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Sun Hung Kai & Co. Announces 2024 Annual Results

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Business Transformation Continues to Gain Traction with a Net Profit of HK\$377.7 million

Sun Hung Kai & Co. Limited (Stock Code: 86.HK) (“SHK & Co.” or the “Company”, together with its subsidiaries, the “Group”) announces a significant improvement in its annual results for the year ended 31 December 2024.

Financial Highlights

	For the year ended 31 Dec		
	2024	2023	Change
Revenue (<i>HK\$ million</i>)	3,762.0	3,916.6	-3.9%
Pre-tax profit (<i>HK\$ million</i>)	861.3	76.6	1024.4%
Profit/ (loss) attributable to owners of the Company (<i>HK\$ million</i>)	377.7	(471.4)	N/A
Basic earnings/ (losses) per share (<i>HK cents</i>)	19.3	(24.1)	N/A
Second interim dividend (<i>HK cents</i>)	14.0	14.0	-
Book value per share (<i>HK\$</i>)	10.8	10.8	-

In 2024, the Group navigated a challenging environment to deliver solid financial performance and return to profitability. Despite persistent headwinds from high interest rates and geopolitical tensions, as well as economic weakness in Greater China, its diversified businesses in Credit, Investment Management, and Funds Management remained resilient. It exercised caution in underwriting new loans and managed its investment portfolio effectively. Pleasingly, the growth of its Funds Management business contributed to new revenue streams, and it maintained a robust financial position prioritising capital efficiency and liquidity, positioning SHK & Co. to capitalise on market opportunities created by dislocated markets.

With its diversified business model generating sustainable value to shareholders, the Group returned to profitability with pre-tax profit achieving HK\$861.3 million (2023: HK\$76.6 million), more than a tenfold year-on-year (“YoY”) increase. The significant improvement in profitability was primarily driven by the improved performance of SHK & Co.’s Investment Management business, with a growing contribution from the Funds Management business. Profit attributable to the owners of the Company was HK\$377.7 million (including 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), a turnaround from a loss of HK\$471.4 million for the same period last year.

Basic earnings per share was HK19.3 cents (2023: losses of HK24.1 cents). Revenue in 2024 was HK\$3,762.0 million, mainly consisting of interest income of HK\$3,573.0 million.

The Board of Directors of the Company declared a second interim dividend of HK14 cents per share for the year ended 31 December 2024. Together with an interim dividend of HK12 cents per share, the total dividend per share was HK26 cents, the same level as last year. During the year, the Company repurchased and cancelled 210,000 shares and will continue to do so in the ordinary course of business. It has returned a total of HK\$15.4 billion to its shareholders through dividend payments and share buybacks since 1997.

The Company repurchased US\$37.9 million of its medium-term notes (“MTN”) and redeemed US\$277.0 million of the outstanding MTNs due in 2024, reducing MTN exposure by US\$314.8 million. This, alongside a decrease in total bank and other borrowings, lowered the net gearing ratio by 740 basis points to 31.2% YoY, reflecting its focus on enhancing capital efficiency. As of 31 December 2024, the Group’s book value per share was HK\$10.8 (2023: HK\$10.8).

Segment Performance

(HK\$ million)	Pre-tax contribution for the year ended			Segment assets as at	
	2024	2023	Change	Dec 2024	Dec 2023
CREDIT BUSINESS					
Consumer Finance	807.3	979.5	-17.6%	17,761.5	18,062.9
Mortgage Loans	39.5	65.7	-39.9%	2,155.6	2,674.6
Private Credit	--	(158.9)	N/A	--	--
Sub-total	846.8	886.3	-4.5%	19,917.1	20,737.5
INVESTMENT MANAGEMENT	(405.9)	(1,291.3)	-68.6%	14,914.2	16,257.4
FUNDS MANAGEMENT	49.0	16.8	191.7%	59.6	24.9
GMS	371.4	464.8	-20.1%	2,409.2	3,849.7
Total	861.3	76.6	1024.4%	37,300.1	40,869.5

Funds Management

Against a backdrop of a challenging fundraising environment in 2024, SHK & Co.’s Funds Management business achieved strong growth, driven by robust net capital inflows and solid market performance across nearly all strategies. Total assets under management (“AUM”) reached a record US\$2.0 billion. External investor capital increased to nearly 80% of the AUM across its Fund Partnerships, Family Office Solutions, and Sun Hung Kai Capital Partners (SHKCP) Funds. With the increase in AUM, the division’s fee income correspondingly increased 55.6% YoY.

SHK & Co.’s Family Office Solutions (“FOS”), the multi-family office platform, made significant progress in expanding its client base and AUM last year. Leveraging the Group’s extensive networks and expertise, FOS offers unique access to alternative investments to family offices and ultra-high-net-worth individuals with a mutual alignment of interest and generates attractive risk-adjusted returns.

Investment Management

SHK & Co. has successfully established itself as a diversified alternatives investor since expanding into Investment Management in 2015. In 2024, the Investment Management segment achieved an overall investment gain of 2.5%, with contributions from all asset classes. This included a 10.6% return from ongoing hedge funds. Real Estate achieved a 3.0% gain, driven by a strong recovery in its hospitality investments in the EU, while the Private Equity portfolio posted a 1.1% return due to limited exit events.

Credit Business

The Credit business delivered a pre-tax profit of HK\$846.8 million. On its consumer finance side, the new credit card business, SIM Credit Card, generated cumulative transaction volumes exceeding HK\$1.5 billion by year-end. Mortgage Loans segment also expanded its offerings by launching a mortgage servicing business managing a US\$100 million institutionally owned residential mortgage portfolio for third-party investors. Collaborating with SHK & Co.'s Special Situations and Structured Credit team, the Company's Mortgage Loans subsidiary is uniquely positioned to capitalise on opportunities driven by market volatility and generate additional revenue streams.

Strategic Partnerships

SHK & Co. continued to form strategic partnerships to diversify its portfolio and maintain resilience against market headwinds. The strategic alliance with GAM Investments ("GAM") established last year has been successful as it continued to grow the GAM fund assets in Greater China and expanded into the wealth management sector. The Group also formed a strategic partnership with Wentworth Capital, a leading Australian-focused real estate private equity firm, to connect high-quality opportunities in the real estate sector with like-minded partners to sustainably drive growth. These partnerships reflect the Company's broader objective to explore global expansion and identify strategic opportunities that broaden the spectrum of its service offerings.

Mr. Lee Seng Huang, the Group Executive Chairman, said, "As we look to 2025, the economic landscape remains volatile. While the uncertainties impact investor sentiment and necessitate a cautious approach, they also present opportunities as we continue to sharpen our strategic focus. The origination of compelling opportunities in private credit and special situations, in particular, will continue to uncover mispriced assets, potentially counterbalancing the slower activity observed in other asset classes.

Additionally, the Investment Management business will deepen its collaboration with the Funds Management team, creating access to exclusive investment opportunities and enabling clients to achieve attractive returns with strong alignment of interests. By exploring new partnerships and developing our FOS business. The alternative asset management platform is well-positioned to achieve continued growth as we complete our strategic business transformation."

For more details of the 2024 annual earnings, please refer to the [official announcement](#).

[^] “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. Ownership-adjusted Assets under management by its strategic alliances, in which SHK & Co. has equity stakes; and
4. Assets under distribution by SHKCP for third party managers.

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

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About Sun Hung Kai & Co.

Sun Hung Kai & Co. Limited (SEHK: 86) (“SHK & Co.” / the “Company”, together with its subsidiaries, the “Group”) is a leading Hong Kong-based financial institution recognised for its expertise in alternative investments and wealth management. Since 1969, the Company has built a diversified investment portfolio across public markets, credit and alternatives strategies including real estate and private equity, delivering long-term risk-adjusted returns.

Leveraging its deep-rooted Asian heritage, SHK & Co. supports and nurtures specialist emerging asset managers in the region, empowering them to excel. SHK & Co. also utilises its long-standing investment expertise and resources in providing tailored investment solutions to like-minded partners and ultra-high-net-worth investors through its Family Office Solutions. As of 31 December 2024, the Group held about HK\$37.3 billion in total assets.

For more information about SHK & Co., please visit www.shkco.com / follow us on [LinkedIn](#).

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