- High conviction equity, specialist fixed income, multi-asset, and alternatives



- Real estate private equity and private credit in Australia

Distribution of External Funds

1. We integrated the SHKCP Private Access Fund strategy into FOS to provide clients with comprehensive and seamless services.

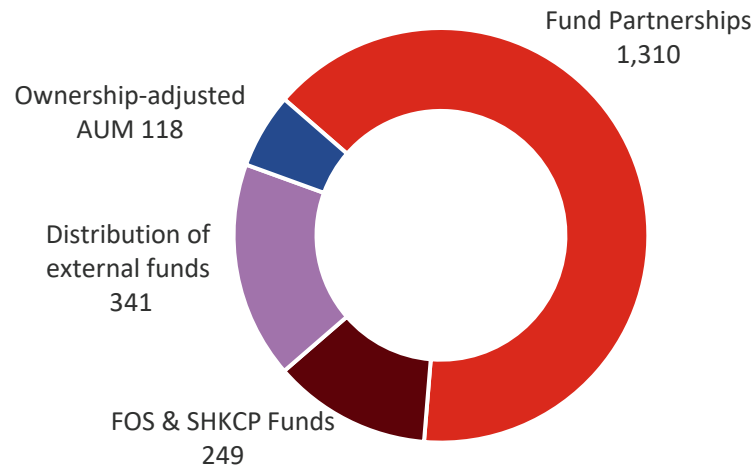
2. SHK & Co. owns a minority equity stake in Point King GP.

3. SHK & Co. subscribed for convertible notes which are convertible into a minority equity interest in Wentworth and Balance Sheet Trust. SHK & Co. also agreed to provide strategic services to Wentworth Capital Debt Pty Limited ("WCD") and to commit US\$100 million to invest in WCD Funds. In consideration of the services, we will be entitled to a share of total revenue generated by all WCD Funds.

Funds Management – Total AUM[^]

In addition to the FOS and SHKCP Funds and Fund Partnership, two new categories were introduced for AUM calculation: distribution of external funds and ownership-adjusted AUM. Total AUM reached US\$2,018 million at end-2024.

(US\$ 'm)



1. Fund Partnerships includes assets managed by ActusRayPartners, E15VC, Kernel and Scalar.
2. FOS & SHKCP Funds includes assets managed by SHK Latitude Alpha, MCIP and FOS.
3. Distribution of external funds includes assets under distribution and service by SHKCP, such as GAM and other external funds with whom SHKCP entered into distribution agreements.
4. Ownership-adjusted AUM includes assets managed by Wentworth and Point King Capital, adjusted by SHK & Co.'s ownership.

[^] "AUM" refers to the total value of assets managed, advised, distributed or otherwise serviced, including:

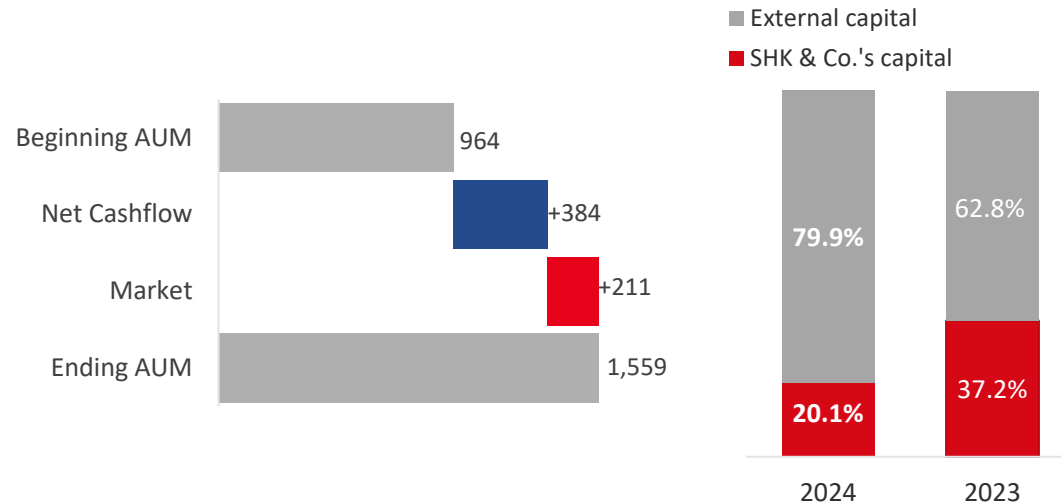
1. Assets under management by SHKCP's Fund Partnerships, which are mainly established with early-stage alternative managers in flexible collaboration models depending on their go-to-market readiness;
2. Assets under management by SHKCP, including funds managed by SHKCP and Family Office Solutions, and assets under advisory and/or dealing arrangement by SHKCP;
3. Assets under management by third party asset managers in which SHK&Co has equity stakes, and adjusted by the level of ownership; and
4. Assets under distribution by SHKCP for third party managers.

Our methodology for determining AUM reflects our different business lines and is based on our economic interests in the assets and/or the significance of our control. This differs from the methodology for calculating our AUM for regulatory filings.

Funds Management – AUM & Segment Results

AUM Movement in 2024 (US\$ 'm) Fund Partnership, FOS & SHKCP Funds

AUM Composition Fund Partnership, FOS & SHKCP Funds



- Organic AUM grew to US\$1.6 billion, driven by a net cash inflow of US\$384 million and market gains of US\$211 million with contributions from almost all strategies
- Contribution from external investor capital increased to 79.9% at end-2024, reflecting the market's recognition of our strategy

1. Mark-to-market of the carried interest distribution in kind received

(HK\$ 'm)	2024	2023	Change
Fee Income	56.5	36.3	55.6%
Interest Income	1.0	0.9	11.1%
Other Income	23.6	15.7	50.3%
Total Income	81.1	52.9	53.3%
Operating Expense	(31.9)	(29.1)	9.6%
Net gain/(loss) on financial assets¹	0.2	(6.9)	N/A
Net exchange loss	(0.4)	(0.1)	300.0%
Pre-tax Contribution	49.0	16.8	191.7%

- Fee income increased 55.6% YoY, driven by notable expansion of AUM
- Total income increased by 53.3% YoY, including other income of HK\$23.6 million mainly recognized from the partial repurchase of our seeding capital revenue share by ActusRayPartners
- Operating expenses increased 9.6% YoY, reflecting the continued investment in scaling our funds management platform
- Pre-tax contribution increased to HK\$49.0 million

FOS Overview

Key Differentiators

Access

- Provides **access** to differentiated alternative investments leveraging the Group's broad network.

Alignment

- Enables **alignment of interests** between the clients and SHK & Co. through the Company's balance sheet commitments.

Expertise

- **Deep knowledge and experience** across alternative investments and related sectors.

Governance

- **Institutional grade governance & infrastructure** enhance performance, risk management & operational efficiency.

Investment Solutions

Private Equity

- Unique access to PE funds and direct/co-investments across regions, industries and strategies.
- Flexible approach allows for innovative deal structuring.

Special Sits & Structured Credit

- Curated highest-quality deals rigorously screened from a vast array of opportunities by the Group's in-house team.
- Deals are structured with credit or "credit-like" downside protection.

Hedge Funds

- Aims to get superior returns at better terms for clients.
- Access to closed hedge funds leveraging the Group's established network.
- Provide bespoke advisory and discretionary portfolios.

Strategic Alliance with GAM & Product Offering[^]



- The alliance aims to drive growth and enhance client coverage and capabilities across the region, building on GAM’s existing product offering of high conviction equity, specialist fixed income, multi-asset, sustainable, and alternative investment solutions.
- SHK & Co will collaborate closely with GAM to co-develop innovative, alternative, and portfolio diversifying product solutions for both local and international clients

Equity	Fixed Income	Multi-Asset	Alternatives
High active share	Alternative sources of yield	Packaged and bespoke solutions	Diversified alternative investment strategies
Asia China Emerging Markets Europe Global & North America Japan Switzerland	Emerging Market Debt Global Credit Subordinated Debt	Flexible Allocation Risk Profile Target Return	Commodity Global Macro & Currency ILS and Cat Bonds Private Markets Securitised Assets Systematic

Source: GAM. The classification of the above strategies into the four capabilities shown here represents how GAM's investment capabilities are “functionally” categorised.

[^]All strategies listed are of indicative nature and do not represent a complete list of GAM products.

Strategic Alliance with Wentworth & Investment Strategy

WENTWORTH
 CAPITAL

- SHK & Co. subscribed for convertible notes which are convertible into a minority equity interest in Wentworth and Balance Sheet Trust. In addition, SHK & Co. agreed to provide strategic services to WCD and to commit US\$100 million to invest in WCD Funds. In consideration of the services, we will be entitled to a share of total revenue generated by all WCD Funds.
- Based in Australia, Wentworth adopts a focused investment strategy to opportunistically acquire mis-priced and mismanaged real estate in need of a "fix".

SOURCE

Through the Cycle, Idiosyncratic

- Broken ownership structures
- Real Estate is 'non-core' to owner
- Forced sale due to regulatory change
- Government and corporate sellers

Cyclical Distress

- Broken capital structure
- Seller needs speed and certainty
- Market dislocation
- Distressed sellers



FIX

Leasing	Lease up of vacant tenancies, renewal of expiring tenancies and renegotiation of existing leases.
Capital works	Development, refurbishment, expansion, repurposing, or asset rehabilitation.
Financial Restructuring	Collapsing, resolving or simplifying broken ownership structures such as defaulted loans, joint ventures, funds and unit trusts.
Remediation and Restoring	Remediating contaminated sites and buildings and resolving building non-compliance.
Change of use and Envelope	Planning applications to change land uses and increase densities and height.
Title Restructuring	Collapsing, resolving or simplifying inefficient ownership structures such as leasehold, strata title and company title.
Managing for Impact	Improving a building's environmental credentials, reactivating derelict buildings and restoring heritage protected buildings.

Business Review

Credit

Consumer Finance

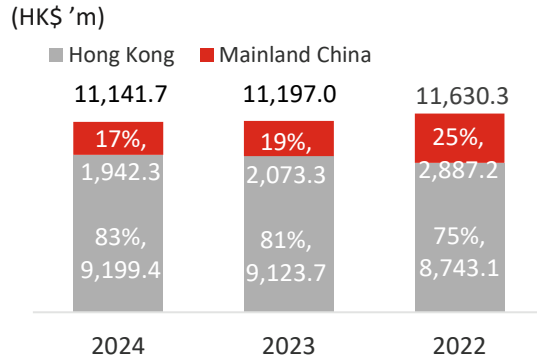


Mortgage Loans

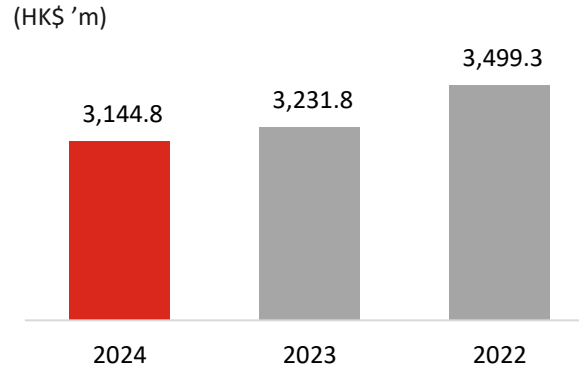


Consumer Finance – UAF

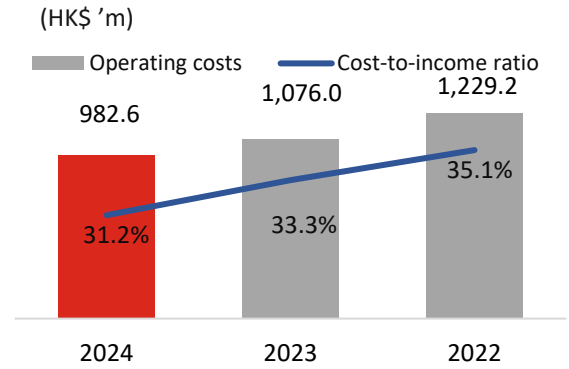
Gross Loan Balance¹



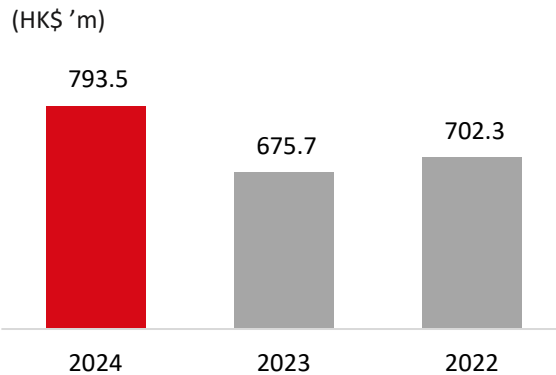
Revenue



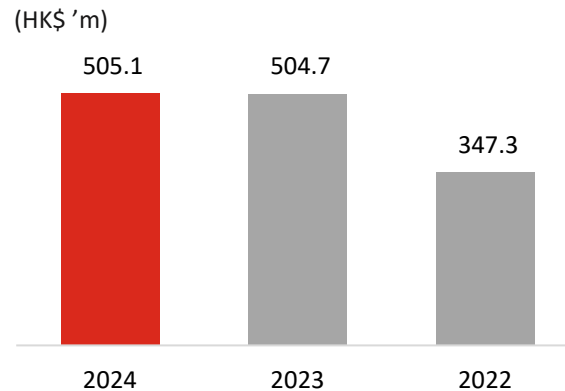
Cost-to-income Ratio



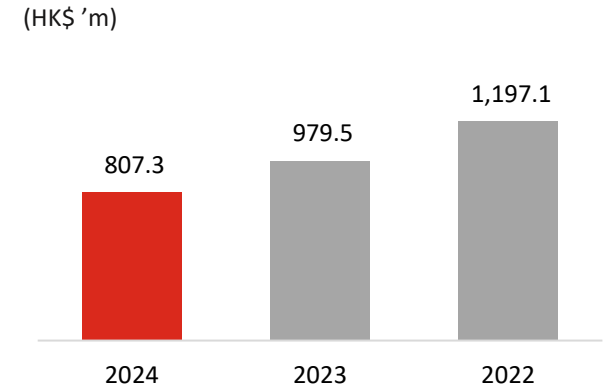
Net Impairment Losses



Finance Costs



Pre-tax Contribution



- Since 2017, UAF has consistently maintained its place as the top-ranking unsecured loan provider among non-bank lenders and a top-five ranking among all lenders, in terms of outstanding balance of unsecured lending in Hong Kong
- Key operational highlights include cautious loan underwriting, prioritising operational efficiency and credit profile management, strategic shift from unsecured to secured lending in Mainland China, solid development of SIM credit card business, and prudent provisioning policy

1. Figures are as at 31 December 2024, 2023 and 2022; before impairment allowance

Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

Consumer Finance - UAF

	Hong Kong		Mainland China	
	2024	2023	2024	2023
No. of Branches	46	48	15	16
Gross Loan Balance ¹ (HK\$ 'm)	9,199.4	9,123.7	1,942.3	2,073.3
Loan Originated (HK\$ 'm)	13,212.6	12,345.3	3,234.5	2,702.2
Loan Originated (by no.)	220,284	202,244	8,135	15,365
Average Gross Balance per Loan	(HK\$) 41,194	(HK\$) 48,196	(RMB) 212,176	(RMB) 107,045
Total Return on Loans ¹	30.4%	30.4%	17.6%	20.7%
Charge-off Ratio ²	8.0%	6.0%	0.8%	7.1%
Net Impairment Losses/(Reversals) Ratio ³	8.8%	6.5%	-0.5%	3.7%
Impairment Allowance Ratio ⁴	6.1%	5.3%	2.8%	4.0%

1. Interest and fee income / average gross loan balance
2. Charge-off / average gross loan balance
3. Net impairment losses (reversals) / average gross loan balance
4. Impairment allowance / gross loan balance at period end

Numbers are as at 31 December 2024 and 2023

Values rounded for simplicity of presentation. Numbers may not foot due to rounding.



Hong Kong



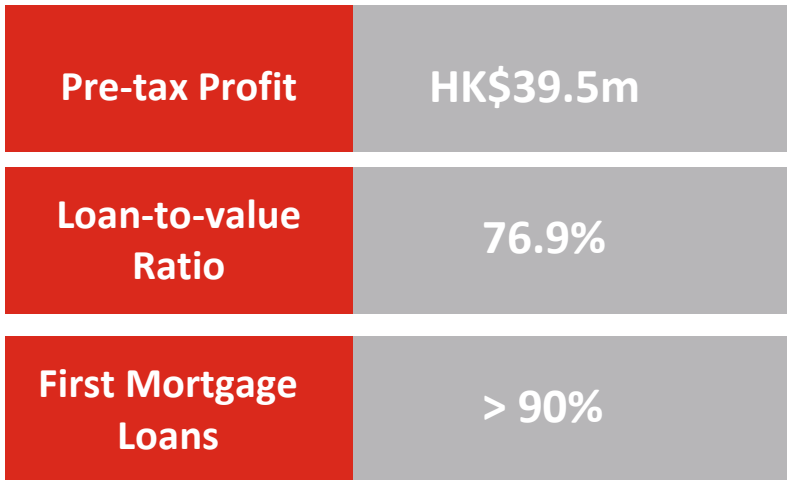
- Recorded a mild growth of 0.8% in gross loan balance, balancing growth with risk mitigation
- SIM credit card had over HK\$1.5 billion in accumulative transaction volume by end-2024
- Upgraded credit scoring system with new IT tools and updated databases to optimise credit evaluations
- A founding subscribed member of Credit Data Smart, strengthening credit information resilience across the industry
- Advanced ESG initiatives and maintained robust data security practices to support sustainability and trust
- Received PCI-DSS 4.0 compliance for credit card and ISO 27001:2022 certification for loan services

Mainland China

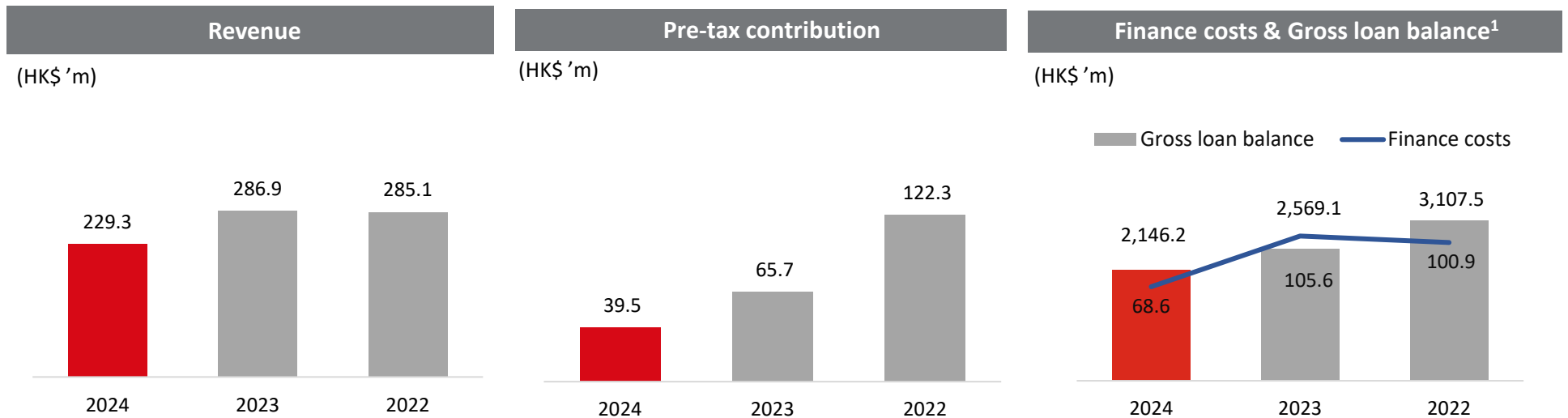


- Strategic transition to secured loans
- Significant improvement in charge-offs and impairment losses and streamlined operating costs
- Position UAF to capitalise on future economic recovery in the mainland market

Mortgage Loans



- Remained cautious in deploying capital and selectively originating new loans, while focusing on proactively managing loan portfolio and developing mortgage servicing business
- Cost-to-income ratio remained low with centralised operations and reduced marketing activities to optimise operational efficiency
- Decrease in finance costs mainly due to a decline in borrowings utilised
- Net impairment charges of HK\$76.2 million due to the larger provisions taken in light of certain loan defaults



1. Gross loan balance is as at 31 December 2024, 2023 and 2022; before impairment allowance
 Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

Risk Management & ESG Updates



Risk Management Updates



Strengthened Controls

- Existing controls were reviewed and fortified, enhancing the ability to identify, assess, and manage risks effectively
- Additional and enhanced controls have reduced overall risk levels



Proactive Risk Monitoring

- Regular Risk Committee meetings to address emerging and critical risks, enabling informed mitigation strategies
- By proactively assessing risks, we ensure a clear understanding of potential challenges and implement or enhance risk mitigation strategies.



Enhanced Risk Management System

- The electronic risk management system has been continuously enhanced, enabling more efficient information collection and reporting



Increased Staff Awareness

- Risk training sessions tailored to different roles and responsibilities
- Distribution of quarterly Enterprise Risk Management bulletins to ensure employees stay informed about risk-related updates.

ESG Updates



Governance & Policy

- Responsible Investment Policy:**
 Integrate ESG factors into investment decisions using screening and alignment procedures, reinforcing the Group's commitment to responsible investing.
- UNSDG-Aligned Investments:**
 Increased the UNSDG-aligned investment target from 30% to 50% in 2023 ESG report. Achieved this goal in 2024.
- Independent Audit and Assurance:**
 Engaged an independent service provider to audit and provide assurance for 2024 ESG Report.



Environmental & Social

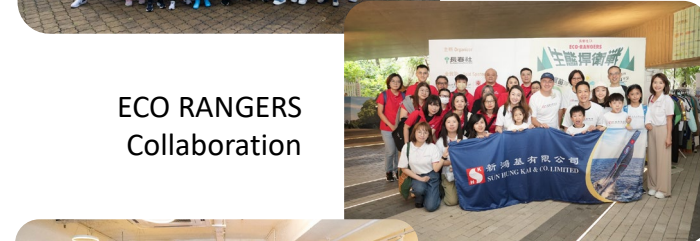
- Environmental Performance:**
 Compared to 2023 levels,
 - > 40% reduction in paper consumption
 - > 30% reduction in water consumption
- Climate Risk Assessment Enhancement:**
 Expanded climate risk assessment to include scenario analysis, featured in 2024 ESG Report.
- Employee Growth and Development:**
 > 130% increase YoY in average training hours per employee across the Group.
- Financial Inclusion and Protection:**
 Elaborated initiatives and trainings on financial inclusion and protection for UAF customers.



Staff Volunteer Services



Serve-a-thon Support



ECO RANGERS Collaboration



Food Angel Volunteering



Energy Workshop Participation

Business Outlook & Future Plans



Business Outlook & Future Plans

A Diversified Alternatives Investor



Credit

- Remain focused on expanding service and product offerings, e.g. **SIM credit card**, to capture untapped opportunities and strengthen **market leading position** for Consumer Finance
- Further investment in **digitalisation** aiming to enhance operational efficiency and improve credit risk evaluations
- In Mortgage Loans, remain **cautious about loan origination** and focus on portfolio management. Continue to develop mortgage servicing business leveraging opportunities in dislocated markets



Investment Management

- Focus on **portfolio management**
- Continue to capitalise on **mispriced assets** globally in a selective manner. Deals are structured with strong downside protection to pursue privileged risk-adjusted returns
- Continue to **collaborate with SHKCP** leveraging our investment network and proprietary deal sourcing, enabling clients to access to exclusive investment opportunities and achieve attractive returns with alignment of interests



Funds Management

- Continue to build out the platform through new partnerships, increased investment in sales and marketing, and the expansion of distribution network.
- Collaboration with **Strategic Alliances**, including GAM, Wentworth and others under exploration to further diversify our products and expand our global reach
- Further advance FOS by offering like-minded investors **access to unique alternative investments**. **Alignment of interests** is made possible by the Group's balance sheet commitments.

-
- Looking into 2025, global interest rate cuts may slow amid fears of reflation, while high rates continue to weigh on asset values. Mainland China's economic headwinds may spill over into Hong Kong.
 - We will continue to navigate the ongoing challenges while strategically positioning our business for growth as we complete our strategic business transformation and enter the next phase in 2025. By selectively deploying capital and building out our Funds Management platform, we aim to capitalise on emerging opportunities and drive sustainable value creation for our shareholders.

Appendix – Financial Statements



Consolidated Statement of Profit or Loss

(HK\$ 'm)	2020	2021	2022	2023	2024	2024 vs. 2023
Revenue	4,057	4,324	4,054	3,917	3,762	-3.9%
Operating expenses	(1,549)	(1,695)	(1,563)	(1,468)	(1,441)	-1.8%
<i>As % of revenue ("cost to income")</i>	38.2%	39.2%	38.6%	37.5%	38.3%	0.8ppt
Finance costs	(807)	(716)	(914)	(999)	(919)	(8.1%)
Net impairment losses on financial assets	(1,053)	(715)	(758)	(763)	(903)	18.3%
Other gains	76	112	100	82	81	(1.6%)
Other losses	(167)	(25)	(38)	(97)	(157)	60.7%
Net exchange gain/(loss)	48	(66)	(101)	(3)	(36)	1171.4%
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	2,554	2,616	(1,644)	(478)	420	N/A
Share of results of associates	42	0	(11)	28	1	(96.5%)
Share of results of joint ventures	(0)	(62)	(17)	(141)	53	N/A
Profit/(loss) before taxation	3,201	3,773	(892)	77	861	1024.4%
Taxation	(272)	(474)	(285)	(278)	(270)	(2.8%)
Profit/(loss) for the year	2,929	3,299	(1,177)	(201)	591	N/A
Non-controlling interests	381	485	358	270	214	(20.9%)
Profit/(loss) attributable to owners of the Company	2,548	2,814	(1,535)	(471)	378	N/A

Source: Company filings

Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

Consolidated Statement of Financial Position

(HK\$ 'm)	2020	2021	2022	2023	2024
Financial assets at fair value through profit or Loss	4,461	6,676	4,115	4,364	3,508
Loans and advances to consumer finance customers and mortgage loans	9,296	9,541	9,020	8,629	8,255
Term loans, prepayments and other receivables, amounts due from brokers	1,891	1,454	1,618	1,023	922
Cash and cash equivalents, bank deposits ¹	7,258	6,001	5,884	6,693	5,007
Other current assets	15	175	19	169	11
Total current assets	22,921	23,847	20,656	20,878	17,703
Investment properties	1,277	1,256	1,217	1,198	1,135
Interest in associates	212	202	177	216	111
Financial assets at fair value through profit or loss	9,125	11,844	10,323	9,471	9,049
Loans and advances to consumer finance customers and mortgage loans	4,282	5,970	5,070	4,467	4,252
Term loans, prepayments and other receivables	572	90	88	70	59
Other non-current assets	5,694	5,581	5,384	4,569	4,991
Total non-current assets	21,162	24,943	22,259	19,991	19,597
Bank and other borrowings and notes/paper payable	8,097	10,648	5,597	8,355	6,875
Other current liabilities	1,150	1,552	1,253	1,091	1,012
Total current liabilities	9,247	12,200	6,850	9,446	7,887
Bank and other borrowings and notes/paper payable	8,518	7,635	10,053	6,550	4,738
Other non-current liabilities	366	416	455	477	422
Total non-current liabilities	8,884	8,051	10,509	7,027	5,160
Total equity	25,952	28,539	25,556	24,396	24,253

Source: Company filings

Values rounded for simplicity of presentation. Numbers may not foot due to rounding.

1. Includes bank deposits, cash and cash equivalents

Investor Relations Contact

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The images in the presentation feature team Sun Hung Kai Scallywag, one of Hong Kong's top professional off-shore sailing teams.

The team won the homecoming leg of the renowned Volvo Ocean Race 17-18, one of the toughest sailing challenges in the world. It was also the line honours winner in the SOLAS Big Boat Challenge and Australia Maxi Championship in 2021, the Sun Hung Kai & Co. Around The Island Race in 2022, as well as the Maxi World Championships and the Rolex Middle Sea Race in 2024.

Sun Hung Kai & Co. believes that competitive sailing reflects and espouses the company's ethos - *"Endure. Adapt. Excel"* and the team's spirit is a source of inspiration for all our employees, business partners and the community at large.



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