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 2022/2023

Results Highlights:

- The Group recorded consolidated revenues of HK$40,193 million, an increase of 13% comparing to 1H FY2022. Underlying profit was HK$3,360 million and profit attributable to shareholders of the Company was HK$1,209 million, down by 14% and 15% respectively
- The Group's attributable contracted sales in Hong Kong amounted to about HK$7.87 billion
- The Group's overall contracted sales in Mainland China amounted to about RMB9.24 billion
- The accumulated sales proceeds of the sole project under New World Arts Centre in Hangzhou has exceeded RMB11 billion, evidencing the Group's pursuit of excellence and its appeal to the market, further revealing the vast potential in cities in Yangtze River Delta
- The construction of the urban renewal project of 188 Industrial Zone located in the Longgang District, Shenzhen has commenced during the period under review, which indicated that the urban renewal business of the Group has advanced to the harvest stage
- Revenues and segment results of property investment in Hong Kong amounted to HK$1,492 million and HK$1,095 million respectively. The Group's K11 projects in Hong Kong continued to record resilient performance, with year-on-year increase of 4% and 9% in revenues and segment results, respectively
- Non-core asset disposal amounted to approximately HK$5.6 billion in 1HFY2023
- All refinancing of borrowings due in FY2023 has been taken care of
- FY2023 interim dividend: HK$0.46 per share, revisiting dividend policy as to maintain the Company's long-term robust and sustainable development
- In response to the rapidly-evolving industry landscape, the Group continues to actively explore strategic options for its various businesses in order to (i) unlock value of individual business units; (ii) sharpen the respective strategic focus of our group companies; and (iii) maximise return for our shareholders. Such options, if pursued by the Group, may take place together or at different times considering the respective business plans and prevailing market conditions
- Total capital resources amounted to approximately HK$92 billion, including cash and bank balances of approximately HK$57 billion and undrawn facilities from banks of approximately HK$35 billion. With the Group's robust financial position, there is no need or plan by the Group for any equity capital raising from shareholders in the foreseeable future, including rights issuance and share placement

Business Review

Hong Kong Property Development

Hong Kong's residential market has seen softening prices and reduction in transaction volume affected by the US Fed rate and Hong Kong interest rate hikes since early 2022. During the period under review, one-month HIBOR concerning the property market reached to a new high which led to a further drop in local housing prices and transaction volume. According to public data from the Land Registry, Hong Kong recorded a 42% year-on-year decline in the agreements for primary sale and purchase of residential building units and a 58% year-on-year drop in the consideration of such agreements from July 2022 to December 2022.

During the period under review, the Group's revenues and segment results of property development in Hong Kong was HK$5,542 million and HK$909 million respectively. The major contributions were attributed by The Pavilia Farm I atop MTR Tai Wai Station and the grade-A office building NCB Innovation Centre (formerly known as 888 Lai Chi Kok Road, Cheung Sha Wan).

During the period under review, the Group achieved attributable contracted sales in Hong Kong of approximately HK$7,870 million, mainly contributed by the sale of 51% interest in the commercial project at Wing Hong Street in Cheung Sha Wan, and also units of NCB Innovation Centre.

As at 31 December 2022, among the unrecognised attributable income from contracted sales of properties in Hong Kong, HK$18,500 million contracted sales would be booked in 2HFY2023 and HK$4,277 million contracted sales would be booked in FY2024. Key projects expected to be booked in 2HFY2023 include THE PAVILIA FARM I, II and NCB Innovation Centre. Key projects expected to be booked in FY2024 include MOUNT PAVILIA.

Hong Kong Property Investment and Others

Demand for Hong Kong's traditional office building has remained soft mainly due to the decentralisation trend where tenants have relocated to non-traditional commercial districts. Despite a challenging office leasing market in Hong Kong, the Group has maintained stable performance by retaining existing tenants and attracting new customers.

During the period under review, the Group's revenues and segment results of property investment in Hong Kong amounted to HK$1,492 million and HK$1,095 million respectively, mainly due to the Group's K11 projects in Hong Kong continued to record resilient performance, with year-on-year increase of 4% and 9% in revenues and segment results, respectively.

The performance of the Group's retail portfolio in Hong Kong has seen signs of recovery since September amid relaxation of social distancing measures. The reopening with Mainland China is set to improve tourist spending and the Group's K11 series will be key beneficiaries. During the period under review, K11 MUSEA recorded a year-on-year increase of 6% in sales and total footfall amounted to over 11 million mainly driven by luxury spending and cultural activities. With its unique festival curation and marketing strategy, K11 MUSEA achieved its highest monthly sales in December since opening three years ago. To attract high traffic and become a must-go destination for locals and travellers, K11 MUSEA has been actively enhancing its brand mix and has staged multiple large-scale cultural events.

K11 Art Mall being connected with MTR Tsim Sha Tsui Station is benefitting from the convenience of several MTR lines, which appeals to young locals and tourists alike who constitute a solid customer base. During the period under review, the overall occupancy rate of K11 Art Mall remained at around 100% with 10% sales growth and strong footfall growth year-on-year. The Group has been optimising tenant mix and brought in over 40 new retailers such as trendy lifestyle brands and specialty cuisines.

Hong Kong Landbank

Land supply shortage stands as a long-term problem besetting the Hong Kong society. In the Chief Executive's 2022 Policy Address, the government launched a series of measures to expedite land searching for housing construction, which included, among other things, the implementation of New Development Areas and New Town Extension projects, the Northern Metropolis Development Strategy and Site Rezoning. The development of New Development Areas in Hong Kong will be one of the key land supply sources in the long-term and the Northern Metropolis will be the foothold for Hong Kong's strategic development as well as the new engine for Hong Kong to scale new heights.

The Group will continue to expedite its farmland conversion to unlock value and leverage on the government's policies and measures when replenishing land bank. During the period under review, the Group applied to the Town Planning Board for the development of two plots of agricultural land in Tong Yan San Tsuen, Yuen Long, which have a total attributable GFA of approximately 3.01 million sq ft and are expected to provide around 5,600 residential units.

As at 31 December 2022, the Group had a landbank with a total attributable GFA of approximately 8.81 million sq ft in Hong Kong available for immediate development, of which approximately 4.04 million sq ft was for property development use. Meanwhile, the Group had an agricultural landbank with a total attributable land area of approximately 16.39 million 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 2022**	**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	751.3	-	751.3
Kowloon	1,582.3	998.8	2,581.1
New Territories	1,705.5	3,767.4	5,472.9
Total	**4,039.1**	**4,766.2**	**8,805.3**

Agricultural Landbank by District **As at 31 December 2022**	**Total Land Area (sq ft '000)**	**Total Attributable Land Area (sq ft '000)**
Yuen Long District	12,324.6	11,325.8
North District	2,476.0	2,177.7
Sha Tin District and Tai Po District	1,910.8	1,856.7
Sai Kung District	1,198.4	1,026.7
Total	**17,909.8**	**16,386.9**

Committed to the spirit of Creating Shared Value, the Group established the charitable social housing enterprise "New World Build for Good" in 2021 and became a charitable institution of a public character in 2023. It brings together experts from various professional fields, who are seeking to alleviate Hong Kong's housing problems through innovative thinking and solutions. These include advocating the creation of Hong Kong's first subsidised private housing project, with the goals of selling its units below market prices, and supplementing with an innovative "progressive mortgage" to offer quality new homes at affordable prices for young families. The Group selected a suitable site of about 30,300 sq ft of GFA on Lam Hi Road in Yuen Long, which will provide about 300 residential units. The land rezoning application for the project was approved by the Town Planning Board in October 2022, and is currently progressing well. It is expected that construction will commence in 2023 and to be completed in 2027.

In addition, the Group also took the lead in announcing the supply of farmland to the government and non-profit organisations. The Group's farmland will be used to build transitional housing projects to help increase affordability of homes among the underprivileged. To date, four projects have been approved by the Town Planning Board, which are progressing well and expected to provide a total of about 3,000 residential units.

Mainland China Property Development

In 1HFY2023, facing the recurring pandemic and the complex and everchanging macro-environment, the Group adhered to its strategic vision of "Improving Integration and Connectivity in the Greater Bay Area, Continually Refining the Yangtze River Delta Region and Proactively Developing Key First-Tier Cities Nationwide", striving ahead at a steady and sustainable pace. As always, the Group strengthened its presence in the Greater Bay Area through well-planned localised operations, experiencing fastest development ever for various high-quality projects, thereby making good progress on urban renewal projects as the synergy in the ecosystem increased over time. Meanwhile, the Group worked to mobilise its own and related industries, talents, technology and capital to converge these resources in the Yangtze River Delta and major cities in Mainland. The Group leapfrogged in many projects in Shanghai, Hangzhou, Ningbo, Wuhan and Shenyang with vigour and innovation and played a vital part in the high-quality development of the cities.

Towards the end of 2022, a number of favourable real estate policies were implemented to catalyse the recovery in property market, including the three-way policy on credit, bonds and securities, 16 Financial Measures, loosen purchase limit and adjusted prime rates in Provident Fund Scheme as well as housing subsidy. That said, the market sentiment was dampened by severe pandemic across regions, suppressing the transaction volume of property market. The data released by the National Bureau of Statistics indicated that the sales area of residential properties amounted to 1.15 billion sq m for 2022, a YOY decrease of 26.8%, and sales proceeds of residential properties amounted to RMB11.7 trillion, representing a YOY decrease of 28.3%.

During the period under review, the Group's revenue and segment results of property development in Mainland China, including joint development projects, amounted to HK$5,736 million and HK$2,695 million respectively. The contributions were mainly attributable to residential projects in Guangzhou, Hangzhou and Shenyang.

In spite of the challenging market environment brought by the pandemic, the Group is widely recognised by the market thanks to its premium brand and high-quality projects. In particular, the accumulated sales proceeds of each project under New World Arts Centre in Hangzhou has exceeded RMB11 billion, evidencing the Group's pursuit of excellence and its appeal to the market, further revealing the vast potential in cities in Yangtze River Delta. During the period under review, the Group achieved its targets for the first half of the fiscal year, with strong total contracted sales of properties in Mainland China. During the period under review, the Group's overall total contracted sales area of properties in Mainland China amounted to approximately 169,000 sq m, with total sales proceeds of RMB9.24 billion. The average price of overall contracted sales has exceeded RMB54,000 per sq m. In terms of the geographical distribution of contracted sales proceeds, the Eastern Region, led by the Yangtze River Delta Region, and the Southern Region, led by the Greater Bay Area, were the largest contributors, accounting for over 95%. Contributions were mainly from the projects in the Greater Bay Area and Yangtze River Delta, such as New World Arts Centre in Hangzhou, Shanghai Suhexi (上海蘇河璽) and Guangzhou Covent Garden.

Contracted Sales by Region
As at 31 December 2022

Region	**Area (sq m '000)**	**Proceeds (RMB m)**
Southern Region (i.e., the Greater Bay Area)	50.8	2,231
Eastern Region (i.e., the Yangtze River Delta Region)	94.3	6,548
Central Region	10.8	197
North-eastern Region	12.9	263
Total	**168.8**	**9,239**

As at 31 December 2022, among the unrecognised gross income from contracted sales of properties in Mainland China, RMB1.29 billion and RMB860 million will be booked in FY2023 and FY2024 respectively.

The Group maintained its non-core asset disposal strategy, identifying suitable opportunities, optimising its portfolio, and investing in its core businesses that offer higher growth and potential. During the period under review, the Group disposed of commercial and office buildings and carparks in Mainland China which generated approximately RMB810 million.

During the period under review, the Group's total GFA of projects completed in Mainland China (excluding carparks) was approximately 181,000 sq m, most of which was in the Greater Bay Area. The total GFA of completion (excluding carparks) is expected to reach approximately 531,000 sq m in FY2023.

1HFY2023 Project Completion in Mainland China — Property Development

Region	Project / Total GFA (sq m)	Residential	Commercial	Office	Total (excluding carparks)	Total (including carparks)
Shenzhen	Qianhai CTF Financial Tower	-	1,000	47,998	48,998	48,998
Foshan	Guangzhou Foshan Canton First Estate CF-32	82,149	1,093	-	83,242	111,289
	Total	**82,149**	**2,093**	**47,998**	**132,240**	**160,287**

1HFY2023 Project Completion in Mainland China — Property Investment, Hotel and Others

Region	Project/Total GFA (sq m)	Commercial	Total (excluding carpark)	Total (including carpark)
Shenzhen	Qianhai CTF Financial Tower	6,723	6,723	6,723
Guangzhou	Panyu International School Project Phase 1	42,132	42,132	42,132
	Total	**48,855**	**48,855**	**48,855**

2HFY2023 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 Park Paradise District 3 Batch E	87,368	-	-	87,368	93,569
	Zengcheng Comprehensive Development Project	-	11,505	26,874	38,379	71,360
Foshan	Guangzhou Foshan Canton First Estate CF-03	37,192	-	-	37,192	37,192
Shenyang	Shenyang New World Garden Phase 2C-2	43,868	-	-	43,868	43,868
	Total	**168,428**	**11,505**	**26,874**	**206,807**	**245,989**

2HFY2023 Project Completion Plan in Mainland China — Property Investment, Hotel and Others

Region	Project/Total GFA (sq m)	Commercial	Office	Total (excluding carparks)	Total (including carparks)
Guangzhou	Panyu International School Project Phase 2	20,365	-	20,365	20,365
	Zengcheng Comprehensive Development Project	4,759	94,847	99,606	99,606
Beijing	Beijing New View Commercial Centre	10,214	12,968	23,182	27,613
	Total	**35,338**	**107,815**	**143,153**	**147,584**

Mainland China Property Investment and Others

Mainland China was still gripped by COVID-19 pandemic in the second half of 2022, with the number of infected cases peaked in December. Nevertheless, Mainland China was committed to its strategy of expanding domestic demand as well as boosting and upgrading consumption in terms of quality in all aspects. The lifting of all pandemic policies helped to unleash the spending potential gradually. According to the National Bureau of Statistics, the retail sales amounted to RMB39,579.2 billion for 2022, representing a YOY increase of 0.5%.

During the period under review, the Group's revenue from property investment in Mainland China amounted to HK$896.4 million. The occupancy rates of major projects in the investment property portfolio remained stable.

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

Overall sales and foot traffic of Guangzhou K11 slightly shrank due to the combined effect of partial closure of public areas for brand upgrade and the pandemic. However, the Group diversified its online channels, online sales have risen by nearly 10% YOY and served as an essential driver of sales growth. Coupled with revenue-raising and cost control measures, net profit grew by 7% YOY and overall sales of same-merchants by 4% YOY. Furthermore, since the opening of Beauty Ally on the B1 floor in June 2022, the Group has lured new customers by way of social marketing and live streaming, doubling the store sales of cosmetics compared to that prior to reform. The total number of members increased by over 10% YOY as the Group continued to harness the Group's ecosystem and expanded public traffic to solicit premium members. In active collaboration with external parties, the Group presented members with exclusive shopping experiences in such events as Kugou Cloud Music Festival (酷狗雲上音樂節), Centurion Card High Tea Exhibition (黑卡下午茶文化展), IGI Jadeite Appreciation Class, and so forth, in turn the proportion of revenues from members furthered to nearly 60%. During the period under review, Guangzhou K11's marketing arm attracted 140 million online viewers with 2 large-scale exhibitions and over 30 events, while the cost of which was partially offset by additional sponsorship through collaboration.

Wuhan Hankou K11, with a keen eye on sport luxury products, has devoted its efforts to upgrade and transform merchants in Mall II and introduce new brands and sport luxe pop-up stores to enrich brand mix, set off new trends as well as expand target customer base. During the period under review, "Middlesummer Night VIP Exclusive Sharing Event" was well received and The British Library POPUP grabbed the headlines for its debut in Wuhan. Meanwhile, Wuhan Guanggu K11 Select continued to introduce popular brands aiming at Gen Z, converting traffic to consumption through online-merge-offline approach.

Owing to its sophisticated management of membership lifecycle, Shanghai K11 further improved member loyalty and boosted the highest member sales share of almost 70% in Mainland China. Its Prime Day for members in November 2022 recorded an approximately 40% YOY sales growth. Online sales of Shanghai K11 also increased by 20% YOY, as driven by ongoing expansion into e-commerce through live streaming on major social platforms such as TikTok.

Shenyang K11 yielded outstanding performance with double-digit YOY growth in sales and a record high in sales on Christmas Day. Despite the shadow cast by COVID-19 pandemic, it has maintained stable growth in performance through successful product promotions and member events, evidenced by a 20% YOY increase in black and regular member sales.

With Gen Z and young family as its target groups, Tianjin K11 Select has focused on membership development and loyalty enhancement, owing to which, gold members demonstrated great loyalty and sales derived from them were better than expected. Positioning itself as a "Future Life Experience Site", Tianjin K11 Select also devoted itself to maintaining a high-end shopping mall and creating novel operating philosophy to present a new shopping landmark in Binhai District of the city.

THE PARK by K11 Select in the Ningbo New World was officially launched at the end of 2022. Blending trendy and intriguing lifestyle of PARK with artistic, cultural, and natural features of Ningbo, the project is a one-stop complex of diverse business and experiences, offering from immersive experience, trendy sports to luxurious retailing and art exhibitions to everyone. It is expected to become another flagship project of the Group in the Yangtze River Delta and further consolidate comprehensive commercial competency and competitiveness of Ningbo New World complexes.

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

Mainland China Landbank

As at 31 December 2022, the Group had a landbank (excluding carparks) with a total GFA of approximately 5,256,000 sq m available for immediate development in Mainland China, of which approximately 2,907,000 sq m was zoned for residential use. Of the total GFA of the Group's landbank (excluding carparks), approximately 4,546,000 sq m were core property development projects located in Guangzhou, Shenzhen, Foshan, Wuhan, Shanghai, Ningbo, Hangzhou, Beijing and Shenyang, of which 65% were located in the Greater Bay Area and the Yangtze River Delta, of which approximately 2,331,000 sq m is zoned for residential use.

Landbank by Region **As at 31 December 2022**	**Total GFA (excluding carpark) (sq m '000)**	**Residential Total GFA (sq m '000)**
Southern Region (i.e. the Greater Bay Area)	2,176.7	1,350.7
Eastern Region (i.e., the Yangtze River Delta Region)	820.6	289.6
Central Region	720.4	351.6
Northern Region	605.0	254.4
North-eastern Region	933.0	661.0
Total	**5,255.7**	**2,907.3**
Of which, Core Projects	**4,545.5**	**2,330.8**

During the period under review, the Group joined hands with Central-and-State owned enterprises of China Merchants Shekou and Poly Development to develop two property projects by the Suzhou River in Shanghai in July and December 2022 respectively. Looking forward, the adjoining projects are set to form a prestigious residential community, bringing a better life to those living along the Suzhou River.

Leveraging on its solid development and strategy of strengthening its presence in Mainland China, the Group continued to replenish its landbank through diversified land acquisition strategies such as tender auctions, joint development, urban renewal, and merger and acquisitions as well as other channels to provide adequate resources for the sustainable development of the Group.

Hotel Operations
As Vietnam, Thailand and the Philippines gradually reopened their borders and relaxed pandemic control measures since the first quarter of 2022, the tourism industry in the region was back on track thanks to the steady recovery in international travelling and domestic consumption demand. The Group's four hotels in Ho Chi Minh City, Phuket and Manila recorded robust growth during the second half of 2022.

In Mainland China, the wave of COVID-19 infections swirled across the country and frequent lockdown and compulsory testing measures from the second quarter of 2022 led to a decline in both overall liquidity and economic activities, thus impaired the performance of the Group's hotel operations in the Mainland.

In Hong Kong, following the ease of social distancing and travel restrictions by the government in phase during the second half of 2022, the hotel industry in the city is recovering, contributing a significant growth in the overall performance of the Group's hotel operations in Hong Kong.

As at 31 December 2022, the Group owned a total of 15 hotel properties in Hong Kong, Mainland China and Southeast Asia, totalling 5,958 rooms.

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

NWSH's core businesses are Roads, Construction and Insurance. In 1HFY2023, NWSH delivered a solid result despite all the challenges encountered during the period under review.

Roads
During the period under review, COVID-19 containment measures in the Mainland, compounded by the cut in toll fee of trucks by 10% by the Mainland Government in the fourth quarter of 2022 with the aim of supporting the economic and logistics industry growth, as well as Renminbi depreciation and absence of financial incentives received in 1HFY2022 associated with the investments in Changliu Expressway and Sui-Yue Expressway have altogether weighed on the performance of the Roads segment. Though the financial support from the Mainland Government in relation to the 10% toll fee reduction for trucks partly mitigated the negative impacts, attributable operating profit ("AOP") fell by 29% year-on-year. Overall traffic flow and toll revenue during the period under review dropped by 10% and 6% year-on-year, respectively. Excluding the impact of Renminbi depreciation, underlying AOP from operation of the Roads segment declined by 23% year-on-year. Further excluding the financial incentives received in the 1HFY2022, the AOP decline would be 20%.

NWSH's major expressways, namely Hangzhou Ring Road, Tangjin Expressway (Tianjin North Section), Guangzhou City Northern Ring Road, Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and the three expressways in Central region (namely Suiyuenan Expressway, Sui-Yue Expressway and Changliu Expressway), have collectively contributed over 90% of the Roads segment's AOP, with overall traffic flow declining 11% year-on-year mainly due to the impact of COVID-19 control measures in the Mainland as mentioned above.

Despite the challenging environment, NWSH managed to take the opportunity to further enrich its road portfolio. In December 2022, NWSH announced the signing of the agreement to acquire the remaining 60% interest of Sui-Yue Expressway, while the acquisition of 40% interest in Guiwu Expressway (貴梧高速公路) was completed in November 2022. Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section)'s expansion has also been approved by the Mainland Government and construction works have begun.

The overall average remaining concession period of NWSH's road portfolio as at 31 December 2022 was around 11 years, which will support the sustainable income and cash flow to NWSH in the up-coming years.

Construction
Construction segment encompasses NWSH's wholly-owned interest in NWS Construction Limited and its subsidiaries (collectively, "Hip Hing Group"), as well as its 11.49% interest in Wai Kee. During the period under review, the overall AOP of the Construction segment decreased by 7% year-on-year, while Hip Hing Group performed steadily. Major projects of Hip Hing Group During the period under review included Immigration Headquarters at Tseung Kwan O, commercial developments at Kai Tak (SOGO and AIRSIDE), residential development at Yin Ping Road, Tai Wo Ping and office development at 2 Murray Road, Central.

During the period under review, Hip Hing Group's gross value contracts on hand increased by 6% year-on-year to approximately HK$57.5 billion, and the remaining works to be completed grew by 17% year-on-year to around HK$33.2 billion. About 68% of the remaining works to be completed were from private sector which included both commercial and residential, while the remaining approximately 32% were from government and institutional related projects. New projects contracted during the period under review, dropped by 53% year-to-year to HK$4.0 billion amid reduction in project supply in the private sector and hence more competition in the public sector. Key projects awarded included design and construction of expansion of the Legislative Council Complex, main contract works for office development at 20 Des Voeux Road Central and design and construction of a new public market in Tin Shui Wai.

Insurance

Insurance industry in Hong Kong was negatively impacted by a succession of challenges during the period under review, from adverse economic environment and continuous border restriction in Hong Kong to surge in interest rates and volatility in the equity market, which took a toll on the overall operating performance. That said, FTLife Insurance Company Limited ("FTLife Insurance") managed to maintain a stable growth trajectory and registered a 10% year-on-year growth in AOP, thanks to its effective expense management, reduction in medical claims and change in valuation interest rate in response to the increase in market interest rate.

Amid all the external challenges during the period under review, FTLife Insurance's overall Annual Premium Equivalent ("APE") dropped by 31% year-on-year to HK$726.9 million, maintaining its ranking of 12th among Hong Kong life insurance companies by APE as at 30 September 2022. Gross written premium declined by 12% year-on-year to HK$6,347.4 million. Pressured by the drop in APE, Value of New Business ("VONB") was down by 39% to HK$220.5 million, and VONB margin, representing VONB as a percentage of APE, decreased to 30% (1HFY2022: 34%) on product mix change and acquisition expense overruns impact resulting from reduced business volumes. Overall investment return of FTLife Insurance's investment portfolio was 3.4% during the period under review (1HFY2022: 5.3%).

Despite headwinds confronting the market, FTLife Insurance continued to enhance its product offerings during the period under review. In addition to "Your Choice" Insurance Plan, a short-term savings insurance product, and "Protect Starter", a new critical illness protection plan with new value proposition, launched in July and August 2022, respectively, FTLife Insurance further launched in November 2022 "Everglow 128" Insurance Plan, a savings plan which has annual distribution of cash coupons to provide stable income streams for maximum of 128 years and allowing change of insured to pass the legacy to next generations, and "Legend 2", a single pay investment linked product offering customers a spectrum of investment choices according to their needs and appetites. During the period under review, in recognition of FTLife Insurance's efforts in offering innovative insurance products that take care of customers' needs, FTLife Insurance's products clinched three awards at insurance comparison platform 10Life 5-Star Insurance Award 2022 and Critical Illness Product – Outstanding Achiever at 2021 BENCHMARK Wealth Management Awards.

While strengthening its agency force via training and governance control, FTLife Insurance is also enhancing its distribution channel through expanding its partnership channel, and at the same time seeking to expand cooperation with banks to tap new business opportunities. Further collaboration within the ecosystem of the Group and its subsidiaries also assisted in expanding FTLife Insurance's customer base. During the period under review, FTLife Insurance's outstanding achievements in talent development, product development, branding and corporate social responsibility have garnered four accolades at the Bloomberg Businessweek/Chinese Edition Financial Institution Awards 2022.

Financial position of FTLife Insurance remained healthy during the period under review. As at 31 December 2022, FTLife Insurance's solvency ratio stood at 364%, versus minimum industry regulatory requirement of 150%. Embedded value continued to be impacted by the interest rates hike and unfavourable equity performance, and decreased by 19% year-on-year to HK$17.3 billion. Moody's has continued to maintain the insurance financial strength rating of FTLife Insurance at A3/Stable, while Fitch Ratings has affirmed FTLife Insurance's A- insurer financial strength rating with stable rating outlook.

Outlook

The economy and the overall market situation in Hong Kong has become more optimistic with the pandemic restrictions lifted and border reopened with Mainland China. Given the strong backing of the Central Government, Hong Kong has benefited from the ongoing economic development in the Greater Bay Area which will support Hong Kong's development from being an international financial hub to also an innovation and technology hub.

Regarding Hong Kong property development, as at 31 December 2022, the primary market is expected to supply approximately 105,000 private residential units for the next three to four years, a significant increase of short and medium-term supply. With the border reopened between Hong Kong and Mainland China, the property market is expected to experience positive growth in second half of 2023.

The Group will successively launch a number of major residential projects in phases and provide over 5,000 units, including the four projects developed by its consortium at Kai Tak area in East Kowloon, the Phase V development project of "THE SOUTHSIDE" atop Wong Chuk Hang MTR Station and the project of the original State Theatre in North Point. The Group will also continuously solicit sales for its grade-A office projects including remaining units at NCB Innovation Centre and project at Wing Hong Street and King Lam Street, Cheung Sha Wan.

Regarding Hong Kong property investment, with the trend of co-working spaces and the increase of newly completed office building supply, office market is expected to remain competitive for the coming two years. Following the trend of decentralisation, the Group's strategic penetration in non-traditional business districts is getting close to harvest time. Cheung Sha Wan, a district with well-developed infrastructure in support of its closer connection with the Greater Bay Area, as well as its new regional positioning, will become a new hot-spot for young generation.

On the retail front, with all pandemic restrictions lifted and border reopened with Mainland China, the Group is actively monitoring market trends with prompt response. K11 Art Mall will continue to recruit more popular restaurants and trendy IG-hotspot stores which will continue to draw the attention from "Gen Z", so as to attract visitors and the registration of new members on the Group's loyalty programme – "KLUB11".

Regarding K11 MUSEA, the Group is dedicated to pioneering the harmonious blend of art, culture and commerce for creating a unique and innovative experience for customers. With the border reopened with Mainland China, the Group will capitalise on the synergy effects with Avenue of Stars and the dock area of Victoria Harbour to attract more visitors. The Group will also enhance K11 MUSEA as the top destination for talent cultivation and culture dissemination, by introducing pop-up stores to increase footfall and further optimising its brand mix.

The Group's mega landmark project "11 SKIES" in Hong Kong which is located close to the airport and the Hong Kong-Zhuhai-Macau Bridge, covering 3.8 million sq ft of GFA, will serve as a new landmark in the Greater Bay Area, featuring seamless connection to the expanded Terminal 2. In particular, three grade-A office towers will commence opening in 2023, with targeted tenants from wealth management and wellness services sectors as well as enterprises which plan to expand their business into the Greater Bay Area.

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, four of which will open between late 2023 and early 2024 successively. These include KidZania, a park offering fun and interactive experience, South Korea's largest immersive media art exhibition ARTE MUSEUM, being the first of its kind in Greater China Area, 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 children aged between 4 – 12 years will be able to enjoy playful edutainment experiences, filled with discovery and adventure.

We are right in the times of post-pandemic reconstruction, seeing confidence and momentum in the whole society. The National Development and Reform Commission (NDRC) even priortised "comprehensively facilitating consumption and upgrading consumption in terms of quality" among its initiatives to expand domestic demand. Enhancing the quality of supplies is essential to achieving the latter, which poses an excellent opportunity for New World Development with outstanding brand reputation and high-quality projects.

The state has introduced a series of favourable policy for stimulating real estate market, which has not only recognised the importance of real estate sector, but also set the tone for supporting the healthy development for the sector. After three years of turbulence and correction under the pandemic, the real estate industry is heading to high-quality development in the future. As a premium enterprise that adheres to sound and high-quality development, the Group will pioneer to capitalise on the favourable market and policies as well as gaining advantages from the recovery of the market. The Group will continue to take the role of "City Operator" and integrate concepts of "High-quality and Professional" products into the city building process. Meanwhile, the Group will actively bring the successful experience and resources of the Group's ecosystem to industries such as finance, education, healthcare and technology to promote social inclusion and high-quality development.

In Mainland China, working together with Guangzhou Metro, the comprehensive development project New Metropolis, which sits right on top of a metro station will be released to the market in the first half of 2023. New Metropolis is located at the interchange of Metro Lines 3 and 7 and an intercity light rail transit station in Guangzhou. It is also centrally located in the Chimelong-Wanbo world-class business district. The project will greatly enhance the overall landscape of the business district, and upgrade the surrounding area. The project gathers the commercial property brands operated by the K11 team, namely DISCOVERY PARK, grade A office building New World Development Centre (新世界發展中心) and a refined and luxurious residence New Metropolis Mansion, a brand new urban landmark of extraordinary specification and standard.

What's more, various urban renewal projects made progress under the Group, among which, the urban renewal project of 188 Industrial Zone located in the Longgang District, Shenzhen has commenced during the period under review. As the first urban renewal project of the Group in Shenzhen that has officially entered the development and construction phases, the commencement of such project marked a milestone for the Group's development in Shenzhen, which also indicated that the urban renewal business of the Group has advanced to the harvest stage. Furthermore, the other two urban renewal projects of the Group in Shenzhen, Xili Industrial Zone Project and Guangming Guangqiao Food Factory Project, also made significant progress recently and are expected to kick off its full development in 2023.

K11 is the first brand that combines "Art • People • Nature" in the world, and reflects the Group's relentless pursuit of innovation, creativity and culture. "K11 ECOAST" is the first K11 flagship project in Mainland China located in Prince Bay Area, Nanshan, Shenzhen. The project has a total GFA of 228,500 sq. m, and includes a K11 Art Mall, K11 HACC multi-purpose art space, K11 ATELIER office building and Promenade. K11 ECOAST is expected to open by the end of 2024, and will serve as a new cultural and retail waterfront landmark and a pioneer in circular economy in the Greater Bay Area, promoting new cultural and retail development in the area. In addition, the reform and brand upgrade of K11 Guangzhou is expected to complete by June 2023, and the new brand is expected to launch by the end of 2023, aiming to create another new high-end landmark in Guangzhou. Shenyang K11 will introduce cosmetics brands, women's fashion and apparel brands to enrich its portfolio, and focus on brand positioning and products. Shanghai K11 will drive foot traffic and sales through popular exhibitions, and will diversify rental income and venue income through broadening revenue streams and reducing expenditure. Moreover, aiming at Gen Z, several K11 projects in China and Hong Kong have accurately positioned Gen Z to create an Instagram-worthy spot to gather and check in for the trendy "Gen Z" shoppers.

K11 is expected to attain a footprint of 39 projects with a total GFA of 2,906,000 sq m in 11 major cities across Greater China. With gradual completions and openings of K11 projects across the country in the pipeline, as well as the completed transformation and upgrades of projects, the Group's recurring rental income will continue to grow, and serve as a key growth driver.

Meanwhile, K11 will continue its expansion into the asset-light market in Mainland China. By the end of 2023, the number of asset-light projects is expected to increase to ten.

Through disposal of the Group's non-core asset and business, the Group concentrates on developing its core businesses, continuously optimising its asset portfolio and returns, enhancing corporate efficiency and creating more value for shareholders. The Group completed the disposal of non-core assets worth about HK$5.6 billion in 1HFY2023, and is on track to meet the Group's full year target.

The Group has maintained a sound financial position, with total capital resources of HK$92 billion as at 31 December 2022, including approximately HK$57 billion of cash and bank deposits and approximately HK$35 billion of undrawn facilities from banks. The Group manages cash flow in an active and prudent manner, and strives to improve cost efficiency, diversify financing channels, balance risks and lower operating costs. As a result, its recurring administrative and other operating expenses decreased by approximately 4% during the period under review. All refinancing of borrowings due in FY2023 has been taken care of. With the Group's robust financial position, there is no need or plan by the Group for any equity capital raising from shareholders in the foreseeable future, including rights issuance and share placement.

To commit to the spirit of Creating Shared Value, the Group will continue to be in close communication with the relevant non-profit organisations and government departments, inject unique and innovative elements into social housing projects, and build a better community for Hong Kong's next generation. In promoting preservation and city-industry integration, the Group endeavour to develop the State Theatre in Hong Kong and a number of urban renewal projects in Mainland China into landmarks in the Greater Bay Area.

Going forward, the Group will keep enhancing the ties with stakeholders, further incorporate ESG factors into the business operations and dedicate itself to support the partners so as to create shared value to all the stakeholders.

LIQUIDITY AND CAPITAL RESOURCES

Net Debt

	As at 31 December 2022 HK$m	As at 30 June 2022 HK$m
Consolidated net debt	**129,275.7**	124,349.3
NWSH (stock code: 0659)	**5,455.1**	9,856.4
New World Department Store China Limited ("NWDS") (stock code: 0825)		
– net cash and bank balances	**(192.1)**	(302.9)
Net debt (exclude listed subsidiaries)	**124,012.7**	114,795.8

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 2022, 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 loss of HK$8,427.3 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$2,554.7 million 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. The Group's insurance segment enters into cross currency swaps and forward starting swaps to hedge against its foreign currency risk from bond investments and its interest rate risk for bonds to be purchased respectively. As at 31 December 2022, the Group had outstanding cross currency swaps in the amounts of approximately HK$7,535.1 million, and had outstanding interest rate swaps in the amounts of HK$16,000.0 million and US$80.0 million (equivalent to approximately HK$624.0 million).

In September 2022, a wholly-owned subsidiary of the Group redeemed HK$505.0 million 5.000% guaranteed notes at principal amount upon maturity.

In November 2022, a wholly-owned subsidiary of the Group redeemed the US$820.6 million (equivalent to approximately HK$6,401.0 million) 4.375% guaranteed notes (stock code: 5582) at principal amount upon maturity. Together with the US$129.4 million (equivalent to approximately HK$1,009.0 million) guaranteed notes redeemed in June 2022, the 4.375% guaranteed notes of US$950.0 million (equivalent to approximately HK$7,410.0 million) were fully redeemed.

In December 2022, a wholly-owned subsidiary of NWSH purchased and redeemed the US$92.3 million (equivalent to approximately HK$719.9 million) 4.250% guaranteed notes (stock code: 5594) at a price of 86.5% of the principal amount. Notes of approximately US$243.6 million (equivalent to approximately HK$1,900.5 million) in aggregate principal amount remain outstanding.

In December 2022, a wholly-owned subsidiary of NWSH purchased and redeemed the US$280.9 million (equivalent to approximately HK$2,190.7 million) 5.750% guaranteed senior perpetual capital securities (stock code: 5706) at a price of 95.5% of the principal amount. Securities of approximately US$1,019.1 million (equivalent to approximately HK$7,949.3 million) in aggregate principal amount remain outstanding.

In December 2022, a wholly-owned subsidiary of the Group purchased and redeemed the US$37.2 million (equivalent to approximately HK$290.0 million) 4.500% guaranteed notes (stock code: 40223) and the US$72.2 million (equivalent to approximately HK$562.9 million) 3.750% guaranteed sustainability-linked notes (stock code: 40534) at a price of 81.400% and 77.000% of the principal amounts respectively. Notes of US$562.8 million (equivalent to approximately HK$4,390.0 million) and US$127.8 million (equivalent to approximately HK$997.1 million) in respective aggregate principal amounts remain outstanding.

In December 2022, the NWSH Group issued senior perpetual capital securities with principal amount of US$268.2 million (equivalent to approximately HK$2,092.0 million) with floating coupon reference to Term Secured Overnight Financing Rate to a private investor.

As at 31 December 2022, the Group's cash and bank balances (including restricted bank balances) stood at HK$56,660.6 million (30 June 2022: HK$62,210.1 million) and the consolidated net debt amounted to HK$129,275.7 million (30 June 2022: HK$124,349.3 million). The net debt to equity ratio was 46.9%; an increase of 3.7 percentage points as compared to 30 June 2022.

As at 31 December 2022, the Group's long-term bank loans, other loans and fixed rate bonds and notes payable amounted to HK$168,028.8 million (30 June 2022: HK$173,342.2 million). Short-term bank and other loans as at 31 December 2022 were HK$17,907.5 million (30 June 2022: HK$13,217.2 million). The maturity of bank loans, other loans and fixed rate bonds and notes payable as at 31 December 2022 and 30 June 2022 was as follows:

	As at 31 December 2022 HK$m	As at 30 June 2022 HK$m
Within one year	**40,792.7**	45,749.0
In the second year	**36,612.0**	36,163.6
In the third to fifth year	**82,862.5**	78,573.9
After the fifth year	**25,669.1**	26,072.9
	185,936.3	186,559.4

Equity of the Group as at 31 December 2022 decreased to HK$275,390.8 million against HK$288,098.8 million as at 30 June 2022.

It is expected that equity raising is not necessary for the Company in the foreseeable future.

MAJOR ACQUISITION AND DISPOSAL

1. On 26 April 2022, the NWSH Group entered into a conditional sale and purchase agreement with Logan Transport Group Co., Ltd* and its subsidiary, which was superseded by a new conditional sale and purchase agreement on 5 September 2022, pursuant to which the NWSH Group agreed to acquire 40% equity interest in Guangxi Logan Guiwu Expressway Co., Ltd* (which wholly owns the concession right to operate Guiwu Expressway) and related creditor's right and dividend receivable at the total consideration of RMB1,902.4 million (equivalent to approximately HK$2,137.5 million). Completion of the acquisition took place in November 2022 and the NWSH Group accounted for its 40% equity interest in Guangxi Logan Guiwu Expressway Co., Ltd as a joint venture since then.

2. On 16 May 2022, Goshawk Aviation Limited ("Goshawk"), a joint venture whose equity interest is held as to 50% indirectly by the NWSH, entered into a main transaction agreement with SMBC pursuant to which Goshawk agreed to dispose of its substantially all of the commercial aircraft leasing platform to SMBC via the sale of entire equity interest in Goshawk Management Limited ("GML") (the main wholly-owned operating subsidiary of Goshawk) together with all assets, liabilities and contracts held by Goshawk which relate to the commercial aircraft leasing business operated by entities held or controlled by GML, except for entities which own six aircraft associated with Russian lessees. Completion of the disposal took place on 21 December 2022. The aggregate sum of the consideration received by Goshawk on completion is approximately US$1.6 billion (equivalent to approximately HK$12.5 billion) (the NWSH Group's attributable portion: US$0.8 billion (equivalent to approximately HK$6.2 billion)).

3. On 1 December 2022, the NWSH Group entered into an equity transfer agreement with Huayu Expressway Group Limited and its related parties, pursuant to which the NWSH Group agreed to acquire 60% equity interest in Hunan Daoyue Expressway Industry Co., Ltd.* (a 40% indirect associated company of NWSH and which is principally engaged in the management and operation of Hunan Sui-Yue Expressway) at the total consideration of RMB555.7 million (equivalent to approximately HK$624.4 million), subject to adjustments. The acquisition is yet to complete up to the date of this announcement. Upon completion, Hunan Daoyue Expressway Industry Co., Ltd. will become an indirect wholly-owned subsidiary of NWSH.

** For identification purposes only*

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 2022 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

		For the six months ended 31 December	
		2022	2021
	Note	**HK$m**	HK$m
			(restated)
Revenues	2	**40,193.3**	35,572.8
Cost of sales		**(31,039.0)**	(25,511.5)
Gross profit		**9,154.3**	10,061.3
Other income		**135.1**	347.1
Other gains/(losses), net		**953.2**	(377.0)
Selling and marketing expenses		**(1,237.5)**	(1,212.7)
Expenses of department store's operation		**(501.7)**	(660.7)
Administrative and other operating expenses		**(3,370.2)**	(3,364.9)
Overlay approach adjustments on financial assets		**552.0**	1,175.8
Changes in fair value of investment properties		**(47.7)**	(24.6)
Operating profit	3	**5,637.5**	5,944.3
Financing income		**1,768.0**	1,382.7
Financing costs		**(2,554.7)**	(1,259.3)
		4,850.8	6,067.7
Share of results of			
Joint ventures		**620.3**	270.6
Associated companies		**131.1**	1,045.4
Profit before taxation		**5,602.2**	7,383.7
Taxation	4	**(2,815.4)**	(3,927.7)
Profit for the period		**2,786.8**	3,456.0
Attributable to:			
Shareholders of the Company		**1,209.3**	1,423.2
Holders of perpetual capital securities		**1,265.0**	1,232.9
Non-controlling interests		**312.5**	799.9
		2,786.8	3,456.0
Interim dividend of HK$0.46 per share (2021: HK$0.56 per share)		**1,157.7**	1,409.3
Earnings per share (HK$)	5		
Basic		**0.48**	0.56
Diluted		**0.48**	0.56

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

	For the six months ended 31 December	
	2022	2021
	HK$m	HK$m
		(restated)
Profit for the period	**2,786.8**	3,456.0
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	**(276.2)**	452.0
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	**-**	0.7
Remeasurement of post-employment benefit obligation	**(0.3)**	-
Share of gain arising from revaluation of a logistics property held by a joint venture upon reclassification to investment property, net of taxation	**-**	6,312.1
Items that had been reclassified/may be reclassified subsequently to profit or loss		
Share of other comprehensive loss of joint ventures and associated companies	**(1,119.8)**	(25.7)
Net fair value changes and other net movements of debt instruments as financial assets at fair value through other comprehensive income	**(1,288.8)**	925.7
Release of reserve upon disposal of interest in a joint venture	**(6.4)**	-
Release of reserves upon disposal of non-current assets classified as assets held for sale	**-**	(81.9)
Cash flow/fair value hedges	**691.4**	(447.3)
Amount reported in other comprehensive income applying overlay approach adjustments on financial assets	**(552.0)**	(1,175.8)
Translation differences	**(7,316.5)**	2,645.6
Other comprehensive (loss)/income for the period	**(9,868.6)**	8,605.4
Total comprehensive (loss)/income for the period	**(7,081.8)**	12,061.4
Attributable to:		
Shareholders of the Company	**(7,170.9)**	7,656.5
Holders of perpetual capital securities	**1,265.0**	1,232.9
Non-controlling interests	**(1,175.9)**	3,172.0
	(7,081.8)	12,061.4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

	Note	**As at 31 December 2022 HK$m**	As at 30 June 2022 HK$m
ASSETS			
Non-current assets			
Investment properties		**208,657.4**	211,220.7
Property, plant and equipment		**16,309.9**	19,684.3
Right-of-use assets		**5,647.7**	6,298.2
Intangible concession rights		**12,059.5**	13,011.4
Intangible assets		**8,359.1**	8,395.2
Value of business acquired		**5,148.9**	5,239.8
Deferred acquisition costs		**2,425.0**	2,335.0
Interests in joint ventures		**54,042.2**	48,745.2
Interests in associated companies		**17,998.6**	16,193.1
Financial assets at fair value through profit or loss		**17,039.4**	18,684.0
Financial assets at fair value through other comprehensive income		**38,797.6**	39,133.8
Financial assets at amortised costs		**1,320.3**	-
Derivative financial instruments		**1,023.6**	781.6
Properties for development		**23,856.5**	23,310.6
Deferred tax assets		**2,137.4**	2,015.0
Other non-current assets		**26,755.8**	27,668.2
		441,578.9	442,716.1
Current assets			
Properties under development		**49,083.0**	62,066.2
Properties held for sale		**28,050.4**	21,770.6
Inventories		**451.8**	504.9
Debtors, prepayments, premium receivables and contract assets	6	**30,099.2**	32,235.2
Investments related to unit-linked contracts		**8,630.8**	8,649.2
Financial assets at fair value through profit or loss		**1,829.1**	2,529.9
Financial assets at fair value through other comprehensive income		**3,401.6**	3,154.2
Financial assets at amortised costs		**52.0**	-
Derivative financial instruments		**39.3**	27.4
Restricted bank balances		**3,441.5**	4,494.5
Cash and bank balances		**53,219.1**	57,715.6
		178,297.8	193,147.7
Non-current assets classified as assets held for sale	7	**2,016.8**	20.1
		180,314.6	193,167.8
Total assets		**621,893.5**	635,883.9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

	Note	As at 31 December 2022 HK$m	As at 30 June 2022 HK$m
EQUITY			
Share capital		**78,382.1**	78,382.1
Reserves		**124,079.1**	134,978.0
Shareholders' funds		**202,461.2**	213,360.1
Perpetual capital securities		**47,441.1**	47,614.2
Non-controlling interests		**25,488.5**	27,124.5
Total equity		**275,390.8**	288,098.8
LIABILITIES			
Non-current liabilities			
Long-term borrowings and other interest-bearing liabilities		**146,945.1**	143,038.9
Lease liabilities		**4,266.6**	4,517.3
Insurance and investment contract liabilities		**16,033.6**	16,470.0
Liabilities related to unit-linked contracts		**192.2**	190.8
Deferred tax liabilities		**9,707.9**	10,318.2
Derivative financial instruments		**166.5**	221.6
Other non-current liabilities		**241.2**	215.5
		177,553.1	174,972.3
Current liabilities			
Creditors, accrued charges, payables to policyholders and contract liabilities	8	**70,171.3**	70,233.5
Current portion of long-term borrowings and other interest-bearing liabilities		**26,417.5**	36,175.1
Short-term borrowings and other interest-bearing liabilities		**18,288.5**	14,094.5
Lease liabilities		**1,024.4**	1,285.2
Insurance and investment contract liabilities		**34,681.2**	31,734.4
Liabilities related to unit-linked contracts		**8,627.7**	8,645.1
Derivative financial instruments		**76.8**	0.4
Current tax payable		**9,631.7**	10,614.1
		168,919.1	172,782.3
Liabilities directly associated with non-current assets classified as assets held for sale	7	**30.5**	30.5
		168,949.6	172,812.8
Total liabilities		**346,502.7**	347,785.1
Total equity and liabilities		**621,893.5**	635,883.9

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 2022 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 2022 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 2022.

(a) Adoption of amendments to standards

The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial year ending 30 June 2023:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
HKFRSs Amendments	Annual Improvements to HKFRSs 2018-2020 Cycle
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

The adoption of these amendments to standards does not have significant effect on the results and financial position of the Group.

(b) New standard, amendments to standards and interpretation which are not yet effective

The following new standard, amendments to standards and interpretation are mandatory for accounting periods beginning on or after 1 July 2023 or later periods but which the Group has not early adopted:

HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities from a Single Transaction
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

HKFRS 17, "Insurance Contracts" ("HKFRS 17") and Amendments to HKFRS 17

HKFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard and will replace the current HKFRS 4 "Insurance Contracts". HKFRS 17 includes some fundamental differences to current accounting treatment in both insurance contracts measurement and profit recognition. Besides, HKFRS 17 requires more granular information as well as extensive disclosures.

Under HKFRS 17, a comprehensive model (general model) is introduced to measure insurance contracts liabilities based on a discounted cash flow model with a risk adjustment and deferral of unearned profits.

The major impacts from the adoption of HKFRS 17 are highlighted as follows:

(i) Insurance segment revenue presented in consolidated income statement under HKFRS 17 excludes any investment component, an amount that the policyholder will be repaid in all circumstances as required by the insurance contract, regardless of whether an insured event occurs.

(ii) In accordance with HKFRS 17, the estimated unearned future profits from in-force insurance contracts will be included in the measurement of insurance contract liabilities in the consolidated statement of financial position as the contractual service margin ("CSM") and will be gradually recognised as insurance segment revenue in the consolidated income statement based on the services provided over the coverage period of the insurance contract.

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

(b) New standard, amendments to standards and interpretation which are not yet effective (Continued)

HKFRS 17, "Insurance Contracts" ("HKFRS 17") and Amendments to HKFRS 17 (Continued)

In October 2020, HKFRS 17 (Amendments) was issued to address concerns and implementation challenges that were identified after HKFRS 17 was published and to defer the effective date of HKFRS 17 (incorporating the amendments) to accounting period beginning on or after 1 January 2023. The implementation of this standard involves significant enhancements to the information technology, actuarial and finance systems and the Group is undertaking active assessments with the assistance of external consultants and taking steps to get ready for adoption of HKFRS 17 in accordance with the required timeline. The assessment of the impacts on the Group's consolidated financial statements is still in progress and it is expected to have impacts on revenue, results and opening balance of total equity of the Group's insurance business. Although the work is well advanced as of the date of the publication of this announcement, it is not yet practicable to reliably quantify them.

Except for HKFRS 17 above, the Group has commenced the assessment on the impact of adoption of all other amendments to standards and interpretations, 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.

(c) Restatements of comparative figures

In December 2020, the Group reclassified its entire shareholding interest in Wai Kee Holdings Limited ("Wai Kee") from an associated company to an asset held for sale. Subsequently in April 2021, the Group disposed of half of its shareholding interest in Wai Kee and the remaining interest continued to be an asset held for sale.

During the second half of financial year ended 30 June 2022, the Group ceased to classify its remaining interest held in Wai Kee as held for sale since the criteria in HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" ("HKFRS 5") were no longer met. As such, the Group retrospectively as from the date of its classification as held for sale accounted for the remaining interest held in Wai Kee as an associated company using equity method in accordance with HKAS 28 "Investment in Associates and Joint Ventures".

The comparative figures in the condensed consolidated income statement and the condensed consolidated statement of comprehensive income have been restated accordingly to present the remaining interest held in Wai Kee as if it was an associated company since December 2020.

The following table shows the adjustments recognised for each individual financial statement line item. Financial statement line items that were not affected by the changes have not been included.

For the six months ended 31 December 2021

	As previously stated HK$m	**Prior period adjustments HK$m**	**As restated HK$m**
Condensed consolidated income statement (extract)			
Other income	353.5	(6.4)	347.1
Other losses, net	(324.0)	(53.0)	(377.0)
Share of results of associated companies	997.8	47.6	1,045.4
Profit for the period attributable to:			
Shareholders of the Company	1,430.4	(7.2)	1,423.2
Non-controlling interests	804.5	(4.6)	799.9
Condensed consolidated statement of comprehensive income (extract)			
Other comprehensive income			
Share of other comprehensive loss of joint ventures and associated companies	(27.2)	1.5	(25.7)
Translation differences	2,635.3	10.3	2,645.6

2. Revenues and segment information

Revenues recognised during the period are as follows:

	For the six months ended 31 December	
	2022	2021
	HK$m	HK$m
Revenues		
Property development	**11,277.7**	9,346.6
Property investment	**2,388.2**	2,518.0
Roads	**1,317.4**	1,481.9
Construction	**16,482.2**	12,342.8
Insurance	**5,817.9**	6,820.6
Hotel operations	**464.1**	494.9
Others	**2,445.8**	2,568.0
Total	**40,193.3**	35,572.8

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.

During the six months ended 31 December 2022, following the completion of disposal of Goshawk Management Limited and to better reflect the nature of the income streams and group strategies, the Group reclassified its reporting segments. 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. The comparative segment information for the six months ended 31 December 2021 and as at 30 June 2022 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 profit. The measurement of segment operating profit 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.

2. Revenues and segment information (Continued)

	Property development HK$m	Property investment HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Hotel operations HK$m	Others HK$m	Consolidated HK$m
For the six months ended 31 December 2022								
Total revenues	11,315.4	2,453.7	1,317.4	20,247.3	5,817.9	464.1	2,551.2	44,167.0
Inter-segment	(37.7)	(65.5)	-	(3,765.1)	-	-	(105.4)	(3,973.7)
Revenues-external	11,277.7	2,388.2	1,317.4	16,482.2	5,817.9	464.1	2,445.8	40,193.3
Revenues from contracts with customers:								
- Recognised at a point in time	10,343.4	-	1,317.4	-	-	161.0	1,837.4	13,659.2
- Recognised over time	934.3	-	-	16,482.2	302.5	303.1	608.4	18,630.5
	11,277.7	-	1,317.4	16,482.2	302.5	464.1	2,445.8	32,289.7
Revenues from other source:								
- Rental income	-	2,388.2	-	-	-	-	-	2,388.2
- Insurance revenue	-	-	-	-	5,515.4	-	-	5,515.4
	-	2,388.2	-	-	5,515.4	-	-	7,903.6
	11,277.7	2,388.2	1,317.4	16,482.2	5,817.9	464.1	2,445.8	40,193.3
Segment results (Note a)	3,563.9	1,510.4	583.1	288.8	876.1	(133.7)	(1,014.3)	5,674.3
Other gains/(losses), net (Note b)	1,857.9	(6.1)	(4.4)	(22.7)	(840.9)	-	(30.6)	953.2
Changes in fair value of investment properties	-	(47.7)	-	-	-	-	-	(47.7)
Overlay approach adjustments on financial assets	-	-	-	-	552.0	-	-	552.0
	5,421.8	1,456.6	578.7	266.1	587.2	(133.7)	(1,044.9)	7,131.8
Unallocated items								
Corporate expenses								(557.3)
Financing income (Note a)								781.1
Financing costs (Note a)								(2,504.8)
								4,850.8
Share of results of								
Joint ventures (Note c)	16.4	113.4	217.3	-	-	(149.3)	422.5	620.3
Associated companies	23.0	(5.7)	76.5	31.4	-	-	5.9	131.1
Profit before taxation								5,602.2
Taxation								(2,815.4)
Profit for the period								2,786.8
As at 31 December 2022								
Segment assets	127,095.5	206,865.7	13,992.3	24,642.2	65,731.4	10,427.5	32,606.4	481,361.0
Interests in joint ventures	22,067.9	7,637.8	5,814.3	-	-	3,784.4	14,737.8	54,042.2
Interests in associated companies	9,872.7	2,169.0	2,801.5	300.4	-	-	2,855.0	17,998.6
Unallocated assets								68,491.7
Total assets								621,893.5
Segment liabilities	46,705.6	3,482.9	574.6	10,944.7	53,810.8	723.5	10,206.7	126,448.8
Unallocated liabilities								220,053.9
Total liabilities								346,502.7
For the six months ended 31 December 2022								
Additions to non-current assets (Note d)	873.7	2,463.6	233.0	1,990.0	86.7	96.7	802.5	6,546.2
Depreciation and amortisation	33.1	10.1	549.2	54.6	200.5	160.3	568.5	1,576.3
Impairment loss and loss allowance	-	32.0	-	90.6	207.0	-	120.8	450.4

2. Revenues and segment information (Continued)

	Property development HK$m	Property investment HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Hotel operations HK$m	Others HK$m	Consolidated HK$m
For the six months ended 31 December 2021 (restated)								
Total revenues	9,346.6	2,592.6	1,481.9	16,314.9	6,820.6	494.9	2,578.6	39,630.1
Inter-segment	-	(74.6)	-	(3,972.1)	-	-	(10.6)	(4,057.3)
Revenues-external	9,346.6	2,518.0	1,481.9	12,342.8	6,820.6	494.9	2,568.0	35,572.8
Revenues from contracts with customers:								
- Recognised at a point in time	8,624.2	-	1,481.9	-	-	207.9	2,248.6	12,562.6
- Recognised over time	722.4	-	-	12,342.8	401.6	287.0	319.4	14,073.2
	9,346.6	-	1,481.9	12,342.8	401.6	494.9	2,568.0	26,635.8
Revenues from other source:								
- Rental income	-	2,518.0	-	-	-	-	-	2,518.0
- Insurance revenue	-	-	-	-	6,419.0	-	-	6,419.0
	-	2,518.0	-	-	6,419.0	-	-	8,937.0
	9,346.6	2,518.0	1,481.9	12,342.8	6,820.6	494.9	2,568.0	35,572.8
Segment results (Note a)	5,155.7	1,562.9	698.1	296.6	(353.7)	(237.3)	(659.8)	6,462.5
Other (losses)/gains, net (Note b)	(600.3)	2.3	62.7	(50.6)	(277.0)	(0.3)	486.2	(377.0)
Changes in fair value of investment properties	-	(24.6)	-	-	-	-	-	(24.6)
Overlay approach adjustments on financial assets	-	-	-	-	1,175.8	-	-	1,175.8
	4,555.4	1,540.6	760.8	246.0	545.1	(237.6)	(173.6)	7,236.7
Unallocated items								
Corporate expenses								(554.0)
Financing income (Note a)								597.1
Financing costs (Note a)								(1,212.1)
								6,067.7
Share of results of								
Joint ventures (Note c)	204.5	(122.6)	388.2	-	-	(188.1)	(11.4)	270.6
Associated companies	886.9	13.3	100.7	62.4	-	0.1	(18.0)	1,045.4
Profit before taxation								7,383.7
Taxation								(3,927.7)
Profit for the period								3,456.0
As at 30 June 2022								
Segment assets	130,901.1	213,128.3	14,636.5	21,748.5	61,785.4	10,913.5	44,149.0	497,262.3
Interests in joint ventures	18,802.0	7,982.6	3,822.9	-	-	3,825.1	14,312.6	48,745.2
Interests in associated companies	7,941.1	1,366.7	2,855.3	393.4	-	-	3,636.6	16,193.1
Unallocated assets								73,683.3
Total assets								635,883.9
Segment liabilities	48,126.2	3,153.9	528.4	9,629.1	51,218.0	584.4	11,246.4	124,486.4
Unallocated liabilities								223,298.7
Total liabilities								347,785.1
For the six months ended 31 December 2021 (restated)								
Additions to non-current assets (Note d)	2,547.1	1,496.5	165.2	1,510.4	49.4	567.6	370.4	6,706.6
Depreciation and amortisation	-	4.7	607.3	37.5	141.6	263.8	685.7	1,740.6
Impairment loss and loss allowance	146.1	207.6	-	99.2	75.2	-	343.1	871.2

2. 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				
Revenues				
Property development	**5,541.5**	**5,736.2**	**-**	**11,277.7**
Property investment	**1,491.8**	**896.4**	**-**	**2,388.2**
Roads	**-**	**1,317.4**	**-**	**1,317.4**
Construction	**16,139.8**	**342.4**	**-**	**16,482.2**
Insurance	**5,817.9**	**-**	**-**	**5,817.9**
Hotel operations	**166.9**	**154.3**	**142.9**	**464.1**
Others	**1,036.6**	**1,409.2**	**-**	**2,445.8**
	30,194.5	**9,855.9**	**142.9**	**40,193.3**
As at 31 December 2022				
Non-current assets (Note d)	**171,262.2**	**116,296.2**	**1,128.3**	**288,686.7**

	Hong Kong HK$m	Mainland China HK$m	Others HK$m	Total HK$m
For the six months ended 31 December 2021				
Revenues				
Property development	767.1	8,579.5	-	9,346.6
Property investment	1,497.4	1,020.6	-	2,518.0
Roads	-	1,481.9	-	1,481.9
Construction	12,046.0	296.0	0.8	12,342.8
Insurance	6,820.6	-	-	6,820.6
Hotel operations	160.3	271.5	63.1	494.9
Others	963.0	1,605.0	-	2,568.0
	22,254.4	13,254.5	63.9	35,572.8
As at 30 June 2022				
Non-current assets (Note d)	172,484.3	120,097.5	1,181.8	293,763.6

Notes:

(a) For the six months ended 31 December 2022, segment results of insurance segment included insurance related financing income of HK$986.9 million (2021: HK$784.8 million) and financing costs of HK$49.9 million (2021: HK$47.3 million).

(b) For the six months ended 31 December 2022, construction segment included impairment loss for investment in Wai Kee of HK$90.6 million (2021: HK$97.7 million (restated)).

For the six months ended 31 December 2021, others segment included gain on disposal of interests in SUEZ NWS Limited of HK$269.0 million and other gain on disposal net of impairment loss of property, plant and equipment, intangible assets and right-of-use assets of HK$73.1 million in relation to department store business.

(c) For the six months ended 31 December 2022, the share of results of joint ventures within other segment included the Group's share of impairment loss of HK$58.5 million in relation to investment in Hyva Global B.V. (2021: share of impairment loss/loss allowance of HK$274.0 million in relation to Goshawk Aviation Limited's assets impairment, provision for expected credit loss on receivables and aircraft repossession/recovery costs).

(d) 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.

3. Operating profit

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

	For the six months ended 31 December	
	2022	2021
	HK$m	HK$m
		(restated)
Insurance agency commission and allowances, net of change in deferred acquisition costs (Note a)	**(591.4)**	(593.5)
Loss associated with investments related to united-linked contracts	**(120.5)**	(474.2)
Credits associated with liabilities related to unit-linked contracts	**113.8**	474.0
Gain on partial disposal of interests in subsidiaries and remeasurement of retained interest at fair value after reclassification to a joint venture	**369.2**	-
Gain on redemption of fixed rate bonds	**272.5**	-
Net loss on fair value of financial assets at fair value through profit or loss (Note b)	**(588.5)**	(364.2)
Gain on fair value of derivative financial instruments	**37.1**	21.9
Write back of loss allowance for		
Loans and other receivables	**238.8**	33.9
Inventories	**3.8**	-
Rent concession, government grants and subsidies	**14.2**	129.2
Net (loss)/profit on disposal/liquidation of		
Assets held for sale	**-**	(56.0)
Debt instruments as financial assets at fair value through other comprehensive income	**(3.7)**	142.9
Financial assets at fair value through profit or loss	**(50.0)**	(19.7)
Investment properties and property, plant and equipment	**236.7**	44.5
Subsidiaries (including remeasurement of cost of disposal)	**1,212.5**	222.8
Associated companies and joint ventures	**(103.8)**	269.7
Impairment loss/loss allowance on		
Interests in associated companies	**(90.6)**	(102.6)
Debt instruments as financial assets at fair value through other comprehensive income	**(195.4)**	(206.9)
Loans, debtors, premium receivables and other receivables	**(154.1)**	(241.3)
Intangible assets	**-**	(69.6)
Inventories	**-**	(2.6)
Properties held for sale	**(8.8)**	(146.1)
Property, plant and equipment and right-of-use assets	**(1.5)**	(102.1)
Cost of inventories sold	**(10,328.8)**	(5,932.7)
Cost of services rendered	**(15,460.2)**	(12,933.3)
Claims and benefits, net of reinsurance	**(4,805.3)**	(6,868.9)
Depreciation and amortisation	**(1,576.3)**	(1,740.6)
Net exchange (losses)/gains	**(228.5)**	69.4

Notes:

(a) The amount includes amortisation of deferred acquisition costs of HK$307.6 million arising from insurance business (2021: HK$223.0 million).

(b) The Group elected to apply the "overlay approach" in accordance with Amendments to HKFRS 4 "Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts" which allows the Group to reclassify fair value gain or loss from condensed consolidated income statement to other comprehensive income for those designated eligible financial assets previously classified as available-for-sale financial assets under HKAS 39 "Financial Instruments: Recognition and Measurement" but currently classified as financial assets at fair value through profit or loss ("FVPL") under HKFRS 9 "Financial Instruments". The designated financial assets applying the overlay approach are equity instruments and investment funds that are managed as underlying assets backing the insurance contracts issued.

The net loss on fair value of financial assets at FVPL of HK$588.5 million (2021: HK$364.2 million) includes (i) a net fair value loss of HK$552.0 million (2021: HK$1,175.8 million) arising from those designated financial assets held by insurance business applying the overlay approach; and (ii) the remaining net fair value loss of HK$36.5 million (2021: net gain of HK$811.6 million) arising from other financial assets held by insurance business which are not eligible for the overlay approach or financial assets not related to insurance business. The net fair value loss of HK$552.0 million (2021: HK$1,175.8 million) was then reclassified from condensed consolidated income statement to other comprehensive income as overlay approach adjustments for the designated financial assets.

4. Taxation

	For the six months ended 31 December	
	2022	2021
	HK$m	HK$m
Current taxation		
Hong Kong profits tax	**389.2**	266.1
Mainland China and overseas taxation	**594.8**	1,725.4
Mainland China land appreciation tax	**1,809.9**	2,625.4
Deferred taxation	**21.5**	(689.2)
	2,815.4	3,927.7

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit for the period.

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.

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% (2021: 12% to 28%). Withholding tax on dividend is mainly provided at the rate of 5% or 10% (2021: 5% or 10%).

Mainland China land appreciation tax is provided at progressive rates ranging from 30% to 60% (2021: 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$176.1 million and HK$148.7 million (2021: HK$78.2 million and HK$1,168.1 million) respectively.

5. Earnings per share

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

	For the six months ended 31 December	
	2022	2021
	HK$m	HK$m
		(restated)
Profit attributable to shareholders of the Company for calculating basic and diluted earnings per share	**1,209.3**	1,423.2

	Number of shares (million) For the six months ended 31 December	
	2022	2021
Weighted average number of shares for calculating basic and diluted earnings per share	**2,516.6**	2,526.4

The share options granted by the Company have potential dilutive effect on the earnings per share.

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

For the six months ended 31 December 2022 and 31 December 2021, the 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 per share and therefore were not included in the calculation of diluted earnings per share.

6. **Trade debtors**

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

	As at 31 December 2022 HK$m	As at 30 June 2022 HK$m
Less than 30 days	**5,035.0**	2,231.5
31 to 60 days	**94.5**	300.4
Over 60 days	**574.0**	657.5
	5,703.5	3,189.4

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

7. **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 2022 HK$m	As at 30 June 2022 HK$m
Assets of disposal groups classified as held for sale		
Investment properties	**2,000.0**	-
Interests in joint ventures	**16.8**	20.1
	2,016.8	20.1

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

	As at 31 December 2022 HK$m	As at 30 June 2022 HK$m
Liabilities classified as held for sale	**30.5**	30.5

8. **Trade creditors**

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

	As at 31 December 2022 HK$m	As at 30 June 2022 HK$m
Less than 30 days	**7,259.6**	6,248.0
31 to 60 days	**279.7**	117.2
Over 60 days	**4,439.7**	4,596.8
	11,979.0	10,962.0

9. **Pledge of assets**

As at 31 December 2022, the assets with an aggregated amount of HK$84,176.4 million (30 June 2022: HK$80,167.9 million) were pledged as securities for certain banking facilities of the Group.

10. **Financial guarantee and contingent liabilities**

	As at 31 December 2022 HK$m	As at 30 June 2022 HK$m
Financial guarantee contracts:		
Mortgage facilities for certain purchasers of properties	**2,136.2**	2,931.7
Guarantees for credit facilities granted to		
Joint ventures	**9,473.3**	10,890.7
Associated companies	**1,520.0**	1,520.4
	13,129.5	15,342.8

INTERIM DIVIDEND

The Board has declared an interim dividend of HK$0.46 per share in cash for the financial year ending 30 June 2023 to shareholders whose names appear on the register of members of the Company on 23 March 2023. It is expected that the interim dividend will be distributed to shareholders on or about 13 April 2023.

BOOK CLOSE DATES

Book close dates (both days inclusive)	:	17 March 2023 to 23 March 2023
Latest time to lodge transfer with Share Registrar	:	4:30 pm on Thursday, 16 March 2023
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 Capital Finance Limited (a wholly owned subsidiary of the Company) redeemed HK$505,000,000 5.000% guaranteed notes due 2022 at principal amount upon maturity on 5 September 2022.

NWD (MTN) Limited (a wholly owned subsidiary of the Company) redeemed US$820,647,000 (equivalent to approximately HK$6,401,046,600) 4.375% guaranteed notes due 2022 (stock code: 5582) at principal amount upon maturity on 30 November 2022. US$129,353,000 (equivalent to approximately HK$1,008,953,400) in aggregate principal amount of the said notes were redeemed previously in June 2022.

NWS Holdings Limited ("NWSH") and Celestial Dynasty Limited (a wholly owned subsidiary of NWSH) together as the offerors (the "CDL Offerors") launched a tender offer ("CDL Tender Offer") to purchase for cash the US$650,000,000 (equivalent to approximately HK$5,070,000,000) 4.250% guaranteed senior notes due 2029 issued by Celestial Dynasty Limited and unconditionally and irrevocably guaranteed by NWSH (stock code: 5594) (the "CDL Notes") at a price of 86.500% of the principal amount on 5 December 2022. Upon settlement of the CDL Tender Offer, US$92,301,000 (equivalent to approximately HK$719,947,800) in aggregate principal amount of the CDL Notes were purchased and redeemed by the CDL Offerors on 20 December 2022 and cancelled pursuant to the terms and conditions of the CDL Notes. US$243,649,000 (equivalent to approximately HK$1,900,462,200) in aggregate principal amount of the CDL Notes remains outstanding as at 31 December 2022.

NWSH and Celestial Miles Limited (a wholly owned subsidiary of NWSH) together as the offerors (the "CML Offerors") launched a tender offer ("CML Tender Offer") to purchase for cash the US$1,300,000,000 (equivalent to approximately HK$10,140,000,000) 5.750% guaranteed senior perpetual capital securities issued by Celestial Miles Limited and unconditionally and irrevocably guaranteed by NWSH (stock code: 5706) (the "CML Securities") at a price of 95.500% of the principal amount on 5 December 2022. Upon settlement of the CML Tender Offer, US$280,856,000 (equivalent to approximately HK$2,190,676,800) in aggregate principal amount of the CML Securities were purchased and redeemed by the CML Offerors on 20 December 2022 and cancelled pursuant to the terms and conditions of the CML Securities. US$1,019,144,000 (equivalent to approximately HK$7,949,323,200) in aggregate principal amount of the CML Securities remains outstanding as at 31 December 2022.

The Company as the offeror launched a tender offer (the "Offer") to purchase for cash the US$600,000,000 (equivalent to approximately HK$4,680,000,000) 4.500% guaranteed notes due 2030 (stock code: 40223) (the "2030 Notes") and the US$200,000,000 (equivalent to approximately HK$1,560,000,000) 3.750% guaranteed sustainability-linked notes due 2031 (stock code: 40534) (the "2031 Notes"), each issued by NWD (MTN) Limited and unconditionally and irrevocably guaranteed by the Company at a price of 81.400% and 77.000% of the principal amount respectively on 5 December 2022. Upon settlement of the Offer, US$37,183,000 (equivalent to approximately HK$290,027,400) in aggregate principal amount of the 2030 Notes and US$72,165,000 (equivalent to approximately HK$562,887,000) in aggregate principal amount of the 2031 Notes were purchased and redeemed by the Company on 20 December 2022 and cancelled pursuant to the terms and conditions of the respective notes. US$562,817,000 (equivalent to approximately HK$4,389,972,600) in aggregate principal amount of the 2030 Notes and US$127,835,000 (equivalent to approximately HK$997,113,000) in aggregate principal amount of the 2031 Notes remain outstanding as at 31 December 2022.

During the six months ended 31 December 2022, 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 2022.

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EMPLOYEES AND REMUNERATION POLICIES

At 31 December 2022, around 28,000 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. Certain non-listed subsidiaries of the Company have share award schemes under which certain employees may be awarded shares of the respective subsidiaries. Under the share options schemes of the Company and a listed subsidiary of the Group, options may be granted to certain directors of the Company and certain 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 14 of the Listing Rules throughout the six months ended 31 December 2022, with the exception of code provisions C.1.3 and F.2.2.

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 10 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 28,000 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.

Code provision F.2.2 provides that the chairman of the board should attend the annual general meeting. Dr. Cheng Kar-Shun, Henry, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 22 November 2022 (the "AGM") due to COVID-19 infection. Dr. Cheng Chi-Kong, Adrian, Executive Vice-chairman and Chief Executive Officer of the Company who took the chair of the AGM, together with other members of the Board who attended the AGM, were of sufficient calibre for answering questions at the AGM and had answered questions at the AGM competently.

REVIEW OF INTERIM RESULTS

The Company's unaudited interim results for the six months ended 31 December 2022 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 2022 that is included in the Interim Report 2022/2023 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 2022 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, 23 February 2023

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, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Huang Shaomei, Echo, Ms. Chiu Wai-Han, Jenny and Mr. Ma Siu-Cheung; (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.