新世界發展有限公司
New World Development Company Limited
(incorporated in Hong Kong with limited liability)
(Hong Kong Stock Code: 0017)

Interim Results Announcement 2023/2024

Results Highlights:

- Core profit from continuing operations was HK$4,866 million, up 12%
- Profit attributable to shareholders from continuing operations was HK$502 million, excluding a one-time, non-cash charge related to the sale of NWS Holdings Limited
- From continuing operations, the Group's revenues recorded a year-on-year decrease by 25% to HK$17,066 million due to less bookings from property development in both Hong Kong and mainland China; however, gross profit was up by 2% to HK$7,257 million contributed by higher margin from property investment in K11 portfolio.
- Revenues of property development in Hong Kong amounted to HK$1,246 million
- Revenues of property development amounted to HK$5,495 million
- Revenues of property investment in Hong Kong was HK$1,745 million, and the segment results was HK$1,299 million, up by 17% and 19% respectively. The growth was mainly attributed to the improvement in operational efficiency and occupancy rate of K11 MUSEA and K11 Art Mall in Tsim Sha Tsui
- Revenues of property investment in Mainland China was HK$929 million, and the segment results was HK$454 million, up by 4% and 3% respectively, benefitting from steady and high occupancy rate
- Continuous stringent cost control efforts as evidenced by an approximately 21% and 16% year-on-year decrease respectively in capital expenditures and administrative and other operating expenses from continuing operations
- FY2024 interim dividend: HK$0.2 per share
- Total capital resources amounted to approximately HK$52 billion, including cash and bank balances of approximately HK$39 billion and undrawn facilities from banks of approximately HK$13 billion

Business Review

Hong Kong Property Development

In 2023, Hong Kong's housing price and transaction volume continued to drop amid uncertainties and challenges on the global economic market and elevated interest rates. According to public data from the Land Registry, Hong Kong recorded a 20% year-on-year decline in the agreements for primary sale and purchase of residential building units and a 9% year-on-year drop in the consideration of agreements from July 2023 to December 2023.

During the period under review, the Group's revenues and segment results of property development in Hong Kong were HK$1,246 million and HK$817 million, respectively. The major contributions were attributed by residential projects including MOUNT PAVILIA and The Masterpiece.

During the period under review, the Group achieved attributable contracted sales in Hong Kong of approximately HK$143 million, mainly contributed by residential projects including THE KNIGHTSBRIDGE and the sale of units of NCB Innovation Centre.

As at 31 December 2023, among the unrecognised attributable income of the Group contracted sales of properties in Hong Kong, HK$2,632 million would be booked in 2HFY2024 and HK$7,900 million would be booked in FY2025. Key projects expected to be booked in 2HFY2024 include MOUNT PAVILIA and FLEUR PAVILIA. Key projects expected to be booked in FY2025 include THE PAVILIA FARM III, MOUNT PAVILIA and THE KNIGHTSBRIDGE.

Hong Kong Property Investment and Others

As the tourism industry of Hong Kong has gradually rebounded and given the improving business environment, the Hong Kong Government also actively launched various promotional campaigns to stimulate tourists' spending. The retail property portfolio of the Group achieved solid performance, with increases in both footfall and rental activities.

During the period under review, the Group's revenues and segment results of property investment in Hong Kong amounted to HK$1,745 million and HK$1,299 million, respectively. The growth in segment results was mainly due to the improvement in operational efficiency and the unique "Cultural Commerce" business model of K11 MUSEA and K11 Art Mall, with overall sales performance and footfall continued to exhibit growth.

During the period under review, K11 MUSEA recorded a year-on-year increase of 41% in sales mainly driven by luxury spending, beauty care and cultural activities, with total footfall amounted to over 15 million, representing a year-on-year increase of 39%. The sought-after K11 Art Mall for GenZ recorded a year-on-year increase of 29% in sales with the overall occupancy rate of almost 100%. K11 Art Mall also achieved a strong year-on-year growth in footfall, which hit new highs in December since its opening. The Group has been optimising its tenant mix, and by leveraging on unique marketing strategies and a variety of cultural and art events, it attracted local customers and tourists for shopping.

Although signs of improvement were seen after reopening of border, the office leasing market in Hong Kong remained challenging. During the period under review, both leasing enquiry and activities of the Group's office buildings maintained at satisfactory level by virtue of efforts in attracting new customers and renewals with majority of existing tenants.

During the period under review, the fair value loss of investment properties was HK$365 million, of which consists of gross write down on certain investment properties of HK$1,801 million. In addition, there is a gain in fair value upon transfer to investment properties of HK$1,257 million.

Hong Kong Landbank

During the period under review, the Hong Kong Government promulgated a series of land and housing policies, which included the increase of land supply and the implementation of the Northern Metropolis Development Strategy. In the long term, the Northern Metropolis will be the new engine for Hong Kong's future development and the New Development Areas will be one of the key sources of land supply. The Group will continue to expedite its farmland conversion to unlock value, and will act in line with the government's policies and measures when replenishing land bank to meet housing demand in Hong Kong.

As at 31 December 2023, the Group had a landbank with a total attributable gross floor area ("GFA") of approximately 8,000,000 sq ft in Hong Kong available for immediate development, of which approximately 3,234,000 sq ft was for property development. Meanwhile, the Group had an agricultural landbank with a total attributable land area of approximately 16,342,000 sq ft pending land use conversion in the New Territories, approximately 90% of which was located within the Northern Metropolis.

Landbank by District **As at 31 December 2023**	**Property Development Total Attributable GFA (sq ft '000)**	**Property Investment and Others Total Attributable GFA (sq ft '000)**	**Total Attributable GFA (sq ft '000)**
Hong Kong Island	817.3	-	817.3
Kowloon	1,513.0	998.2	2,511.2
New Territories	904.1	3,767.4	4,671.5
Total	**3,234.4**	**4,765.6**	**8,000.0**

Agricultural Landbank by District **As at 31 December 2023**	**Total Land Area (sq ft '000)**	**Total Attributable Land Area (sq ft '000)**
Yuen Long District	12,283.4	11,284.6
North District	2,476.0	2,177.7
Sha Tin District and Tai Po District	1,910.8	1,856.7
Sai Kung District	1,195.0	1,023.3
Total	**17,865.2**	**16,342.3**

Mainland China Property Development

Since July 2023, as the Central Government and local governments at all levels have been successively introducing policies such as issuing of RMB1 trillion worth of sovereign bonds, relaxing property purchase limit, and supporting the "three major projects" including redevelopment of urban villages, market expectation has started to stabilise with confidence boosted, which is conducive to the stable and healthy development of the real estate market. The Ministry of Housing and Urban-Rural Development and the National Financial Regulatory Administration, adhering to the principle of "pursuing progress while ensuring stability, consolidating stability through advancement, and prioritising development before addressing problems", and have introduced measures and mechanisms to satisfy rigid and discretionary housing demand. They included real estate financing coordination mechanisms, lowering mortgage interest rate, city-specific, location-specific measures and aiming for precision in rolling out policies. Generally speaking, the optimisation of policies in core cities has continued, and the property market has gradually bottomed out and stabilised.

In January 2024, Guangzhou introduced policies to relax purchase limits, making it the first tier-one city to relax restrictions on home purchase limits in central urban areas. The move, posing a strong weathervane effect, is expected to drive the same in the Greater Bay Area, tier-one cities, and regional core cities. With a huge inventory of property in Guangzhou and specialising in improvement products and focusing on the core cities of the Greater Bay Area and the Yangtze River Delta, the Group stands prime to continue to benefit.

During the period under review, the Group's revenues and segment results from property development in Mainland China amounted to HK$5,495 million and HK$3,136 million, respectively. Contributions were mainly from the residential projects in Guangzhou Park Paradise, Shenyang New World Garden Phase and Guangzhou Covent Garden.

Leveraging the Group's forward-looking layout in core cities in the Greater Bay Area and Yangtze River Delta Region, coupled with good project positioning and established brand reputation, the Group achieved remarkable sales performance despite the challenging market environment. Among them, the Guangzhou New Metropolis • New Metropolis Mansion residential project has amassed sales of more than RMB 4 billion since its launch. It is currently the first project to have topped out all its residential, commercial, and office buildings in Changlong Wanbo. By 2025, it is expected that owners will be able to enjoy the all-round quality of life that the complex offers. Meanwhile, New World's The Parksville in Shenyang broke a number of sales records in 2023. All units were launched and sold from July to September 2023, and it became the monthly champion of commercial housing sales in Shenyang. With total sales of over RMB1.4 billion in 2023, it ranked first in terms of commercial residential sales in Shenyang, and received over 6,000 groups of visiting customers.

During the period under review, the Group's total contracted sales of properties in Mainland China amounted to RMB7.55 billion, achieving 50% of the sales target of RMB15 billion for FY2024. The contracted sales area reached approximately 183,000 sq m and the average price of total contracted sales exceeded RMB41,000 per sq m. In terms of the contracted sales by region, the Southern Region and the Eastern Region, led by the Greater Bay Area and the Yangtze River Delta Region, respectively, were the largest contributors, accounting for over 82%. The main contributors were Guangzhou New Metropolis • New Metropolis Mansion, Shanghai City Gather, and Yuejing New World in Shenyang.

Contracted Sales by Region

As at 31 December 2023 Region	Area (sq m '000)	Proceeds (RMB m)
Southern Region (i.e. the Greater Bay Area)	99.9	5,060
Eastern Region (i.e. the Yangtze River Delta Region)	11.7	1,104
Central Region	3.3	21
Northern Region	12.9	181
North-Eastern Region	55.5	1,184
Total	**183.3**	**7,550**

As at 31 December 2023, among the Group's unrecognised gross revenues from contracted sales of properties in Mainland China RMB9,800 million and RMB3,400 million would be booked in 2HFY2024 and FY2025, respectively.

During the period under review, the Group's total GFA of projects completed in Mainland China (excluding carparks) was approximately 550,000 sq m, most of which was in the Greater Bay Area. The total GFA of completed projects (excluding carparks) is expected to reach approximately 1,312,000 sq m in FY2024.

1HFY2024 Project Completion in Mainland China – Property Development

Region	Project/Total GFA (sq. m)	Residential	Commercial	Office	Total (excluding carpark)	Total (including carpark)
Guangzhou	Guangzhou Park Paradise District 3 Batch E	44,503	-	-	44,503	61,757
	Guangzhou Zengcheng International Community Project	107,739	16,600	-	124,339	124,339
Foshan	Guangzhou Foshan Canton First Estate CF-21B	52,854	-	-	52,854	84,584
Beijing	Beijing New View Commercial Centre	-	9,941	13,180	23,121	27,573
Shenyang	Shenyang New World Garden Phase 2C-2	122,953	10,886	-	133,839	133,839
Anshan	Anshan New World • The Grandiose Phase 1B3	16,272	466	-	16,738	16,738
	Total	**344,321**	**37,893**	**13,180**	**395,394**	**448,830**

1HFY2024 Project Completion in Mainland China – Property Investment and Others

Region	Project/Total GFA (sq. m)	Commercial	Office	Total (excluding carpark)	Total (including carpark)
Guangzhou	Panyu International School Project Phase 2	35,249	-	35,249	35,249
Shenzhen	Qianhai CTF Financial Tower Project	19,542	99,391	118,933	118,933
Shenyang	Shenyang New World Garden Phase 2C-2	-	-	-	45,101
	Total	**54,791**	**99,391**	**154,182**	**199,283**

2HFY2024 Project Completion Plan in Mainland China – Property Development

Region	Project/Total GFA (sq. m)	Residential	Commercial	Office	Total (excluding carpark)	Total (including carpark)
Guangzhou	Guangzhou Zengcheng International Community Project	173,060	17,530	-	190,590	270,755
Foshan	Guangzhou Foshan Canton First Estate CF-28	30,993	-	-	30,993	43,390
Hangzhou	Hangzhou River Opus	149,451	-	-	149,451	149,451
	Hangzhou New World Centre Project	-	75,148	37,930	113,078	285,979
Wuhan	Wuhan New World • Times Land A	-	6,713	-	6,713	6,713
Huizhou	Huizhou Changhuyuan Phase 4	50,362	5,405	-	55,767	80,030
	Total	**403,866**	**104,796**	**37,930**	**546,592**	**836,318**

2HFY2024 Project Completion Plan in Mainland China – Property Investment and Others

Region	Project/GFA (sq. m)	Commercial	Office	Total (excluding carpark)	Total (including carpark)
Guangzhou	Panyu International School Project Phase 3	26,412	-	26,412	26,412
	Panyu International School Project Phase 4	48,110	-	48,110	48,110
	Guangzhou Zengcheng International Community Project	-	-	-	40,170
Ningbo	Ningbo New World Plaza Land No. 1	16,238	-	16,238	34,431
	Ningbo New World Plaza Land No. 2	18,804	5,685	24,489	40,106
	Ningbo New World Plaza Land No. 2A	6,058	8,299	14,357	22,201
	Ningbo New World Plaza Land No. 3	19,701	-	19,701	32,450
	Ningbo New World Plaza Land No. 4	25,189	32,974	58,163	83,542
	Ningbo New World Plaza Land No. 6	7,822	-	7,822	66,076
	Total	**168,334**	**46,958**	**215,292**	**393,498**

Mainland China Property Investment and Others

According to data released by the National Bureau of Statistics, total retail sales of consumer goods reached RMB47,149.5 billion in 2023, up 7.2% year-on-year and hitting a new high. Consumption re-emerged as the main driver of economic growth, fueled by the public's increasing demand for a better quality of life, creating huge room for growth for the consumer market, which bodes well for sustainable development.

Revenues of property investment in Mainland China was HK$929 million, and the segment results was HK$454 million, up by 4% and 3% respectively, during the period under review. The occupancy rates of major projects in the investment property portfolio remained stable.

Leveraging the unique brand positioning of K11 under the Group, the K11 Art Malls owned or managed by the Group in Mainland China reported an excellent sales performance.

During the period under review, with a focus on culture-driven development, Shanghai K11 joined forces with more fashion media, co-organising various commercial events to effectively drive sales of tenants' brands through experiences, which in turn created cross-selling synergies. Last summer, Guangzhou K11 made a splash on Tiktok through its "Everyday Wonder" collaboration with artists, with related topics reaching nearly 13 million views on social media. In collaboration with major youth communities, Wuhan Guanggu K11 Select tapped hundreds of Gen Z enthusiasts to jointly create a new youth gravitational force, strengthening K11 Select's trendy brands and improving the consumer conversion rate. Both sales and footfall at Shenyang K11 Select increased by over 30% year-on-year. During the period under review, Shenyang K11 Select created synergies with tenants by launching various promotions for members, resulting in better operating results for both parties. It also supported tenants in the operation of Xiaohongshu and received their positive feedback and recognition.

With the successive completion and opening of several projects operated or managed by K11, the Group will continue to adhere to its strategic vision of "Improving Integration and Connectivity in First-Tier Cities in the Greater Bay Area and the Yangtze River Delta Region" and diversify its business to increase recurring rental income.

Moreover, the grand opening of the New World Canton complex in the centre of Guangzhou East took place during the period under review. The New World Canton complex brings together four key quality businesses: New World Canton Centre, a Grade A+ office building; The Canton Place Select, a modern commercial district; Tongpai Hotel, a cross-sector trendy lifestyle brand; and The New Canton Mansion, a high-end residential property. It is also the first mixed-use project in Zengcheng District that integrates office, commercial, hotel and high-end residential elements. Once operational, the complex will significantly enhance the commercial quality of Zengcheng, while the expanded business scale and increased business volume will also provide solid support for the development of the centre of Guangzhou East.

A landmark of exquisite lifestyle and where high-end businesses address in northern Guangzhou, Yunmen NEW PARK, since unveiled in 2018, has seen average daily footfall of over 100,000, continuing to inject vitality into the city's retail business. Gathering over 170 well-known international brands and affording a diverse mix of businesses and original IP events, Yunmen NEW PARK offers customers new sensory experience on every visit.

The Canton Place, right in the international quality living circle of Zhujiang new town, is a high-end commercial complex in the Guangzhou CBD. With renovation and upgrade completed, the project is not only an urban international community living hub, but also a hot cultural and social destination for citizens. Flexible in using space, it connects consumers with cultures worldwide and has created an open-style international community with business, arts and inclusive social activities all under one roof.

In August 2023, the grand relocation ceremony of the Group's Shenzhen project company was held at the Qianhai CTF Financial Tower in Shenzhen, which not only marked the official completion of Qianhai CTF Financial Tower, but also symbolised the start of the Group's journey in Shenzhen. The South Tower of Qianhai CTF Financial Tower was delivered in December 2022, and the entire project was sold to one of the world's top 500 financial institutions. With the full delivery of the North Tower, Qianhai CTF Financial Tower has now become the Group's landmark mixed-use project in Shenzhen with a satisfactory lease performance.

Mainland China Landbank
As at 31 December 2023, the Group had a land bank (excluding carparks) with a total GFA of approximately 4,350,000 sq m available for immediate development in Mainland China, of which approximately 2,298,000 sq m was zoned for residential use. Of the total GFA of the Group's land bank (excluding carparks), approximately 3,662,000 sq m were core property development projects mainly located in Guangzhou, Shenzhen, Foshan, Wuhan, Shanghai, Ningbo, Hangzhou, Beijing and Shenyang, of which approximately 64% were located in the Greater Bay Area and the Yangtze River Delta Region, with approximately 1,739,000 sq m zoned for residential use.

Land Bank by Region

As at 31 December 2023	Total GFA (excluding carpark) (sq m'000)	Residential Total GFA (sq m'000)
Southern Region (i.e., the Greater Bay Area)	1,666.9	1,065.6
Eastern Region (i.e., the Yangtze River Delta Region)	730.7	200.4
Central Region	707.0	349.8
Northern Region	581.8	254.4
North-Eastern Region	663.6	428.2
Total	**4,350.0**	**2,298.4**
Of which, Core Projects	**3,662.2**	**1,739.3**

Over the years, the Group has focused on improving integration and connectivity in the Greater Bay Area and the Yangtze River Delta region, adhering to the business philosophy of pursuing quality growth. As the market recovery gathers pace, the Group's competitive edges and the value of its land bank will become more apparent. In addition, the PRC government has continued to formulate and refine policies related to urban renewal. The Group will, as always, continue to flexibly adjust the progress of its projects in line with such policies and based on the market environment and business circumstances, so as to enhance its advantages in developing the urban renewal business.

The Group is currently investing in and developing eight urban renewal projects in Mainland China, all of which are located in the core cities of Guangzhou and Shenzhen, with a saleable area of 2,000,000 sq m. Of these, renovation works for the 188 Industrial Zone renewal project in Longgang District, Shenzhen have commenced and sales of the property are expected to commence in FY2025. Two other urban renewal projects in Shenzhen, namely the Xili Industrial Zone Project and the Guangming Guangqiao Food Factory Project, have entered the full development stage. Orderly progress was also made in a number of other urban renewal projects in the Guangzhou city centre, indicating that the Group's urban renewal business is advancing to the harvest stage.

Hotel Operations
In Hong Kong, with the reopening of the land border with Mainland China since January 2023 and the gradual resumption of international flights, Hong Kong's hotel and tourism sectors rebounded strongly, mainly due to the return of visitors from Mainland China. Total visitor arrivals in Hong Kong from July to December 2023 is estimated to be 21 million, representing a huge increase from the same period last year, with visitors from Mainland China accounting for 80% of the total arrivals. During the period under review, the Group's hotel in Hong Kong recorded a 55% year-on-year growth in revenues, which was mainly driven by rooms, while F&B also outperformed the same period last year, especially banquet sales.

In Mainland China, travel restrictions were gradually eased since the first quarter of 2023, leading to a robust recovery in domestic travel. During the Golden Week holiday in October, domestic travel recovered to pre-pandemic levels. However, outbound and inbound travel have yet to fully recover; constrained by limited international flight capacity. In an effort to stimulate tourism, the Chinese government has been rolling out measures to facilitate inbound travel since late September. Visa policies were further eased in November 2023, including the granting of landing visas to visitors from certain European and Asian countries. During the period under review, the Group's hotels in Mainland China recorded revenues growth of over 70% growth. In particular, the hotels in Beijing recorded the highest growth, ranging from 120% to 140% year-on-year.

In Southeast Asia (SEA), the Group's four hotels recorded significant revenues growth of 25% year-on-year due to the influx of international leisure travellers and stable recovery of MICE groups. In addition, the reopening of Mainland China's international boarder, the largest tourism feeder market, played a significant role in contributing to this positive trend.

Looking ahead, Hong Kong's hotel and tourism sectors are expected to continue to recover gradually and approach full normalcy by the end of 2024 and throughout 2025, assuming that flight capacity is fully restored to pre-pandemic levels by the end of 2024. In Mainland China, visa policies are becoming more supportive of outbound travel, and international flight capacity is expected to continue to recover throughout 2024 and 2025. The recovery trend is expected to continue into the first half of 2024, with outbound travel recovering faster than inbound travel to Mainland China. In general, the overall business will tend to be stable. In SEA, the return of Mainland Chinese tourists to SEA markets has started to trickle in at a faster pace towards 2024 due to the easing of group travel restrictions. Supported by the addition of new direct flights from Mainland China to key tourism destinations in the region, together with Thailand's announcement to expand its list of visa-free countries to include Mainland China and India, tourist arrivals are likely to increase further.

As at 31 December 2023, the Group owned a total of 17 hotel properties in operation in Hong Kong, Mainland China and Southeast Asia, with a total of 6,567 rooms.

Discontinued operations

Three Core Businesses under NWS Holdings Limited ("NWSH")

NWSH's core businesses are Roads, Construction and Insurance. On 17 November 2023, the Group announced that all its shares in NWS Holdings Limited ("NWSH") had been disposed of by the Group and the consideration of the relevant NWSH Shares had been received by the Group on 20 November 2023. Accordingly, the Group no longer holds any shares in NWSH and NWSH has ceased to be a subsidiary of the Group, following which the business operations and performance of NWSH will no longer be consolidated with and reflected in the financial information of the Group subsequent to 17 November 2023.

The analysis below compares NWSH results for the period from 1 July to 17 November 2023 to last period on pro-rata basis.

Roads

During the period under review, sequential economic recovery after the relaxation of COVID-19 containment measures in the Mainland continued to bode well for NWSH's Roads segment, enabling it to offset negative impact from RMB depreciation and temporary traffic control during the Asian Games that affected the performance of Hangzhou Ring Road. During the period under review, road's revenues and segment results recorded a 12% and 15% growth period-on-period by pro-rata basis, respectively.

During the period under review, NWSH increased its stake in Shenzhen-Huizhou Expressway (Huizhou Section) by around 5.2% to 38.5% in September after the extension of the conversion period for 13 years with a view to benefitting from the positive outlook for the expressway driven by the increasing traffic flow and the flourishing Greater Bay Area. Meanwhile, the expansion works of Guangzhou-Zhaoqing Expressway have started since the end of 2023, and the expressway is eligible to apply for extension of concession period upon expansion completion.

Insurance

Owing to the adoption of HKFRS 17, the financial results of Insurance segment for the last period has been restated.

NWSH's Insurance segment managed to achieve a noticeable growth in the period under review, attributable to the increase in contractual service margin release due to business growth, higher investment return on surplus assets and one-off impact due to the adoption of HKFRS 17. During the period under review, NWSH's segment results recorded a 12% growth period-on-period by pro-rata basis under HKFRS 17.

Construction
NWSH's Construction segment is principally engaged in building construction and related businesses in Hong Kong through Hip Hing Group (one of the leading contractors in Hong Kong), Vibro Group (the oldest foundation contractor in Hong Kong) and Quon Hing Group (one of the leading suppliers of concrete products in Hong Kong) (collectively, "NWS Construction Group"). NWSH's Construction segment also has an 11.5% interest in Wai Kee. During the period under review, NWS Construction Group's segment results recorded a 9% growth period-on-period by pro-rata basis. Major projects of NWS Construction Group during the Current Period included commercial and residential developments at Kai Tak, office development at 2 Murray Road, Central and Immigration Headquarters at Tseung Kwan O.

Key projects awarded during the period under review included main contract works for commercial development at Caroline Hill Road in Causeway Bay, SOUTHSIDE Package Six property development and subsidised sale flats development at Anderson Road Quarry Site R2-4, as well as excavation, lateral support, foundation and pile cap works for residential and commercial development at Kai Hing Road, Kowloon Bay.

Outlook
With the support from the Central Government, Hong Kong gained unique advantages as an international financial, shipping, trading, innovation and technology centre, alongside a series of initiatives to attract foreign talents and key enterprises actively launched by the HKSAR Government, the Group believes that new momentum would be injected to the local growth, which will promote economic development.

Regarding Hong Kong property development, as at 31 December 2023, the primary market was expected to supply approximately 110,000 private residential units for the next three to four years, which is believed to be the mainstream of the market. In 2HFY2024, the Group will successively launch a number of residential projects in phases and provide over 2,500 units. The Group will also continuously solicit sales for its Grade A office projects including remaining units at NCB Innovation Centre and projects at both Wing Hong Street and King Lam Street, Cheung Sha Wan.

Regarding Hong Kong property investment, the office building market is expected to remain challenging in the future. Nonetheless, the Group's strategic penetration in non-traditional business districts in recent years is getting close to harvest time. The office buildings in Cheung Sha Wan, a district with well-developed infrastructure in support of its close connection with the Greater Bay Area, shall be better positioned to attract more tenants and become a major business district in Hong Kong.

On the retail front, as the Hong Kong Government further promoted the mega event economy, it is believed that more major international events will be held in Hong Kong in the future, revitalising the tourism and local economy. Driven by the recovery in local demand and return of tourists to the city, K11 MUSEA and K11 Art Mall of the Group will continue to benefit from the "Cultural Commerce" business model and create unique and innovative experience for customers. K11 MUSEA will capitalise on the synergy effects with Avenue of Stars and the dock area of Victoria Harbour to launch various cultural and marketing campaigns, and increase the GFA occupied by high-end brands and introduce more pop-up stores, so as to boost footfall and sales for tenants.

K11 Art Mall will actively introduce new popular brands and continue to boost growth in sales volume for the existing tenants as well as upgrading the tenant mix in the future. Besides, the number of newly registered members and active Black Card Members, the largest spenders of the Group's loyalty programme - "KLUB 11" continues to rise. In the future, the Group will strengthen the cooperation with business partners and mall tenants to stimulate customer spending and attract repeat customers.

Kai Tak Sports Park has achieved a significant milestone with the completed installation of the Main Stadium exterior building façade. This marks a significant step towards the final stage of construction for the project. The Group is the leasing agent and operator of the retail area namely "Kai Tak Mall" situated at the Kai Tak Sports Park. Kai Tak Mall is expected to be completed in the second half of 2024. With an overall occupancy rate reaching 70%, the retail area boasts over 200 stores joining the tenant line-up and showcases three unparalleled attractions including top sports academies and an innovative "Sportainment" retail model. Multiple trendy sports brands and the ultimate Dining Cove with over 70 restaurants are set to provide a unique "Sportainment" shopping and leisure experience in Hong Kong to local visitors and tourists.

Spanning approximately 700,000 square feet, Kai Tak Mall comprises three main towers, each rising to five floors in height and connected by a 700-metre-long Sports Avenue that seamlessly integrates the retail complex with the surrounding parkland. Upon completion, the retail area is poised to become Hong Kong's largest “Sportainment” landmark.

Located close to the Hong Kong International Airport and the Hong Kong-Zhuhai-Macau Bridge, the Group’s mega landmark project “11 SKIES” has become the new landmark in the Greater Bay Area with its total GFA of 3,800,000 sq ft. It will have seamless connection to the expanded Terminal 2. In addition, the SKYCITY Transport Terminal located at the base of “11 SKIES” has commenced operation, which is believed to add convenience for the customers. In particular, part of three Grade A office towers has completed and commenced operation. Tenants are mainly comprised of financial and wealth management enterprises, healthcare services enterprises, as well as enterprises which plan to expand their business into the Greater Bay Area, while leasing enquiries also increased in number.

“11 SKIES” will feature the largest indoor entertainment area in Hong Kong with a GFA of 570,000 sq ft, including eight world-class entertainment facilities, which are expected to hold their soft opening in phases from the middle of this year, offering tourists and residents with extraordinary entertainment experience. Currently, the entertainment facilities announced include: KidZania, a park offering fun and interactive experience, being the first of its kind in the Greater China Area and the only one in the Greater Bay Area; South Korea’s immersive media art exhibition ARTE MUSEUM; Timeless Flight Hong Kong, the city’s first motion flying theatre; and the world’s first Paddington themed indoor family play experience “Paddington™ Play Adventures”, where customers of all ages will be able to enjoy playful experiences filled with discovery and adventure.

From a macro perspective, with the issuance of RMB 1 trillion in sovereign bonds, the economy of China is expected to make a full recovery and enter a new cycle of development. The prospects of the real estate industry, as a backbone of the national economy, are becoming increasingly clear with restrictions on property purchase and financing relaxing. Looking at the market, the real estate industry and related upstream and downstream industries still constitute a huge market with annual sales of more than RMB 10 trillion. We have always been confident about the country’s economic development and believe that the future remains promising.

Under the new market landscape, the Group will firmly adhere to its strategy of “Pursuing the Path of High-Quality Development with Steady and Sustainable Growth”, actively integrate its internal and external resources, and continue to strengthen its presence in cities with its strategic vision of “pursuing long-term growth”. Meanwhile, the Group is also devoting its efforts to promoting the growth of both the property development business and the property investment business, constructing high-quality residential properties, and investing in and operating high-end mixed-use and commercial projects in urban areas, in a bid to not only generate momentum for stable growth of its business as a whole, but also to better leverage the advantages of the Group’s diversified businesses.

A number of the Group’s flagship projects will be successively launched in major cities in Mainland China, including THE SILLAGE, the landmark residential project in the central business district of White Swan Lake in Guangzhou, and the commercial portion of the first phase of the New World Hangzhou Arts Centre. The Park by K11 Select in Ningbo is set to become the city’s newest commercial centre in the third quarter of 2024.

The year 2024 marks the beginning of the Group’s in-depth cultivation of the Shenzhen market. Our visionary strategy to penetrate the Shenzhen market is starting to bear fruits. Qianhai CTF Financial Tower has been in full operation since the end of 2023, with business offices gradually moving in. K11 ECOAST, the first flagship project of K11 in Mainland China, which has a total GFA of nearly 230,000 sq m, will open by the end of the year. The urban renewal project of 188 Industrial Zone in the Longgang District is also expected to be launched this year. In addition to the 188 Industrial Zone project in Longgang District, the Group has also simultaneously launched a number of urban renewal projects in Shenzhen, including the Xili Industrial Zone Project and Guangming Guangqiao Food Factory.

K11 is the world's first original brand that combines "Art • People • Nature", reflecting the Group's relentless pursuit of innovation, creativity and culture. Located in Prince Bay Area, Nanshan, Shenzhen, "K11 ECOAST" is the first K11 flagship project in Mainland China, which encompasses the K11 Art Mall, the K11 HACC multi-purpose art space, the K11 ATELIER office building, the Promenade, and more. K11 ECOAST is expected to open by the end of 2024 and will serve as a new cultural and retail landmark on the waterfront and a pioneer of the circular economy in the Greater Bay Area, enhancing the cultural and retail experience in the region.

By FY2026, K11 is expected to have a total of 38 projects with a total GFA of 2,970,000 sq m in 12 major cities across Greater China. With the gradual completion and opening of K11 projects across the country, as well as the successive renovation and upgrading of individual projects, the Group's recurring rental income will continue to grow, providing growth momentum for its business performance.

The Group will continue to optimise its asset portfolio and focus on developing core businesses through disposal of non-core assets and businesses, so as to enhance corporate efficiency and create more value for shareholders. The Group has maintained a sound financial position, with total capital resources of HK$52 billion as at 31 December 2023, including approximately HK$39 billion of cash and bank deposits and approximately HK$13 billion of undrawn facilities from banks. The Group manages cash flow in an active and prudent manner, and strives to improve cost efficiency, balance risks and optimise capex and operating costs. As a result, its capital expenditure and administrative and other operating expenses decreased by approximately 21% and 16%, respectively from the continuing operations during the period under review. The Group has no plan for rights issue in the foreseeable future.

Going forward, the Group will keep strengthening the ties with stakeholders and continue incorporating ESG factors into our business strategies and operations, so as to create long-term value for all stakeholders and the wider community.

LIQUIDITY AND CAPITAL RESOURCES

Net Debt

	As at 31 December 2023 HK$m	As at 30 June 2023 HK$m
Consolidated net debt	**118,918.1**	130,755.9
NWSH (stock code: 0659)	**-**	4,325.9
New World Department Store China Limited ("NWDS") (stock code: 0825)		
– net cash and bank balances	**(76.5)**	(132.0)
Net debt (exclude listed subsidiaries)	**118,994.6**	126,562.0

The Group's funding and treasury policy is designed to maintain a diversified and balanced debt profile and financing structure. The Group's debts were primarily denominated in Hong Kong dollar, United States Dollar and Renminbi. In respect of the Group's operations in Mainland China, the Group maintains an appropriate level of external borrowings in Renminbi for natural hedging. The Renminbi currency exposure of the Group is mainly derived from the translation of non-current assets and liabilities of the subsidiaries, associated companies and joint ventures in Mainland China with functional currency of Renminbi and the Renminbi deposits held for future development costs to Hong Kong Dollar. As at 31 December 2023, the translation of non-current assets and liabilities of subsidiaries, associated companies and joint ventures with functional currency other than Hong Kong Dollar to Hong Kong Dollar by using exchange rates at that day resulted a gain of HK$1,464.9 million is recognised in equity. Apart from this, the Group does not have any material foreign exchange exposure.

The Group's borrowings were arranged on both floating rate and fixed rate basis. The financing costs had increased to HK$2,909.5 million, of which HK$2,522.4 million from continuing operations, due to increase in interest rate. The Group used interest rate swaps, cross currency swaps and foreign exchange forward contracts to hedge part of the Group's underlying interest rate and foreign exchange exposure. As at 31 December 2023, the Group had outstanding cross currency swaps in the amounts of approximately HK$14,800.7 million, and had outstanding interest rate swaps in the amounts of HK$27,929.8 million.

In December 2023, a wholly-owned subsidiary of the Group redeemed US$310.0 million (equivalent to HK$2,418.0 million) 4.750% guaranteed notes at principal amount upon maturity.

In December 2023, the Company through a tender offer purchased and redeemed the following notes and perpetual capital securities issued by the Company's wholly-owned subsidiaries and cancelled pursuant to the terms and conditions of the respective debt securities:

Category	Principal (equivalent to HK$)	Interest rate	Due date	Price range	Net settlement (equivalent to HK$)	Outstanding principal amount as at 31 December 2023 (equivalent to HK$)
GN	US$600.0 million (HK$4,680.0 million)	4.750%	2027	90.000%	US$95.8 million (HK$747.1 million)	US$504.2 million (HK$3,932.9 million)
GN	US$200.0 million (HK$1,560.0 million)	5.875%	2027	91.000%	US$28.0 million (HK$218.4 million)	US$172.0 million (HK$1,341.6 million)
GN	US$950.0 million (HK$7,410.0 million)	4.125%	2029	81.000%	US$222.0 million (HK$1,731.6 million)	US$728.0 million (HK$5,678.4 million)
GN	US$600.0 million (HK$4,680.0 million)	4.500%	2030	80.000%	US$111.0 million (HK$865.8 million)	US$451.8 million (HK$3,524.2 million)
GLN	US$200.0 million (HK$1,560.0 million)	3.750%	2031	76.000%	US$51.8 million (HK$403.9 million)	US$76.1 million (HK$593.2 million)
P	US$1,200.0 million (HK$9,360.0 million)	4.125%	N/A	60.000%	US$55.6 million (HK$433.7 million)	US$1,144.4 million (HK$8,926.3 million)
P	US$500.0 million (HK$3,900.0 million)	6.150%	N/A	87.500%	US$46.1 million (HK$359.7 million)	US$453.9 million (HK$3,540.3 million)

GN: Guaranteed notes listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange")
GLN: Guaranteed sustainability-linked notes listed on the Stock Exchange
P: Guaranteed senior perpetual capital securities listed on the Stock Exchange
N/A: Not applicable

In December 2023, the Company repurchased parts of US$950.0 million (equivalent to approximately HK$7,410.0 million) 4.125% guaranteed notes (stock code: 5418) (the "2029 Notes") and the US$600.0 million (equivalent to approximately HK$4,680.0 million) 4.500% guaranteed notes (stock code: 40223) (the "2030 Notes") in an aggregate principal amount of US$2.2 million (equivalent to approximately HK$17.2 million) and US$2.2 million (equivalent to approximately HK$17.4 million) respectively, which were subsequently cancelled on 10 January 2024. The purchase price ranged from 76.916% to 77.750% of the principal amount of the 2029 Notes and 76.250% to 76.400% of the principal amount of the 2030 Notes. The 2029 Notes and the 2030 Notes of approximately US$725.8 million (equivalent to approximately HK$5,661.2 million) and US$449.6 million (equivalent to approximately HK$3,506.8 million) in aggregate principal amount remain outstanding respectively.

As at 31 December 2023, the Group's cash and bank balances (including restricted bank balances) stood at HK$38,983.5 million (30 June 2023: HK$54,517.9 million) and the consolidated net debt amounted to HK$118,918.1 million (30 June 2023: HK$130,755.9 million). The net debt to equity ratio was 49.9%; an increase of 2.2 and 1.2 percentage points as compared to 30 June 2023 restated ratio and original ratio respectively.

As at 31 December 2023, the Group's long-term bank loans, other loans and fixed rate bonds and notes payable amounted to HK$142,695.2 million (30 June 2023: HK$170,564.3 million). Short-term bank and other loans as at 31 December 2023 were HK$15,206.4 million (30 June 2023: HK$14,709.5 million). The maturity of bank loans, other loans and fixed rate bonds and notes payable as at 31 December 2023 and 30 June 2023 was as follows:

	As at 31 December 2023 HK$m	As at 30 June 2023 HK$m
Within one year	**61,979.8**	49,234.8
In the second year	**26,167.6**	43,847.8
In the third to fifth year	**50,239.4**	67,990.0
After the fifth year	**19,514.8**	24,201.2
	157,901.6	185,273.8

Equity of the Group as at 31 December 2023 decreased to HK$238,213.6 million against HK$274,092.8 million (restated) as at 30 June 2023 mainly due to disposal of NWS Holdings Limited and its subsidiaries during the period.

It is expected that there will not be any equity raising in the foreseeable future.

MAJOR ACQUISITION AND DISPOSAL

On 26 June 2023, Century Acquisition Limited (a wholly-owned subsidiary of Chow Tai Fook Enterprises Limited) as the offeror announced to make a conditional voluntary general cash offer to acquire all the issued shares of NWS Holdings Limited ("NWSH") not already beneficially owned by Chow Tai Fook (Holding) Limited and its subsidiaries (the "NWS Offer Shares") at an offer price of HK$9.15 per NWS Offer Share (the "NWS Share Offer") subject to the satisfaction or waiver (where applicable) of certain pre-conditions. The NWS Share Offer is also subject to, amongst others, the condition that the Group will dispose of all its shares in NWSH by accepting the NWS Share Offer (the "Disposal"). The Disposal was completed at the close of business on 17 November 2023 and the Group ceased to have any interests in NWSH and NWSH ceased to be a subsidiary of the Group.

RESULTS

The board of directors (the "Board") of New World Development Company Limited (新世界發展有限公司) (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 31 December 2023 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

		For the six months ended 31 December	
		2023	2022
	Note	**HK$m**	HK$m
			(Restated)
Continuing operations			
Revenues	3	**17,065.5**	22,785.9
Cost of sales		**(9,808.1)**	(15,695.8)
Gross profit		**7,257.4**	7,090.1
Other income		**35.7**	8.4
Other gains, net		**498.7**	1,825.4
Selling and marketing expenses		**(497.3)**	(593.1)
Expenses of department store's operation		**(422.0)**	(501.7)
Administrative and other operating expenses		**(2,035.6)**	(2,417.9)
Changes in fair value of and gain on transfer to investment properties		**892.1**	(78.2)
Operating profit	4	**5,729.0**	5,333.0
Financing income		**656.1**	682.5
Financing costs		**(2,522.4)**	(2,149.6)
		3,862.7	3,865.9
Share of results of			
Joint ventures		**70.1**	(25.1)
Associated companies		**(40.7)**	24.5
Profit before taxation		**3,892.1**	3,865.3
Taxation	5	**(2,349.0)**	(2,533.8)
Profit from continuing operations		**1,543.1**	1,331.5
Discontinued operations			
(Loss)/profit from discontinued operations	12	**(7,315.1)**	1,145.9
(Loss)/profit for the period		**(5,772.0)**	2,477.4

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

	Note	**2023 HK$m**	2022 HK$m (Restated)
(Loss)/profit for the period		**(5,772.0)**	2,477.4
Attributable to:			
Shareholders of the Company			
- from continuing operations		**502.0**	575.8
- from discontinued operations		**(7,876.4)**	445.2
Holders of perpetual capital securities			
- from continuing operations		**965.9**	969.3
- from discontinued operations		**269.3**	295.7
Non-controlling interests			
- from continuing operations		**75.2**	(213.6)
- from discontinued operations		**292.0**	405.0
		(5,772.0)	2,477.4
Interim dividend of HK$0.2 per share (2022: HK$0.46 per share)		**503.3**	1,157.7
Basic and diluted earnings/(losses) per share (HK$)	6		(Restated)
From continuing operations		**0.29**	0.23
From discontinued operations		**(3.13)**	0.21

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

	For the six months ended 31 December	
	2023	2022
	HK$m	HK$m
		(Restated)
(Loss)/profit for the period	**(5,772.0)**	2,477.4
Other comprehensive (loss)/income		
Items that will not be reclassified to profit or loss		
Net fair value changes of equity instruments as financial assets at fair value through other comprehensive income	**(240.8)**	(214.5)
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	**2,013.0**	-
Remeasurement of post-employment benefit obligation	**0.3**	(0.3)
Items that had been reclassified/may be reclassified subsequently to profit or loss		
Share of other comprehensive loss of joint ventures and associated companies	**(71.1)**	(1,119.8)
Net fair value changes and other net movements of debt instruments as financial assets at fair value through other comprehensive income	**(293.9)**	(517.2)
Release of reserve upon disposal of interest in a joint venture	**-**	(6.4)
Release of reserves upon disposal of debt instruments as financial assets through other comprehensive income	**(3.0)**	-
Release of reserves upon disposal of subsidiaries and reclassification of reserve upon disposal of subsidiaries	**(300.0)**	-
Cash flow/fair value hedges	**116.7**	525.6
Net insurance finance expenses	**(46.8)**	(109.2)
Translation differences	**1,609.4**	(7,316.5)
Other comprehensive income/(loss) for the period	**2,783.8**	(8,758.3)
Total comprehensive loss for the period	**(2,988.2)**	(6,280.9)
Attributable to:		
Shareholders of the Company		
- from continuing operations	**4,003.8**	(5,909.4)
- from discontinued operations	**(6,026.2)**	(788.0)
Holders of perpetual capital securities		
- from continuing operations	**965.9**	969.3
- from discontinued operations	**269.3**	295.7
Non-controlling interests		
- from continuing operations	**154.8**	(460.8)
- from discontinued operations	**(2,355.8)**	(387.7)
	(2,988.2)	(6,280.9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

	Note	**As at 31 December 2023 HK$m**	As at 30 June 2023 HK$m
			(Restated)
ASSETS			
Non-current assets			
Investment properties		**212,722.0**	209,478.8
Property, plant and equipment		**14,148.0**	15,566.3
Right-of-use assets		**3,864.2**	5,124.0
Intangible concession rights		-	13,236.5
Intangible assets		**1,683.1**	8,375.2
Interests in joint ventures		**37,428.4**	54,527.4
Interests in associated companies		**9,418.1**	13,857.3
Insurance contract assets		-	1,160.3
Reinsurance contract assets		-	28.5
Financial assets at amortised costs		-	55.2
Financial assets at fair value through profit or loss		**6,328.5**	56,024.5
Financial assets at fair value through other comprehensive income		**2,346.0**	11,738.0
Derivative financial instruments		**385.9**	1,219.2
Properties for development		**15,636.0**	16,115.1
Deferred tax assets		**2,190.6**	2,342.4
Other non-current assets		**29,333.8**	28,267.8
		335,484.6	437,116.5
Current assets			
Properties under development		**55,048.7**	56,424.6
Properties held for sale		**24,519.2**	21,536.4
Inventories		**241.0**	497.4
Debtors, prepayments, premium receivables and contract assets	7	**13,826.6**	23,266.9
Investments related to unit-linked contracts		**-**	8,940.1
Financial assets at fair value through profit or loss		**1,787.2**	5,968.9
Financial assets at fair value through other comprehensive income		**94.7**	578.7
Derivative financial instruments		**166.3**	150.8
Restricted bank balances		**1,188.0**	1,254.0
Cash and bank balances		**37,795.5**	53,263.9
		134,667.2	171,881.7
Non-current assets classified as assets held for sale	8	**16.8**	15.8
		134,684.0	171,897.5
Total assets		**470,168.6**	609,014.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

	Note	As at 31 December 2023 HK$m	As at 30 June 2023 HK$m (Restated)
EQUITY			
Share capital		**78,382.1**	78,382.1
Reserves		**114,548.8**	121,079.9
Shareholders' funds		**192,930.9**	199,462.0
Perpetual capital securities		**36,301.8**	47,439.3
Non-controlling interests		**8,980.9**	27,191.5
Total equity		**238,213.6**	274,092.8
LIABILITIES			
Non-current liabilities			
Long-term borrowings and other interest-bearing liabilities		**100,169.7**	138,222.9
Lease liabilities		**3,752.2**	4,013.8
Insurance contract liabilities		-	5,588.3
Liabilities related to unit-linked contracts		-	123.1
Deferred tax liabilities		**7,494.5**	9,270.7
Derivative financial instruments		**476.5**	347.6
Other non-current liabilities		**104.3**	370.5
		111,997.2	157,936.9
Current liabilities			
Creditors, accrued charges, payables to policyholders and contract liabilities	9	**45,092.9**	57,357.7
Current portion of long-term borrowings and other interest-bearing liabilities		**46,773.4**	36,790.3
Short-term borrowings and other interest-bearing liabilities		**15,255.6**	15,388.5
Lease liabilities		**930.8**	1,160.4
Insurance contract liabilities		-	50,826.1
Reinsurance contract liabilities		-	12.2
Liabilities related to unit-linked contracts		-	4,301.5
Derivative financial instruments		**51.1**	12.7
Current tax payable		**11,824.3**	11,104.5
		119,928.1	176,953.9
Liabilities directly associated with non-current assets classified as assets held for sale	8	**29.7**	30.4
		119,957.8	176,984.3
Total liabilities		**231,955.0**	334,921.2
Total equity and liabilities		**470,168.6**	609,014.0

Notes:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") for the six months ended 31 December 2023 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (the "Listing Rules"). The Interim Financial Statements should be read in conjunction with the 30 June 2023 annual financial statements.

The accounting policies used in the preparation of these Interim Financial Statements are consistent with those set out in the annual report for the year ended 30 June 2023 except as described in note 1(a), 1(b), 1(c) and 2 below.

(a) Adoption of new standard and amendments to standards

The Group has adopted the following new standard and amendments to standards which are relevant to the Group's operations and are mandatory for the financial year ending 30 June 2024:

HKFRS 17 and HKFRS 17 (Amendments)	Insurance Contracts
HKAS 1 (Amendments) and HKFRS Practice Statement 2	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendments)	International Tax Reform — Pillar Two Model Rules

Except for HKFRS 17 as detailed below, the adoption of the amendments to standards does not have significant effect on the results and financial position of the Group.

(b) Adoption of Hong Kong Financial Reporting Standard 17 "Insurance Contracts"

HKFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaced the previous HKFRS 4 "Insurance Contracts" ("HKFRS 4"). Under HKFRS 17, a comprehensive model (general model) is introduced to measure insurance contracts based on the estimates of the present value of future cash flows with a risk adjustment (the fulfilment cash flows) and the unearned profits (the contractual service margin ("CSM")). The fulfilment cash flows are the current estimates of the future cash flows that the Group expects to collect from premiums and payout for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. The CSM represents the estimate of unearned profits of the insurance contracts, and is systematically recognised in insurance revenue based on the services provided over the coverage period of the insurance contract. Details of the changes in accounting policies is set out in note 2.

Transition

The Group adopted HKFRS 17 on 1 July 2023 (i.e. the date of initial adoption) and has applied the full retrospective approach on transition to all contracts issued on or after 1 July 2022 (i.e. the transition date). For contracts issued prior to 1 July 2022, fair value approach was applied as obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort (e.g. assumptions that would have been made in an earlier period and information is only available at higher levels of aggregation).

Under fair value approach, the Group determined the CSM to be the difference between the fair value of a group of insurance contracts, and its fulfilment cash flows at 1 July 2022. The fair value of an insurance liability is the price that a market participant would be willing to pay to assume the obligation and the remaining risks of the in-force contracts as at the transition date. Assumptions about expected future cash flows and risk allowances to determine the fair value of the insurance liabilities were adjusted for the market participant's view, as required by HKFRS 13 "Fair Value Measurement". The entire amount of the CSM of the Group at 1 July 2022 are attributable to the insurance contracts applying the fair value approach.

Redesignation of financial assets at the date of initial application of HKFRS 17

The Group has adopted HKFRS 9 "Financial Instruments" ("HKFRS 9") before 1 July 2023. In accordance with HKFRS 17, the Group reassessed its business models for managing financial assets and redetermined the classification of financial assets if they are connected with contracts within the scope of HKFRS 17 at the date of initial application of HKFRS 17 on 1 July 2023. The Group has applied the classification overlay for the purpose of presenting comparative information. The classification overlay is based on how the Group expects the financial assets would be designated at the date of initial application of HKFRS 17.

1. **Basis of preparation and accounting policies (continued)**

(b) Adoption of Hong Kong Financial Reporting Standard 17 "Insurance Contracts" (continued)

Transition (continued)

Redesignation of financial assets at the date of initial application of HKFRS 17 (Continued)

The following table presents the measurement category and carrying amount of financial assets before and after the date of initial application of HKFRS 17 on 1 July 2023.

	As at 30 June 2023 HK$m (previously stated)	Adjustments HK$m	As at 30 June 2023 HK$m (restated)	Adjustments HK$m	As at 1 July 2023 HK$m (restated)
Financial assets at amortised costs	6,895.0	(6,839.8)	55.2	1,299.6	1,354.8
Financial assets at fair value through other comprehensive income ("FVOCI")	44,106.9	(31,790.2)	12,316.7	(1,359.4)	10,957.3
Financial assets at fair value through profit or loss ("FVPL")	23,253.4	38,740.0	61,993.4	338.8	62,332.2

Debt instruments are reclassified to FVPL out of FVOCI or amortised cost categories and equity instruments are reclassified to FVPL out of FVOCI category as for eliminating accounting mismatch on connected insurance contract liabilities.

Debt instruments are reclassified to amortised cost out of FVOCI category as a result of reassessment on their business model on the basis of facts and circumstances that exist at 1 July 2023.

Overall effect on adoption of HKFRS 17

The Group has applied the transition provisions in HKFRS 17 and has not disclosed the impact of the adoption of HKFRS 17 on each financial statement line item. The tables show the impact on adoption of HKFRS 17 on total equity of the Group.

	As at 30 June 2023 HK$m (previously stated)	Adjustments HK$m	As at 1 July 2023 HK$m (restated)
Condensed consolidated statement of financial position (extract)			
Total equity	268,491.4	5,880.4	274,371.8

HKFRS 17 significantly reduces the accounting mismatch between financial assets and insurance contract liabilities, with mechanisms to adjust insurance contract liabilities considering market fluctuation from assets. As a result, insurance contract liabilities under HKFRS 17 were significantly reduced when compared with the previous HKFRS 4 basis, leading to the increase in total equity upon transition.

In addition, deferred acquisition costs, value of business acquired for insurance contracts (and the related deferred tax liabilities) as well as other receivables and payables under previous accounting practices including premium receivable, policy loans and payable to policyholders are derecognised on transition date and are remeasured in the insurance contracts liabilities under HKFRS 17. Insurance and investment contracts liabilities (including unit-linked contracts) under previous accounting practices are also reassessed if they meet the definition of insurance contracts under HKFRS 17, which are recalculated with the new measurement models.

1. Basis of preparation and accounting policies (continued)

(c) Change in presentation following adoption of HKFRS 17

The Group, taken into account the characteristics of insurance contracts and expectation on the scaling of assets and liabilities of its insurance business with the adoption of HKFRS 17 due to the capitalization of future profits in the CSM as liabilities and natural business growth, changes the presentation of its condensed consolidated statement of financial position in the Current Period that provides relevant, comparable and understandable information to present all assets and liabilities in the order of liquidity in accordance with HKAS 1 "Presentation of Financial Statements". The comparative figures in the condensed consolidated statement of financial position have been restated accordingly.

(d) Amendments to standards and interpretation which are not yet effective

The following amendments to standards and interpretation are mandatory for accounting periods beginning on or after 1 July 2024 or later periods but which the Group has not early adopted:

HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKAS 21 (Amendments)	Lack of Exchangeability
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Group has commenced the assessment on the impact of adoption of all other amendments to standards and interpretation, certain of which may be relevant to the Group's operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the consolidated financial statements.

2. Changes in accounting policies

As explained in note 1(b) above, the Group has adopted HKFRS 17 which resulted in change in accounting policies used in the preparation of the consolidated financial statements.

Accounting policies applied from 1 July 2023

Insurance contracts, investment contracts with discretionary participating features ("DPF") and reinsurance contracts held

The Group uses different measurement approaches, depending on the type of contract, as follows:

	Product classification	**Measurement model**
Insurance contracts issued		
Traditional life and annuities participating contracts	Insurance contracts or investment contracts with DPF	Variable Fee Approach ("VFA")
Traditional life non-participating contracts and protection products	Insurance contracts	General Measurement Model ("GMM") or Premium Allocation Approach ("PAA")
Universal life contracts	Insurance contracts	GMM
Unit linked insurance contracts	Insurance contracts	VFA
Unit linked investment contracts without DPF	Investment contracts	Financial liabilities measured at FVPL under HKFRS 9
Reinsurance contracts held		
Reinsurance contracts	Reinsurance contracts	GMM or PAA

2. Changes in accounting policies (continued)

(a) Definition and classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

Contracts that have a legal form of insurance but do not transfer significant insurance risk are classified as investment contracts, and they follow financial instruments accounting under HKFRS 9. Investment contracts without DPF issued by the Group fall under this category and classified as financial liabilities.

Some investment contracts issued by the Group contain DPF, whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Group's discretion, potentially significant additional benefits based on the return of specified pools of investment assets. The Group accounts for these contracts under HKFRS 17.

The Group issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders. The Group's policy is to hold such investment assets.

A reinsurance contract held transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts.

All references to insurance contracts in the consolidated financial statements apply to insurance contracts issued, reinsurance contracts held and investment contracts with DPF, unless specifically stated otherwise.

(b) Level of aggregation and separation of insurance components

Insurance contracts are aggregated into groups, and groups into portfolios, subject to similar risks and managed together. Each portfolio is further disaggregated into semi-annual cohorts and each cohort into three groups based on their profitability: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

(c) Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some marketing and training costs, are recognised in general and administrative expenses or selling and marketing expenses as incurred.

(d) Insurance acquisition cash flows

Insurance acquisition cash flows represents cash flows arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis and considering, in an unbiased way, all reasonable and supportable information available without undue cost or effort. The amounts allocated to groups of insurance contracts yet to be recognised are revised at each reporting date, to reflect any changes in assumptions that determine the inputs to the method of allocation used.

(e) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

2. Changes in accounting policies (continued)

(f) Initial measurement – Groups of contracts not measured under PAA

The Group measures a group of contracts as the sum of: (a) the fulfilment cash flows, which include estimates of future cash flows, an adjustment to reflect time value of money, and a risk adjustment for non-financial risk; and (b) the CSM.

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

On initial recognition of a group of contracts, if the total of the fulfilment cash flows, any cash flows arising at that date and any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows) is a net inflow, then the group of contracts is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the consolidated statement of financial position on initial recognition, and a loss component is established in the amount of loss recognised.

(g) Subsequent measurement – Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC"). The LRC comprises (a) the fulfilment cash flows related to future service allocated to the group at that date and (b) the CSM of the group at that date. The LIC includes the fulfilment cash flows related to incurred claims and expenses that have not yet been paid and allocated to the group at the reporting date.

The fulfilment cash flows are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows, of discount rates and of non-financial risk. For insurance contracts measured under the VFA, the Group's share of the investment experience and assumption changes are absorbed by the CSM and released over time to profit or loss. For insurance contracts measured under the GMM, the fair value change of the investment assets backing these policies does not affect the measurement of insurance contracts.

(h) Initial and subsequent measurement – Groups of contracts measured under the PAA

The Group uses the PAA to simplify the measurement of groups of contracts in the following situations:

- the Group reasonably expects that the measurement of LRC would not differ materially from the result of apply accounting policies of contracts not measured under the PAA; or

- where the coverage period of each contract is one year or less.

(i) Reinsurance contracts held

Reinsurance contracts held measured under the GMM

The Group applies the same accounting policies as that applied to the underlying insurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

2. Changes in accounting policies (continued)

(i) Reinsurance contracts held (continued)

Reinsurance contracts held measured under the GMM (continued)

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Reinsurance contracts held measured under the PAA

The Group applies the same accounting policy to measure the reinsurance contracts held under PAA, as group of insurance contracts.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised.

(j) Derecognition and modification

An insurance contract is derecognised when:

- it is extinguished, i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled; or
- its terms modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

(k) Presentation of insurance contracts

Portfolios of insurance contracts and reinsurance contracts held in an asset position are presented separately from those in a liability position. Portfolios of insurance contracts issued are presented separately from portfolios of reinsurance contracts held.

The Group disaggregates amounts recognised in the consolidated income statement and the consolidated statement of comprehensive income into (a) insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts held are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as “net income/(expenses) from reinsurance contracts held”. The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance revenue.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

Insurance revenue – insurance contracts not measured under the PAA

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

2. Changes in accounting policies (continued)

(k) Presentation of insurance contracts (continued)

Insurance revenue – insurance contracts not measured under the PAA (continued)

For contracts not measured under the PAA, insurance revenue comprises the following:

- claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period;
- changes in the risk adjustment for non-financial risk relating to current services;
- amounts of the CSM recognised for the services provided in the period; and
- other amounts, including experience adjustments for premium receipts for current or past services.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts. The allocated amount is recognised as insurance revenue with the same amount recognised as insurance service expenses.

Release of the CSM – insurance contracts not measured under the PAA

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each reporting period is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the reporting period (before any allocation) equally to each coverage unit provided in the current period and expected to be provided in future periods, and recognizing in profit or loss the amount of the CSM allocated to coverage units provided in the current period. The number of coverage units is the quantity of services provided by the contracts in the group, determined considering for each contract the quantity of benefits provided and its expected coverage period.

Insurance revenue – insurance contracts measured under the PAA

For groups of insurance contracts measured under the PAA, the Group allocated the expected premium into insurance revenue based on the (a) passage of time; or (b) the expected timing of the incurred expenses, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time.

Loss component – insurance contracts not measured under PAA

For contracts not measured under the PAA, the Group establishes a loss component of the LRC for onerous group of contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently excluded from insurance revenue when they occur. When the fulfilment cash flows occur, they are allocated between the loss component and the LRC excluding the loss component.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and include the following:

- incurred claims, benefits, and other incurred directly attributable expenses;
- insurance acquisition cash flows amortization;
- losses on onerous contract or reversals of those losses; and
- changes that relate to past service.

For contracts not measured under the PAA, amortization of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above. For contracts measured under the PAA, amortization of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in general and administrative expenses or selling and marketing expenses in the profit or loss.

2. Changes in accounting policies (continued)

(k) Presentation of insurance contracts (continued)

Net income/(expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held based on the allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid as reinsurance expenses within net expenses from reinsurance contracts held for the coverage or other services received by the Group under groups of reinsurance contracts held.

For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts and reinsurance contracts held arising from the effect of the time value of money and changes in the time value of money, the effect of financial risk and changes in financial risk.

The Group presents insurance finance income or expenses for the insurance contracts measured under the VFA in profit or loss. Such insurance finance income or expenses includes changes of the group of contracts impacted by the changes in the value of underlying items (excluding additions and withdrawals). It therefore has an offsetting impact to investment income earned on underlying assets backing insurance contracts, which include the gain or losses arising on assets measured at FVPL and under the line “other gains, net”.

For the insurance contracts measured under the GMM, the Group disaggregates total insurance finance income or expenses between profit or loss and other comprehensive income. The amount recognised in profit or loss is determined by a systematic allocation of the expected total finance income or expenses over the duration of the group of insurance contracts. Insurance finance income or expenses presented in other comprehensive income, which reflects the effect of changes in discount rates on measurement of these insurance contracts, are accumulated in the insurance finance reserve. If the Group derecognises these insurance contracts, its related remaining amount accumulated in insurance finance reserve is reclassified to profit or loss.

3. Revenues and segment information

Revenues recognised during the period are as follows:

	For the six months ended 31 December 2023 HK$m	2022 HK$m (Restated)
Revenues		
From continuing operations		
Property development	**6,741.5**	11,277.7
Property investment	**2,674.2**	2,388.2
Construction	**5,107.6**	6,803.8
Hotel operations	**683.4**	464.1
Others	**1,858.8**	1,852.1
Total from continuing operations	**17,065.5**	22,785.9
From discontinued operations		
Roads	**1,108.9**	1,317.4
Construction	**7,043.5**	9,678.4
Insurance	**1,299.1**	1,353.9
Others	**1,163.7**	593.7
Total from discontinued operations	**10,615.2**	12,943.4
Total	**27,680.7**	35,729.3

The Executive Committee of the Company, being the chief operating decision-maker, determines and reviews the Group's internal reporting in order to assess performance and allocate resources. The operating segments are determined based on the afore-mentioned internal reporting and are reviewed occasionally.

The Executive Committee considers the business from products and services perspectives, which comprises property development, property investment, roads, construction, insurance, hotel operations and others (including facilities management, logistic, department store, healthcare, technology and other strategic businesses) segments. During the six months ended 31 December 2023, following the completion of disposal of NWS Holdings Limited ("NWSH") and to better reflect the nature of the income streams and group strategies, the segments related to NWSH are presented as discontinued operations in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" ("HKFRS 5") as detailed in note 12. The comparative segment information for the six months ended 31 December 2022 and as at 30 June 2023 has been restated to conform with the current period presentation accordingly.

The Executive Committee assesses the performance of the operating segments based on each segment's operating results. The measurement of segment results excludes the effects of unallocated items (including corporate expenses, corporate financing income and corporate financing costs). In addition, taxation is not allocated to segments.

Sales between segments are carried out in accordance with terms agreed by the parties involved.

3. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
For the six months ended 31 December 2023												
Total revenues	6,741.5	2,708.3	5,139.1	683.4	1,952.4	17,224.7	1,108.9	7,167.7	1,299.1	1,171.2	10,746.9	27,971.6
Inter-segment	-	(34.1)	(31.5)	-	(93.6)	(159.2)	-	(124.2)	-	(7.5)	(131.7)	(290.9)
Revenues-external	6,741.5	2,674.2	5,107.6	683.4	1,858.8	17,065.5	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	27,680.7
Revenues from contracts with customers:												
- Recognised at a point in time	6,741.5	-	-	295.7	971.0	8,008.2	1,108.9	-	-	612.0	1,720.9	9,729.1
- Recognised over time	-	-	5,107.6	387.7	887.8	6,383.1	-	7,043.5	82.0	551.7	7,677.2	14,060.3
	6,741.5	-	5,107.6	683.4	1,858.8	14,391.3	1,108.9	7,043.5	82.0	1,163.7	9,398.1	23,789.4
Revenues from other source:												
- Rental income	-	2,674.2	-	-	-	2,674.2	-	-	-	-	-	2,674.2
- Insurance revenue	-	-	-	-	-	-	-	-	1,217.1	-	1,217.1	1,217.1
	-	2,674.2	-	-	-	2,674.2	-	-	1,217.1	-	1,217.1	3,891.3
	6,741.5	2,674.2	5,107.6	683.4	1,858.8	17,065.5	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	27,680.7
Segment results (Note a)	3,852.0	1,720.7	(160.1)	(94.0)	(600.3)	4,718.3	501.0	332.9	2,297.3	234.8	3,366.0	8,084.3
Other (losses)/gains, net	(401.8)	-	-	-	900.5	498.7	-	-	(1,910.4)	(313.9)	(2,224.3)	(1,725.6)
Changes in fair value of and gain on transfer to investment properties	-	892.1	-	-	-	892.1	-	-	-	(48.4)	(48.4)	843.7
	3,450.2	2,612.8	(160.1)	(94.0)	300.2	6,109.1	501.0	332.9	386.9	(127.5)	1,093.3	7,202.4
Unallocated items												
Corporate expenses						(380.1)					(133.6)	(513.7)
Financing income (Note a)						656.1					189.8	845.9
Financing costs (Note a)						(2,522.4)					(367.3)	(2,889.7)
						3,862.7					782.2	4,644.9
Share of results of												
Joint ventures	101.9	39.7	-	(72.9)	1.4	70.1	273.1	-	-	101.5	374.6	444.7
Associated companies	(0.8)	(17.3)	-	-	(22.6)	(40.7)	62.6	21.0	-	(44.8)	38.8	(1.9)
Profit before taxation						3,892.1					1,195.6	5,087.7
Taxation						(2,349.0)					(253.6)	(2,602.6)
Profit before loss on disposal of discontinued operations						1,543.1					942.0	2,485.1
Loss on disposal of discontinued operations						-					(8,257.1)	(8,257.1)
Profit/(loss) for the period						1,543.1					(7,315.1)	(5,772.0)

3. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
As at 31 December 2023												
Segment assets	123,957.8	216,302.6	20,289.5	10,530.3	19,399.1	390,479.3	-	-	-	-	-	390,479.3
Interests in joint ventures	27,295.7	5,018.1	-	4,152.6	962.0	37,428.4	-	-	-	-	-	37,428.4
Interests in associated companies	7,137.5	2,067.7	-	-	212.9	9,418.1	-	-	-	-	-	9,418.1
Unallocated assets						32,842.8					-	32,842.8
Total assets						470,168.6					-	470,168.6
Segment liabilities	37,045.1	3,631.2	6.2	990.8	8,236.5	49,909.8	-	-	-	-	-	49,909.8
Unallocated liabilities						182,045.2					-	182,045.2
Total liabilities						231,955.0					-	231,955.0
For the six months ended 31 December 2023												
Additions to non-current assets (Note b)	748.5	3,238.2	1,775.8	135.7	1,098.5	6,996.7	98.6	29.4	75.0	36.0	239.0	7,235.7
Depreciation and amortisation	22.8	27.2	-	217.9	500.5	768.4	512.9	37.6	92.9	103.7	747.1	1,515.5
Impairment loss and loss allowance	401.8	-	-	-	23.9	425.7	61.0	-	-	149.6	210.6	636.3

3. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
For the six months ended 31 December 2022 (restated)												
Total revenues	11,315.4	2,453.7	10,406.5	464.1	1,957.4	26,597.1	1,317.4	9,840.8	1,353.9	593.8	13,105.9	39,703.0
Inter-segment	(37.7)	(65.5)	(3,602.7)	-	(105.3)	(3,811.2)	-	(162.5)	-	-	(162.5)	(3,973.7)
Revenues-external	11,277.7	2,388.2	6,803.8	464.1	1,852.1	22,785.9	1,317.4	9,678.3	1,353.9	593.8	12,943.4	35,729.3
Revenues from contracts with customers:												
- Recognised at a point in time	10,343.4	-	-	161.0	1,243.7	11,748.1	1,317.4	-	-	124.3	1,441.7	13,189.8
- Recognised over time	934.3	-	6,803.8	303.1	608.4	8,649.6	-	9,678.3	96.8	469.5	10,244.6	18,894.2
	11,277.7	-	6,803.8	464.1	1,852.1	20,397.7	1,317.4	9,678.3	96.8	593.8	11,686.3	32,084.0
Revenues from other source:												
- Rental income	-	2,388.2	-	-	-	2,388.2	-	-	-	-	-	2,388.2
- Insurance revenue	-	-	-	-	-	-	-	-	1,257.1	-	1,257.1	1,257.1
	-	2,388.2	-	-	-	2,388.2	-	-	1,257.1	-	1,257.1	3,645.3
	11,277.7	2,388.2	6,803.8	464.1	1,852.1	22,785.9	1,317.4	9,678.3	1,353.9	593.8	12,943.4	35,729.3
Segment results (Note a)	3,563.9	1,510.4	(120.1)	(133.7)	(841.0)	3,979.5	583.1	408.9	2,368.1	(173.3)	3,186.8	7,166.3
Other gains/(losses), net	1,857.9	(6.1)	(22.7)	-	(3.7)	1,825.4	(4.4)	-	(1,830.1)	(282.6)	(2,117.1)	(291.7)
Changes in fair value of investment properties	-	(78.2)	-	-	-	(78.2)	-	-	-	30.5	30.5	(47.7)
	5,421.8	1,426.1	(142.8)	(133.7)	(844.7)	5,726.7	578.7	408.9	538.0	(425.4)	1,100.2	6,826.9
Unallocated items												
Corporate expenses						(393.7)					(163.6)	(557.3)
Financing income (Note a)						682.5					98.6	781.1
Financing costs (Note a)						(2,149.6)					(355.2)	(2,504.8)
						3,865.9					680.0	4,545.9
Share of results of												
Joint ventures	16.4	113.4	-	(149.3)	(5.6)	(25.1)	217.3	-	-	428.1	645.4	620.3
Associated companies	23.0	(5.7)	-	-	7.2	24.5	76.5	31.4	-	(1.3)	106.6	131.1
Profit before taxation						3,865.3					1,432.0	5,297.3
Taxation						(2,533.8)					(286.1)	(2,819.9)
Profit for the period						1,331.5					1,145.9	2,477.4

3. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
As at 30 June 2023 (restated)												
Segment assets	113,815.1	208,466.0	19,742.0	9,658.5	19,900.7	371,582.3	14,831.4	6,874.3	65,351.0	14,819.9	101,876.6	473,458.9
Interests in joint ventures	24,425.5	6,647.7	-	3,327.1	2,470.8	36,871.1	5,638.8	-	-	12,017.5	17,656.3	54,527.4
Interests in associated companies	7,055.6	2,064.1	-	-	206.3	9,326.0	2,190.7	255.3	-	2,085.3	4,531.3	13,857.3
Unallocated assets						38,550.1					28,620.3	67,170.4
Total assets						456,329.5					152,684.5	609,014.0
Segment liabilities	36,740.3	4,449.7	828.3	299.2	9,013.8	51,331.3	684.7	8,292.9	57,742.2	1,296.1	68,015.9	119,347.2
Unallocated liabilities						179,272.7					36,301.3	215,574.0
Total liabilities						230,604.0					104,317.2	334,921.2
For the six months ended 31 December 2022 (restated)												
Additions to non-current assets (Note b)	873.7	2,463.6	1,955.3	96.7	743.6	6,132.9	233.0	34.7	86.7	58.9	413.3	6,546.2
Depreciation and amortisation	33.1	10.1	11.5	160.3	446.3	661.3	549.2	43.1	109.6	122.2	824.1	1,485.4
Impairment loss and loss allowance	-	32.0	-	-	97.1	129.1	-	-	34.8	114.3	149.1	278.2

3. Revenues and segment information (Continued)

	Hong Kong HK$m	Mainland China HK$m	Others HK$m	Total HK$m
For the six months ended 31 December 2023				
Revenues				
From continuing operations				
Property development	**1,246.1**	**5,495.4**	**-**	**6,741.5**
Property investment	**1,745.1**	**929.1**	**-**	**2,674.2**
Construction	**4,803.7**	**303.9**	**-**	**5,107.6**
Hotel operations	**220.0**	**281.2**	**182.2**	**683.4**
Others	**437.1**	**1,421.7**	**-**	**1,858.8**
	8,452.0	**8,431.3**	**182.2**	**17,065.5**
From discontinued operations				
Roads	**-**	**1,108.9**	**-**	**1,108.9**
Construction	**7,043.5**	**-**	**-**	**7,043.5**
Insurance	**1,299.1**	**-**	**-**	**1,299.1**
Others	**1,099.7**	**64.0**	**-**	**1,163.7**
	9,442.3	**1,172.9**	**-**	**10,615.2**
Consolidated total	**17,894.3**	**9,604.2**	**182.2**	**27,680.7**
As at 31 December 2023				
Non-current assets (Note b)				
From continuing operations	**187,853.7**	**69,953.8**	**1,152.8**	**258,960.3**
From discontinued operations	**-**	**-**	**-**	**-**
	187,853.7	**69,953.8**	**1,152.8**	**258,960.3**

3. Revenues and segment information (Continued)

	Hong Kong HK$m	Mainland China HK$m	Others HK$m	Total HK$m
For the six months ended 31 December 2022 (Restated)				
Revenues				
From continuing operations				
Property development	5,541.5	5,736.2	-	11,277.7
Property investment	1,491.8	896.4	-	2,388.2
Construction	6,461.4	342.4	-	6,803.8
Hotel operations	166.9	154.3	142.9	464.1
Others	506.2	1,345.9	-	1,852.1
	14,167.8	8,475.2	142.9	22,785.9
From discontinued operations				
Roads	-	1,317.4	-	1,317.4
Construction	9,678.4	-	-	9,678.4
Insurance	1,353.9	-	-	1,353.9
Others	530.0	63.7	-	593.7
	11,562.3	1,381.1	-	12,943.4
Consolidated total	25,730.1	9,856.3	142.9	35,729.3
As at 30 June 2023 (Restated)				
Non-current assets (Note b)				
From continuing operations	155,830.5	98,243.0	1,121.4	255,194.9
From discontinued operations	11,151.2	16,873.4	29.7	28,054.3
	166,981.7	115,116.4	1,151.1	283,249.2

Notes:

(a) For the six months ended 31 December 2023, segment results of insurance segment included insurance related financing income of HK$1,087.0 million (2022 (restated): HK$1,002.4 million) and financing costs of HK$19.8 million (2022: HK$49.9 million).

(b) Non-current assets represent non-current assets other than financial instruments, interests in joint ventures, interests in associated companies, deferred tax assets, value of business acquired, deferred acquisition costs and long-term loans and receivables, long-term prepayments and deposits and policy loans within other non-current assets.

4. Operating profit

Operating profit of the Group is arrived at after crediting/(charging) the following:

	For the six months ended 31 December	
	2023	2022
	HK$m	HK$m
		(Restated)
From continuing operations		
Gain on redemption of fixed rate bonds	**693.5**	182.0
Gain on partial disposal of interests in subsidiaries and remeasurement of retained interest at fair value after reclassification to a joint venture	**-**	369.2
Net loss on fair value of financial assets at FVPL	**(159.2)**	(34.7)
Write back of loss allowance for		
Loans and other receivables	-	151.7
Inventories	**2.9**	3.8
Rent concession, government grants and subsidies	**7.4**	11.0
Net profit/(loss) on disposal/liquidation of		
Financial assets at FVPL	**187.7**	(50.0)
Investment properties and property, plant and equipment	**50.3**	236.7
Subsidiaries	**51.6**	130.8
Associated companies and joint ventures	**29.4**	(1.9)
Impairment loss/loss allowance on		
Loans, debtors, premium receivables and other receivables	**(23.9)**	(118.8)
Properties held for sale	**(298.3)**	(8.8)
Properties under development	**(103.5)**	-
Property, plant and equipment and right-of-use assets	**-**	(1.5)
Remeasurement of cost of disposal (note)	**-**	1,081.7
Cost of inventories sold	**(4,292.4)**	(10,328.8)
Cost of services rendered	**(6,268.2)**	(7,918.7)
Depreciation and amortisation	**(768.4)**	(661.3)
Net exchange gains/(losses)	**60.8**	(122.7)

Note:

The amount for the period ended 31 December 2022 represented the remeasurement of cost of disposal of a subsidiary in the prior years, as certain conditions in this disposal were lapsed, and the cost of disposal related to this disposal was distinguished in the condensed consolidated income statement (2023: Nil).

5. Taxation

	For the six months ended 31 December	
	2023	2022
	HK$m	HK$m
		(Restated)
From continuing operations		
Current taxation		
Hong Kong profits tax	**343.5**	389.2
Mainland China and overseas taxation	**977.0**	594.8
Mainland China land appreciation tax	**1,647.1**	1,523.9
Deferred taxation	**(618.6)**	25.9
	2,349.0	2,533.8

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the period.

Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profit for the period at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 12% to 28% (2022: 12% to 28%). Withholding tax on dividend is mainly provided at the rate of 5% or 10% (2022: 5% or 10%).

Mainland China land appreciation tax is provided at progressive rates ranging from 30% to 60% (2022: 30% to 60%) on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

Share of results of joint ventures and associated companies is stated after deducting the share of taxation of joint ventures and associated companies of HK$47.5 million and HK$76.4 million (2022 (restated): HK$33.1 million and HK$73.1 million) respectively.

6. Earnings/(losses) per share

The calculation of basic and diluted earnings/(losses) per share for the period is based on the following:

	For the six months ended 31 December	
	2023	2022
	HK$m	HK$m
		(Restated)
Profit/(loss) attributable to shareholders of the Company for calculating basic and diluted earnings/(losses) per share		
From continuing operations	**502.0**	575.8
Adjust for gain from redemption of perpetual capital securities	**218.4**	-
	720.4	575.8
From discontinued operations	**(7,876.4)**	445.2
Adjust for gain from redemption of perpetual capital securities	**-**	75.5
	(7,876.4)	520.7

	Number of shares (million) For the six months ended 31 December	
	2023	2022
Weighted average number of shares for calculating basic and diluted Earnings/(losses) per share	**2,516.6**	2,516.6

The share options granted by the Company have potential dilutive effect on the earnings/(losses) per share.

The share options have a dilutive effect only when the average market price of ordinary shares during the year exceeds the adjusted exercise price of the share options.

For the six months ended 31 December 2023, the Company had no outstanding share options and therefore no potentially dilutive ordinary shares in issue.

For the six months ended 31 December 2022, the adjusted exercise price was above the average market price of the ordinary shares. Accordingly, the share options of the Company had an anti-dilutive effect on the basic earnings/(losses) per share and therefore were not included in the calculation of diluted earnings/(losses) per share.

7. Trade debtors

Aging analysis of trade debtors based on invoice date is as follows:

	As at 31 December 2023 HK$m	As at 30 June 2023 HK$m
Less than 30 days	**998.4**	2,632.1
31 to 60 days	**42.2**	123.2
Over 60 days	**589.6**	576.0
	1,630.2	3,331.3

The Group has different credit policies for different business operations depending on the requirements of the markets and businesses in which the subsidiaries operate.

8. Non-current assets classified as assets held for sale/ liabilities directly associated with non-current assets classified as assets held for sale

Non-current assets classified as assets held for sale

	As at 31 December 2023 HK$m	As at 30 June 2023 HK$m
Assets of disposal groups classified as held for sale		
Interests in joint ventures	**16.8**	15.8

Liabilities directly associated with non-current assets classified as assets held for sale

	As at 31 December 2023 HK$m	As at 30 June 2023 HK$m
Liabilities classified as held for sale	**29.7**	30.4

9. Trade creditors

Aging analysis of trade creditors based on invoice date is as follows:

	As at 31 December 2023 HK$m	As at 30 June 2023 HK$m
Less than 30 days	**3,968.2**	5,818.9
31 to 60 days	**200.7**	191.9
Over 60 days	**5,792.2**	4,380.7
	9,961.1	10,391.5

10. Pledge of assets

As at 31 December 2023, the assets with an aggregated amount of HK$59,792.7 million (30 June 2023: HK$64,770.5 million) were pledged as securities for certain banking facilities of the Group.

11. Financial guarantee and contingent liabilities

	As at 31 December 2023 HK$m	As at 30 June 2023 HK$m
Financial guarantee contracts:		
Mortgage facilities for certain purchasers of properties	**2,676.2**	2,633.7
Guarantees for credit facilities granted to		
Joint ventures	**9,071.9**	9,454.6
Associated companies	**-**	1,520.0
	11,748.1	13,608.3

12. Discontinued operations

On 17 November 2023, the Group announced that all its shares in NWSH, being its 2,380,495,938 shares in NWSH (representing approximately 60.85% of the issued share capital of NWSH as at 9 November 2023) (the "Relevant NWS Shares"), had been disposed of by the Group and the consideration of the Relevant NWS Shares had been received by the Group on 20 November 2023 (the "Disposal"). Accordingly, the Group no longer holds any shares in NWSH and NWSH has ceased to be a subsidiary of the Group, following which the business operations and performance of NWSH will no longer be consolidated with and reflected in the financial information of the Group subsequent to 17 November 2023. The Group has recognised an aggregated net loss on disposal of HK$8,257.1 million in the condensed consolidated income statement for the Current Period.

Given NWSH accounts for a separate major line of business of the Group, the disposal constitutes a discontinued operation under HKFRS 5.

The condensed results related to the disposal are presented as discontinued operations in accordance with HKFRS 5.

Loss from discontinued operations is analysed as below:

	For the six months ended 31 December 2023 HK$m
Loss from discontinued operations is analysed as below:	
- Profit after taxation of NWSH and its subsidiaries for the period	**942.0**
- Loss on disposal of NWSH (note)	**(8,257.1)**
	(7,315.1)

Note:	
Loss on disposal of NWSH is analysed as below:	
Loss on disposal of NWSH in condensed consolidated income statement	**(8,257.1)**
Adjusted for:	
Recycling of exchange difference and financial assets measured at FVOCI (recycling) to condensed consolidated income statement, net of non-controlling interests	**2,122.1**
Impact of HKFRS 17 as opening adjustments to equity	**3,579.3**
Loss on disposal of NWSH in condensed consolidated statement of total comprehensive income excluding the impact from recycling of reserves and HKFRS 17 opening adjustments	**(2,555.7)**

12. **Discontinued operations (continued)**

HKFRS 17 and HKFRS 17 (Amendments) has been adopted by the Group in the financial year ending 30 June 2024 with effect from 1 July 2023. The adoption of HKFRS 17 is purely accounting driven which significantly reduces accounting mismatch between financial assets and insurance contract liabilities and introduces mechanism to adjust insurance contract liabilities considering market fluctuation from assets. The total equity of the Group's insurance business as at 30 June 2023 increased with the transition to HKFRS 17 as prior year adjustment by the amount of HK$3,579.3 million (after considering non-controlling interest impact). The increase in total equity as at 30 June 2023 as a result of the adoption of HKFRS 17 was included in the calculation of comprehensive loss upon the completion of the Disposal. Accordingly, such opening adjustment in total equity as a result of the adoption of HKFRS 17 has no impact to the Group's net assets upon completion of the Disposal. In addition, the Company's condensed consolidated income statement recognised a loss amounting to HK$2,122.1 million as a result of the recycling of the cumulative loss previously recognised in financial assets at FVOCI reserve and exchange reserve upon the Disposal. Upon adoption of HKFRS 17, the Group performed a detailed analysis for each class of its financial assets on 1 July 2023 and certain financial assets held under FTLife Insurance have been redesignated and reclassified from FVOCI to fair value through profit and loss. In calculating the consolidated comprehensive loss, the same amount of cumulative loss to be recycled to the condensed consolidated income statement was reclassified from the FVOCI reserve to the consolidated comprehensive loss upon the Disposal, and accordingly, this has no impact to the Group's net assets upon completion of the Disposal. The effects of the Disposal as a result of the adoption of HKFRS 17 as set out above are non-cash items.

The total financial impact on disposal of NWSH considering HKFRS 17 opening adjustments impact is in the amount of HK$2,555.7 million, which is HK$120.7 million larger as compared to the estimated figure of HK$2,435.0 million as disclosed in the EGM Circular issued by the Company dated 13 October 2023 calculated based on the financial position of NWSH as at 30 June 2023.

An analysis of the results and total comprehensive income relating to the discontinued operations is set out below:

(a) Results from discontinued operations

	For the six months ended 31 December	
	2023	2022
	HK$m	HK$m
		(Restated)
Revenues	**10,615.2**	12,943.4
Cost of sales	**(8,148.7)**	(10,449.2)
Gross profit	**2,466.5**	2,494.2
Other income	**114.5**	126.7
Other losses, net	**(2,224.3)**	(2,117.1)
Selling and marketing expenses	**(64.8)**	(46.7)
Administrative and other operating expenses	**(351.0)**	(503.5)
Changes in fair value of investment properties	**(48.4)**	30.5
Operating loss	**(107.5)**	(15.9)
Financing income	**1,276.8**	1,101.0
Financing costs	**(387.1)**	(405.1)
Share of results		
Joint ventures	**374.6**	645.4
Associated companies	**38.8**	106.6
Profit before taxation	**1,195.6**	1,432.0
Taxation (note)	**(253.6)**	(286.1)
	942.0	1,145.9
Loss on disposal of NWSH	**(8,257.1)**	-
(Loss)/profit for the period from discontinued operations	**(7,315.1)**	1,145.9

Note:

The assessable profits of the Group's insurance business are computed in accordance with the special provisions of the Hong Kong Inland Revenue Ordinance ("IRO"). Profits tax for the long-term insurance business, as defined by IRO, is computed at a rate of 16.5% of 5% of net premiums (gross premiums received less reinsurance premiums ceded) of the life insurance business in accordance with Section 23(1)(a) of IRO.

12. Discontinued operations (continued)

(b) Total comprehensive income from discontinued operations

	For the six months ended 31 December	
	2023	2022
	HK$m	HK$m
		(Restated)
(Loss)/profit from discontinued operations	**(7,315.1)**	1,145.9
Other comprehensive (loss)/income		
Net fair value changes on financial assets at fair value through other comprehensive income (equity instruments)	**(136.0)**	(176.8)
Remeasurement of post-employment benefit obligation	**0.3**	(0.3)
Net fair value changes on financial assets at fair value through other comprehensive income and other net movement (debt instruments)	**(293.9)**	(517.2)
Release of reserve upon disposal of interests in a joint venture	**-**	(6.4)
Share of other comprehensive loss of associated companies	**(36.8)**	(8.5)
Cash flow hedges	**(93.8)**	(31.7)
Currency translation differences	**112.4**	(1,175.8)
Net insurance finance expenses	**(46.8)**	(109.2)
Release of reserves upon disposal of debt investment as financial assets through other comprehensive income	**(3.0)**	-
Release of reserve upon disposal of subsidiaries and reclassification of reserve upon disposal of subsidiaries	**(300.0)**	-
Other comprehensive loss for the period, net of tax	**(797.6)**	(2,025.9)
Total comprehensive loss for the period from discontinued operations	**(8,112.7)**	(880.0)

INTERIM DIVIDEND

The Board has declared an interim dividend of HK$0.2 per share in cash for the financial year ending 30 June 2024 to shareholders whose names appear on the register of members of the Company on 28 March 2024. It is expected that the interim dividend will be distributed to shareholders on or about 18 April 2024.

BOOK CLOSE DATES

Book close dates (both dates inclusive)	:	22 March 2024 to 28 March 2024
Latest time to lodge transfer with Share Registrar	:	4:30 p.m. on Thursday, 21 March 2024
Address of Share Registrar	:	Tricor Tengis Limited 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

New World China Land Limited (a wholly-owned subsidiary of the Company) redeemed its whole US$310,000,000 (equivalent to approximately HK$2,418,000,000) 4.750% guaranteed notes due 2023 (stock code: 5468) at principal amount upon maturity on 5 December 2023.

On 23 November 2023, the Company as the offeror launched a tender offer (the "Offer") to purchase for cash for the following debt securities (each unconditionally and irrevocably guaranteed by the Company) which were purchased and redeemed by the Company upon settlement of the Offer on 5 December 2023 and cancelled pursuant to the terms and conditions of the respective debt securities:

Description of the debt securities	**Purchase price (as a % of the respective principal amount)**	**Principal amount purchased and redeemed upon settlement**	**Total outstanding principal amount as at 31 December 2023**
US$600,000,000 (equivalent to approximately HK$4,680,000,000) 4.750% guaranteed notes due 2027 issued by New World China Land Limited (stock code: 5343)	90.000%	US$95,779,000 (equivalent to approximately HK$747,076,200)	US$504,221,000 (equivalent to approximately HK$3,932,923,800)
US$200,000,000 (equivalent to approximately HK$1,560,000,000) 5.875% guaranteed notes due 2027 issued by NWD (MTN) Limited (a wholly-owned subsidiary of the Company) (stock code: 5321)	91.000%	US$28,000,000 (equivalent to approximately HK$218,400,000)	US$172,000,000 (equivalent to approximately HK$1,341,600,000)
US$950,000,000 (equivalent to approximately HK$7,410,000,000) 4.125% guaranteed notes due 2029 issued by NWD (MTN) Limited (stock code: 5418) (the "2029 Notes")	81.000%	US$222,000,000 (equivalent to approximately HK$1,731,600,000)	US$728,000,000 (equivalent to approximately HK$5,678,400,000)
US$600,000,000 (equivalent to approximately HK$4,680,000,000) 4.500% guaranteed notes due 2030 issued by NWD (MTN) Limited (stock code: 40223) (the "2030 Notes")	80.000%	US$111,000,000 (equivalent to approximately HK$865,800,000)	US$451,817,000 (equivalent to approximately HK$3,524,172,600)
US$200,000,000 (equivalent to approximately HK$1,560,000,000) 3.750% guaranteed sustainability-linked notes due 2031 issued by NWD (MTN) Limited (stock code: 40534)	76.000%	US$51,785,000 (equivalent to approximately HK$403,923,000)	US$76,050,000 (equivalent to approximately HK$593,190,000)
US$1,200,000,000 (equivalent to approximately HK$9,360,000,000) 4.125% guaranteed senior perpetual capital securities issued by NWD Finance (BVI) Limited (a wholly-owned subsidiary of the Company) (stock code: 40711)	60.000%	US$55,600,000 (equivalent to approximately HK$433,680,000)	US$1,144,400,000 (equivalent to approximately HK$8,926,320,000)
US$500,000,000 (equivalent to approximately HK$3,900,000,000) 6.150% guaranteed senior perpetual capital securities issued by NWD Finance (BVI) Limited (stock code: 5312)	87.500%	US$46,119,000 (equivalent to approximately HK$359,728,200)	US$453,881,000 (equivalent to approximately HK$3,540,271,800)

During the period from 20 December 2023 to 29 December 2023 (both dates inclusive), the Company made on-market repurchase of parts of the 2029 Notes and the 2030 Notes in an aggregate principal amount of US$2,201,000 (equivalent to approximately HK$17,167,800) and US$2,230,000 (equivalent to approximately HK$17,394,000) (collectively, the "Repurchased Debt Securities") respectively, which were subsequently cancelled on 10 January 2024. The purchase price ranged from 76.916% to 77.750% of the principal amount of the 2029 Notes and 76.250% to 76.400% of the principal amount of the 2030 Notes. After the cancellation of the Repurchased Debt Securities, the outstanding principal amount of the 2029 Notes and the 2030 Notes would be US$725,799,000 (equivalent to approximately HK$5,661,232,200) and US$449,587,000 (equivalent to approximately HK$3,506,778,600) respectively.

During the six months ended 31 December 2023, the Company has not redeemed any of its listed securities. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the six months ended 31 December 2023.

EMPLOYEES AND REMUNERATION POLICIES

At 31 December 2023, around 13,000 staff were employed by entities under the Group's management. Remuneration policies are reviewed annually. Remuneration and bonuses are awarded to employees based on individual performances and are in line with market practices. Education subsidies are granted to employees who are taking job-related courses. Periodic in-house training programs are also offered. A non-listed subsidiary of the Company has share award scheme under which certain employees may be awarded its shares. Under the share option schemes of the Company and its listed subsidiary, share options may be granted to certain directors and employees of the Group to subscribe for shares in the Company and/or the listed subsidiary.

CORPORATE GOVERNANCE CODE

The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules throughout the six months ended 31 December 2023, with the exception of code provision C.1.3.

Code provision C.1.3 is in relation to guidelines for securities dealings by relevant employees. Under code provision C.1.3, the Board should establish written guidelines on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules for its relevant employees in respect of their dealings in the securities of the Company. Instead of following the Model Code strictly, the Board has established its own guidelines which are not on no less exacting terms than the Model Code. Such deviation from the CG Code is considered necessary because of the huge size of employees of the Group which is around 13,000 and the Group's diversified businesses. For these reasons, to follow the exact guidelines of the Model Code will cause immense administrative burden to the Company in processing written notifications from the relevant employees who deal in the securities of the Company, which can be avoided under the Company's own guidelines.

REVIEW OF INTERIM RESULTS

The Company's unaudited interim results for the six months ended 31 December 2023 have not been reviewed by external auditor, but have been reviewed by the Audit Committee of the Company.

REQUIREMENT IN CONNECTION WITH PUBLICATION OF "NON-STATUTORY ACCOUNTS" UNDER SECTION 436 OF THE HONG KONG COMPANIES ORDINANCE CAP. 622

The financial information relating to the year ended 30 June 2023 that is included in the Interim Report 2023/2024 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company had delivered the financial statements for the year ended 30 June 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor had reported on those financial statements of the Group. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

Dr. Cheng Kar-Shun, Henry
Chairman

Hong Kong, 29 February 2024

As at the date of this announcement, the Board of the Company comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Ma Siu-Cheung, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Huang Shaomei, Echo and Ms. Chiu Wai-Han, Jenny; (b) four non-executive directors, namely, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng and Mr. Cheng Chi-Ming, Brian; and (c) six independent non-executive directors, namely Mr. Lee Luen-Wai, John, Mr. Ip Yuk-Keung, Albert, Mr. Chan Johnson Ow, Mrs. Law Fan Chiu-Fun, Fanny, Ms. Lo Wing-Sze, Anthea and Ms. Wong Yeung-Fong, Fonia.