

## **Sun Hung Kai & Co. Limited continues to deliver on solid growth**

### **Financial highlights (for the year ended 31 December 2014)**

- Profit attributable to owners of the Company up 26% to HK\$1,328.4 million.
- Total revenue rose 15% to HK\$5,251.2 million. Profit before tax increased 25% to HK\$2,157.4 million.
- Operating earnings saw a healthy increase of 9% over 2013 to HK\$1,773.5 million.
- Loan books balance increased 13% to HK\$18.5 billion.
- Basic earnings per share was HK61.7 cents (2013: HK49.4 cents).
- Final dividend of HK14 cents per share, including the interim dividend and the special dividend delivered in the interim period, total dividend amounted to HK26 cents per share for the whole year (2013: HK22 cents).

**Hong Kong, 19 March 2015** – Sun Hung Kai & Co. Limited (stock code: 86) (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce its results for the year ended 31 December 2014.

2014 was an eventful year for the Group, with the ongoing roll-out of its Mainland China strategy and an encouraging establishment of its Internet finance initiatives. This resulted in solid growth in both its underlying wealth management and consumer finance businesses. The Group recorded a profit before tax of HK\$2,157.4 million in 2014, an increase of 25% compared with 2013 (2013: HK\$1,720.2 million). Profit attributable to owners of the Company rose 26% to HK\$1,328.4 million (2013: HK\$1,051.6 million), and earnings per share was HK61.7 cents (2013: HK49.4 cents). Operating earnings saw a healthy increase of 9% over 2013 to HK\$1,773.5 million.

The Board has recommended a final dividend of HK14 cents per share (2013: HK12 cents per share). Together with the interim dividend of HK10 cents per share and the special dividend of HK2 cents per share to commemorate the Group’s 45<sup>th</sup> anniversary delivered in the interim period, the total dividend for the year amounted to HK26 cents per share (2013: HK22 cents per share).

“Our solid financial performance is a reflection of our continued roll-out of both our Wealth Management and Consumer Finance strategic plans, augmented by strong returns generated by our Principal Investments unit. We are well positioned to benefit from the continued liberalisation of the Chinese capital markets,” said Mr Lee Seng Huang, Group Executive Chairman of Sun Hung Kai & Co. Limited.

United Asia Finance Limited (“UAF”), the Company’s Consumer Finance business, delivered a strong set of results for the year, with robust growth in revenue and profits. Revenue rose 20% and pre-tax contribution grew by 15% to HK\$1,407.7 million. UAF’s gross loan balance exceeded HK\$12 billion, representing an increase of 14% from 2013. UAF entered its next phase of development by adopting a capital-light model, which allows UAF’s business to grow with reduced geographical constraints. Under this model, partnerships were also established with Souyidai.com (a unit of Sohu.com Inc.) and Dianrong.com, enabling UAF to provide loan products to online finance platforms. Alliances with

58.com Inc. and Youche.com Inc. were also established to expand the reach of its loan products. UAF will continue to assess and explore online lending opportunities. As at 31 December 2014, UAF operated a total of 189 branches across 17 cities and provinces including Hong Kong and a number of major Mainland China cities.

For the Wealth Management and Brokerage division, the Group continued to transform Sun Hung Kai Financial into a full service wealth management firm. Commissions from wealth management products increased by 17% year-on-year and contributed 44% of total commissions. Total commission income of the segment increased by 7% over 2013.

In order to accelerate the growth of its Wealth Management and Brokerage business, the Group, as part of its long stated strategic plans, had been seeking a suitable Chinese strategic partner to leverage its operating platform with greater access to customers in Mainland China. On 2 February 2015, the Company announced that Everbright Securities Company Limited is acquiring 70% of Sun Hung Kai Financial Group Limited. The retained 30% stake will allow the Group to participate in the continued growth of the wealth management sector.

The Structured Finance business, which provides innovative funding solutions to corporate clients, has been one of the key growth areas for the Group. In 2014, the loan balance increased 42% to HK\$3,346 million. Pre-tax contribution was HK\$102.7 million. This business will be a focus in the future and will be expanded.

The Group's Principal Investments segment achieved solid results in 2014 and contributed HK\$537.2 million to pre-tax profit. A number of the Group's earlier strategies to focus on the technology sector and recovery of the China A-share market continue to outperform.

During the year, the Company was awarded its second consecutive Gold Award in *The Asset's* Excellence in Management and Corporate Governance Awards. The Group has been named a 10 Years Plus Caring Company by the Hong Kong Council of Social Service, an acknowledgement of the Group's continuous support and contribution as a responsible corporate citizen of Hong Kong.

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### **About Sun Hung Kai & Co. Limited**

Sun Hung Kai & Co. Limited (the "Group") is a leading financial services group specialising in wealth management, securities brokerage and consumer finance with an extensive branch and office network of over 200 locations across Hong Kong, Macau and Mainland China.

With its foundation dating back to 1969, the Group seeks to create long-term value for clients and shareholders through its business divisions: Wealth Management and Brokerage, Structured Finance, Consumer Finance and Principal Investments. The Group's subsidiaries, including Sun Hung Kai Financial Limited and United Asia Finance Limited, provide a broad range of financial services to both retail and institutional clients. The Group currently has more than HK\$14.9 billion\* in shareholders' equity. Further information is available at [www.shkco.com](http://www.shkco.com).

\* Figure as of 31 December 2014

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