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)

Annual Results Announcement 2023/2024

<u>Results Highlights:</u>

- Core operating profit from continuing operations was HK$6,898 million, decreased by 18% year-on-year
- Loss attributable to shareholders from continuing operations was HK$11,807 million
- From continuing operations, the Group's revenues recorded a year-on-year decrease by 34% to HK$35,782 million due to less bookings from property development in both Hong Kong and Mainland China; gross profit recorded a year-on-year decrease by 22% to HK$12,849 million
- Revenues of property development in Hong Kong amounted to HK$2,412 million
- Revenues of property development in Mainland China amounted to HK$13,713 million
- Revenues of property investment in Hong Kong was HK$3,356 million, and the segment results was HK$2,536 million. The operational efficiency of K11 MUSEA and K11 Art Mall in Tsim Sha Tsui have increased
- Revenues of property investment in Mainland China was HK$1,841 million, and the segment results was HK$955 million, benefiting from steady and high occupancy rate
- The Group's overall property contracted sales in Mainland China amounted to approximately RMB12.48 billion, with the Southern Region led by the Greater Bay Area and the Eastern Region led by the Yangtze River Delta, accounting for over 85%
- Continuous stringent cost control efforts as evidenced by an approximately 23% and 17% year-on-year decrease respectively in capital expenditures and administrative and other operating expenses from continuing operations
- Due to recorded loss attributable to shareholders, the Directors have resolved not to recommend a final dividend for the year ended 30 June 2024. Dividend for the year amounted to HK$0.20 per share
- Total capital resources amounted to approximately HK$46.3 billion, including cash and bank balances of approximately HK$28.0 billion and undrawn facilities from banks of approximately HK$18.3 billion

Business Review

During the year under review, the Group recorded consolidated revenues of HK$35,782 million and core operating profit[1] of HK$6,898 million from continuing operations, a decrease of 34% and 18% year-on-year respectively.

Hong Kong Property Development

In February 2024, the Hong Kong Government announced that it would abolish all demand-side management measures for residential properties, which has stimulated a short-term rebound in transaction volume in the residential property market, but HIBOR remains high, and the property market sentiment still needs to be improved. According to the public data from the Land Registry, Hong Kong recorded 17% and 16% year-on-year increases in the number and consideration of agreements for primary sale and purchase of residential building units from July 2023 to June 2024, respectively.

During the year under review, the Group's revenues and segment results of property development in Hong Kong were HK$2,412 million and HK$499 million, respectively. The major contributions were attributed by residential projects including Mount Pavilia and The Masterpiece, and the Group's grade-A office project at 888 Lai Chi Kok Road.

During the year under review, the Group achieved attributable contracted sales in Hong Kong of approximately HK$1,509 million, mainly contributed by residential projects including Uptown East and The Knightsbridge, and the Group's grade-A office project at 888 Lai Chi Kok Road. As at 30 June 2024, the Group had a total of 2,039 residential units available for sale in Hong Kong, of which 545 residential units were under the lead of the sales team of the Group.

As at 30 June 2024, among the unrecognised attributable income of the Group from contracted sales of properties in Hong Kong, HK$11,194 million would be booked in FY2025 and FY2026. Key projects expected to be booked in FY2025 and FY2026 include The Pavilia Farm III, Mount Pavilia, The Knightsbridge and Uptown East.

The Group's grade-A office project at 888 Lai Chi Kok Road, Cheung Sha Wan was completed in May 2022, comprising a 24-storey building with a total GFA of approximately 580,000 sq ft. As at 30 June 2024, approximately 85% of the attributable GFA of the project were sold cumulatively.

[1] Reconciliation of (loss)/profit from continuing operations to core operating profit as follows:

	2024 **HK$m**	2023 HK$m
(Loss)/profit from continuing operations	**(9,810.8)**	1,272.1
Changes in fair value of investment properties, include share of results of joint ventures and associated companies	**2,734.2**	595.1
Gain on transfer to investment properties	**(2,237.2)**	-
Taxation	**5,062.4**	5,258.1
Financing income	**(1,233.3)**	(1,341.9)
Financing costs	**5,508.1**	4,571.8
Impairment loss on properties held for sale, properties under development, property, plant and equipment and right-of-use assets, include share of results of joint ventures and associated companies	**6,261.0**	277.1
Write back of loss allowance on properties for development	**(169.0)**	(818.0)
Loss/(gain) on disposal of non-core assets and remeasurement of the disposal group	**782.4**	(337.0)
Remeasurement of cost of disposal	-	(1,081.7)
Core operating profit	**6,897.8**	8,395.6

Hong Kong Property Investment and Others

With the slow pace of growth in visitor arrivals to Hong Kong, coupled with significant changes in local and visitor consumption patterns, the local retail sector is still under continuous challenges, where most of them visited Hong Kong for cultural and art events and exhibitions. In order to attract more tourists, the Hong Kong Government has launched a number of measures to support the growth of the tourism industry and local economy, and organised various mega events with different themes and forms, including cultural and creative activities, festival celebrations, and sports events, in the hope of offering a wider spectrum of choices of events and new experiences for tourists and local citizens. As the events are becoming more diverse, the Group has taken proactive measures and organised a number of large-scale cultural and art events to attract customers, while various international brands and popular restaurants clustered to the mall, driving footfall and leasing activities in the mall.

During the year under review, the Group's revenues and segment results of property investment in Hong Kong amounted to HK$3,356 million and HK$2,536 million, respectively. The operational efficiency of K11 MUSEA and K11 Art Mall in Tsim Sha Tsui, Kowloon have increased. The Group has benefited from the unique "Cultural Commerce" business model of K11. Leveraging the unique marketing strategies and a variety of cultural and art events, K11 MUSEA and K11 Art Mall achieved solid performance, with increases in both footfall and rental activities. Both malls have recorded high occupancy rates.

During the year under review, K11 MUSEA recorded a year-on-year increase of 17% and 20% in sales and total footfall, respectively. The growth have mainly driven by luxury spending, popular F&B offerings and cultural events. Taking advantage of K11 MUSEA's prime location, high visitor sales and growing foot traffic, overall occupancy rate reached 97%. The latest stores by some of the world's most renowned luxury brands add to the allure of this unique art and cultural destination while expanding their footprint. This underscores K11 MUSEA's enduring appeal as a destination for luxury shoppers seeking an unparalleled shopping experience with new featured duplexes and new concept stores. During the year under review, K11 MUSEA partnered with the Avenue of Stars and the tenants of the mall to hold numerous mega events, including Night Market by The Sea, the first cultural waterfront market in Tsim Sha Tsui, which were well-received.

K11 Art Mall also benefited from the Group's unique "Cultural Commerce" business model and the continuous introduction of popular brands. During the year under review, sales and footfall increased by 16% and 10% respectively year-on-year. K11 Art Mall has gathered a wide range of lifestyle brands loved by young generation alongside popular dining selection, and continuously improved its business mix to maintain overall occupancy rate at 99%. The Group has been optimising its tenant mix and attracting numerous emerging popular brands and pop-up stores, including trendy lifestyle brands and specialty cuisines.

The Group's loyalty programme has held a number of promotion campaigns and offered loyalty points and rewards through collaboration with major payment platforms, business partners and tenants to encourage customers' spending, thus the number of its registered members is still on the rise which also boosts the footfall and sales at the Group's malls.

During the year under review, as the office leasing market continued to be under pressure amid the challenges in macroeconomic environment, many tenants considered moving out of traditional business districts in order to cut costs. However, both leasing enquiries and activities of the Group's office buildings saw a mild increase, including the Group's grade-A office project at 83 King Lam Street, Cheung Sha Wan, which was completed in April 2024. "83 King Lam Street" comprises two 23-storey office buildings, Tower A and Tower B, with a total GFA of approximately 1,191,000 sq ft, and a podium garden of 31,000 sq ft, which is the first twin-tower landmark grade-A office building in the district. Approximately 40% of the office area under the project was pre-leased and occupied, covering approximately 400,000 sq ft.

Hong Kong Landbank

During the year under review, the Hong Kong Government has been actively increasing the land and housing supply, and launched a number of initiatives under the "Long Term Housing Strategy", which includes the implementation of New Development Areas and New Town Extension projects. It has also made full efforts to push the progress of the work related to the Northern Metropolis. In the coming decade, approximately 40% of new developable land in Hong Kong, covering an area of 30,000 hectares or approximately one-third of Hong Kong's total area, will be located within the Northern Metropolis, which is divided into four zones from the west to the east, namely the High-end Professional Services and Logistics Hub, Innovation and Technology Zone, Boundary Commerce and Industry Zone and Blue and Green Recreation, Tourism and Conservation Circle.

In the long-term, the Northern Metropolis will be the new engine for Hong Kong's future development and inject new economic momentum into Hong Kong. In particular, it provides new land for the development of innovation and technology, of which San Tin Technopole within the Innovation and Technology Zone will be developed as the hub of the Northern Metropolis for industry development going forward, so as to make contribution to the development of the South-North dual engine (finance - I&T) for Hong Kong and become a new community for quality, healthy and green living.

The Group will continue to expedite the farmland conversion to unlock value and replenish its landbank, and will act in line with the government's development policies to meet housing demand in Hong Kong. As at 30 June 2024, the Group had a landbank with a total attributable GFA of approximately 7.74 million sq ft in Hong Kong available for immediate development, of which approximately 3.95 million sq ft was for property development use. Meanwhile, the Group had an agricultural landbank with a total attributable land area of approximately 15.84 million sq ft pending land use conversion in the New Territories, approximately 90% of which was located within the Northern Metropolis and will be benefited from the government's development plan.

Landbank by District **As at 30 June 2024**	**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	779.9	22.8	802.7
Kowloon	1,328.5	-	1,328.5
New Territories	1,844.7	3,767.4	5,612.1
Total	**3,953.1**	**3,790.2**	**7,743.3**

Agricultural Landbank by District **As at 30 June 2024**	**Total Land Area** **(sq ft '000)**	**Total Attributable Land Area** **(sq ft '000)**
Yuen Long District	12,061.0	11,062.2
North District	2,033.5	1,956.5
Sha Tin District and Tai Po District	1,910.8	1,856.7
Sai Kung District	1,137.9	968.0
Total	**17,143.2**	**15,843.4**

Mainland China Property Development

In FY2024, with the aim of ensuring the steady development of the real estate market, various policies were introduced to bolster market confidence in terms of supply and demand. The central government and authorities at all levels have successively implemented a series of policies, including easing purchase restrictions, lending restriction policies, housing purchase and registration policies, and lowering interest rates on commercial loans and provident fund deposits, thus making concerted efforts for both the supply and demand sides to accelerate the transition to a new model of real estate development.

With the successful convening of the Third Plenary Session of the 20th Central Committee of the Communist Party of China (CPC), strategic decisions such as the establishment of a high-standard socialist market economy, the pursuit of a higher-standard opening-up policy, and the promotion of a new model of real estate development were highlighted at the meeting, which inspired great confidence and injected sustainable impetus into China's economic development, especially the real estate market.

During the year under review, the Group's revenue and segment results from property development in Mainland China amounted to HK$13,713 million and HK$5,258 million, respectively. The contributions were mainly from residential projects in Hangzhou River Opus, Guangzhou Park Paradise and Shenyang New World Garden.

Amid the complex environment and challenges presented by global economic volatility and further adjustments in the real estate market, core assets in prime locations are often favoured by the market due to their greater resilience. In particular, high-quality residential units at a reasonable price are attractive to buyers. The Group has achieved remarkable sales results by virtue of its forward-looking layout in the core cities of the Greater Bay Area and the Yangtze River Delta region, high-quality project positioning and established brand reputation, as well as proactively seizing the window of opportunity created by the market and supportive policies.

During the year under review, a number of the Group's projects commenced sales and continued to record growth, while our pipeline of landmark projects, represented by THE SILLAGE, continued to develop and attracted much attention from the market. Located in Bai'etan CBD in Liwan, Guangzhou, THE SILLAGE maintained its strong sales momentum following a positive response to the sale of nearly 200 units in March 2024, ranking first in Guangzhou Bai'etan district in terms of both foot traffic and transactions. In addition, since its launch in 2023, New Metropolis Mansion in Changlong-Wanbo has secured a leading position among new residential projects with sales in the RMB7-8 million range in Guangzhou.

During the year under review, the contracted sales proceeds of the entire Mainland China property portfolio was RMB12.48 billion. The contracted sales area was approximately 313,000 sq m. The average residental property price of the total contracted sales exceeded RMB44,000 per sq m. In terms of the geographical distribution of contracted sales proceeds, the Southern Region and the Eastern Region, led by the Greater Bay Area and the Yangtze River Delta Region respectively, were the largest contributors, accounting for approximately 85%. Contributions came mainly from Guangzhou New Metropolis • New Metropolis Mansion, Guangzhou Park Paradise • The Glory of Legend, Shenyang New World Garden, etc.

Contracted Sales by Region

FY2024 **Region**	**Area** **(sq m'000)**	**Proceeds** **(RMB m)**
Southern Region (i.e. the Greater Bay Area)	160.2	7,059
Eastern Region (i.e. the Yangtze River Delta Region)	42.9	3,530
Central Region	7.7	49
Northern Region	27.6	277
North-Eastern Region	74.3	1,567
Total	**312.7**	**12,482**

As at 30 June 2024, the Group's unrecognised gross revenue from contracted sales of properties in Mainland China amounted to approximately RMB16.3 billion will be recognised in FY2025 and FY2026.

The Group will continue to optimise its business portfolio through disposal of non-core assets and businesses and devote its resources to high-return core businesses, so as to create more enterprise value for our shareholders. During the year under review, the Group disposed of commercial buildings and carparks in Mainland China, generating proceeds of approximately RMB676 million.

During the year under review, the total GFA of the Group's projects in Mainland China (excluding carparks) was approximately 1,038,000 sq m, most of which was in the Greater Bay Area. The total GFA of completed projects (excluding carparks) is expected to reach approximately 668,000 sq m in FY2025.

FY2024 Project Completion in Mainland China — Property Development

Region	Project/Total GFA (sq m)	Residential	Commercial	Office	Hotel	Total (excluding carparks)	Total (including carparks)
Guangzhou	Park Paradise District 3 Batch E	44,503	-	-	-	44,503	61,757
	Guangzhou Zengcheng International Community Project	238,557	31,578	-	-	270,135	270,135
Hangzhou	Hangzhou River Opus	149,465	33,174	38,006	-	220,645	393,547
Foshan	Guangzhou Foshan Canton First Estate CF-21B	52,854	-	-	-	52,854	84,584
Beijing	Beijing New View Commercial Centre	-	9,941	13,180	-	23,121	27,573
Shenyang	Shenyang New World Garden Phase 2C-2	122,953	10,886	-	-	133,839	133,839
Anshan	Anshan New World • The Grandiose Phase 1 B3	16,272	466	-	-	16,738	16,738
Huizhou	Changhuyuan Phase 4	35,326	4,343	-	-	39,669	61,438
Jinan	Jinan New World Sunshine Garden Project BC	-	5,414	31,481	18,375	55,270	73,702
	Total	**659,930**	**95,802**	**82,667**	**18,375**	**856,774**	**1,123,313**

FY2024 Project Completion in Mainland China — Property Investment and Others

Region	Project/Total GFA (sq m)	Commercial	Office	Total (excluding carpark)	Total (including carpark)
Guangzhou	Panyu International School Project Phase 2	35,249	-	35,249	35,249
	Panyu International School Project Phase 3	26,412	-	26,412	26,412
Shenzhen	Qianhai CTF Financial Tower Project	19,718	100,002	119,720	130,800
Shenyang	Shenyang New World Garden Phase 2C-2	-	-	-	45,101
	Total	**81,379**	**100,002**	**181,381**	**237,562**

FY2025 Project Completion Plan in Mainland China — Property Development

Region	Project/Total GFA (sq m)	Residential	Commercial	Total (excluding carparks)	Total (including carparks)
Guangzhou	New World - Guangzhou Metro Hanxi Development Project	145,067	-	145,067	366,246
	Guangzhou Zengcheng International Community Project	36,503	2,050	38,553	38,553
Shanghai	Shanghai Putuo Zhongshan North Land Project B2-18	79,001	-	79,001	79,001
Huizhou	Changhuyuan Phase 4	17,349	1,177	18,526	18,526
Yiyang	Yiyang New World Scenic Heights Phase I Project D4-D7	63,567	2,368	65,935	87,189
	Total	**341,487**	**5,595**	**347,082**	**589,515**

FY2025 Project Completion Plan in Mainland China — Property Investment and Others

Region	Project/Total GFA (sq m)	Commercial	Office	Total (excluding carpark)	Total (including carpark)
Guangzhou	New World - Guangzhou Metro Hanxi Development Project	81,000	61,532	142,532	142,532
	Panyu International School Project Phase 4	48,661	-	48,661	48,661
	Zengcheng International Community Project	-	-	-	40,170
Ningbo	Ningbo New World Project Phase 3	83,656	45,607	129,263	138,515
	Total	**213,317**	**107,139**	**320,456**	**369,878**

Mainland China Property Investment and Others

According to data released by the National Bureau of Statistics, total retail sales of consumer goods reached RMB23,596.9 billion from January to June 2024, up 3.7% year-on-year. The government's Ministry of Commerce has designated 2024 as the "Year of Consumption Promotion". Service consumption is an important pillar for improving people's livelihood and well-being, an important direction for optimising and upgrading the consumption structure, and an essential and organic driver for promoting high-quality economic development. Meanwhile, the Third Plenary Session of the 20th CPC suggested that the domestic demand is the fundamental driving force for China's economic development, and the household consumption is expected to maintain its growth momentum in the future.

During the year under review, the Group's revenue and segment results from property investment in Mainland China amounted to HK$1,841 million and HK$955 million, respectively. The overall occupancy rate of the major projects in the investment property portfolio remained stable.

During the year under review, Shanghai K11 introduced more diversified popular events and promoted cross-selling through experiences. The overall occupancy rate of Shanghai K11 reached 94% at the end of the year. By creating a festive atmosphere, Shanghai K11 resonates with tourists, making it a brand new cultural and social space with unceasing vitality and attractiveness. The Shanghai K11 Music Festival was also organised in a groundbreaking way, with several groups of talented musicians presenting a three-day show, making the 10th anniversary celebration of Shanghai K11 a hot topic.

Guangzhou K11 Art Mall recorded an increase in foot traffic of nearly 40% after the pandemic, with double-digit sales growth. Its office buildings were popular with the high-end service sector and the world's top 500 enterprises. Store sales of cosmetics grew by nearly 20%, with Black Card members accounting for more than 50% of consumption, an increase of over 50% year-on-year.

Shenyang K11 Select deepened its cooperation within the Group's ecosystem through various activities such as IP music festivals and Children's Day, promoting the growth of both sales and footfall, with an occupancy rate of 86%. During the year under review, Shenyang K11 Select continued to introduce the first store in the region to further diversify its business categories. During the year under review, 14 brands ranked first in the North-Eastern region or in the same city. Leveraging the operation of the public domain network platform, Shenyang K11 Select expanded footfall support for brand tenants, receiving their positive feedback and recognition.

Wuhan Guanggu K11 Select achieved a year-on-year increase in total annual sales of nearly 10%, double-digit growth in annual footfall, and a further increase in occupancy to 94%. Wuhan Guanggu K11 Select continued to target young Gen Z consumers and successfully organised Wanyoo's first e-sports party in China. Footfall reached a record high on the same day, and the party generated a lot of buzz on the internet. In addition, Wuhan K11 Store ramped up its development to continuously introduce major consumer brands and achieved an occupancy rate of 86% at the end of the year under review.

Tianjin K11 Select fully seized the market opportunities and conducted in-depth operations, achieving a 22% increase in sales and 41% increase in footfall. Adhering to the strategy of precisely targeting Gen Z, Tianjin K11 Select has been creating regional landmark IPs and collaborating with local and foreign artists to drive revenue growth. Offline events such as the 2024 New Year's Eve Light Show at Qianhai CTF Financial Tower and activities for young families have driven footfall to new heights.

In addition, the official opening of The PARK by K11 Select Art Mall in Ningbo is scheduled on 28 September 2024. The project serves as another commercial flagship project for the Group in the Yangtze River Delta. Together with the Central Art Park and Yongning Tiandi Cultural Street, the spaces form the commercial hub of the Ningbo New World project, spanning a total commercial area of 142,000 sq m, which will further enhance the overall commercial competence and competitiveness of the Ningbo New World complexes. The enterprise and investment promotion has been satisfactory, and a variety of commercial brands such as TSUTAYA BOOKSTORE, Green&Health boutique supermarket, and an I.T collection store have signed up to move in.

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

During the year under review, the grand opening of the New World Canton complex in the centre of Guangzhou East took place. As the first complex to integrate office, commercial, hotel and high-end residential uses in Zengcheng district, it will transform the social space in the centre of Guangzhou East and bring out the urban value of the region's core area. The expanded business scale and increased business volume of the project both reflect the Group's strong transformation and robust brand capability, making the Group a prime example of government-enterprise cooperation in urban revitalisation.

The Group's other high-end business address in northern Guangzhou, Yunmen NEW PARK, has pioneered the MALL+PARK immersive park-style commercial space model, offering customers a distinctive sensory experience every time they visit. As at 30 June 2024, the project's overall occupancy rate remained above 90%, bringing together more than 170 brands with a diverse business portfolio, including international retail, boutiques and lifestyle, culture and entertainment, and renowned catering businesses. Since its launch in 2018, the project has seen an average daily footfall of more than 100,000 people and continues to inject vitality into the city's retail business.

The Canton Place, a benchmark commercial project located in Zhujiang New Town in the Guangzhou CBD, is an international quality living circle that the Group is proud to present. As a high-end commercial complex in Guangzhou CBD, and following the brand renovation and upgrading completed in recent years, the project not only satisfies the diverse needs of different customer groups for dining scenarios, but also provides an outdoor leisure space with a garden and gallery theme, coupled with large-scale social activities such as mega music festivals and art exhibitions, transforming it into a cultural and social destination for citizens. As at 30 June 2024, the occupancy rate of The Canton Place was 99%, maintaining its unparalleled uniqueness and boundless vitality.

Mainland China Land Bank

As at 30 June 2024, the Group had a land bank (excluding carparks) with a total GFA of approximately 3,721,000 sq m available for immediate development in Mainland China, of which approximately 1,988,000 sq m was zoned for residential use. Of the total GFA of the land bank (excluding carparks), approximately 3,123,000 sq m were core property development projects mainly located in Guangzhou, Shenzhen, Foshan, Wuhan, Shanghai, Ningbo, Hangzhou, Beijing and Shenyang, of which approximately 58% were located in the Greater Bay Area and the Yangtze River Delta region, with approximately 1,459,000 sq m zoned for residential use.

Land Bank by Region **As at 30 June 2024**	**Total GFA (excluding carparks) (sq m '000)**	**Residential Total GFA (sq m '000)**
Southern Region (i.e. the Greater Bay Area)	1,364.9	901.8
Eastern Region (i.e. the Yangtze River Delta region)	456.2	51.0
Central Region	707.0	349.8
Northern Region	526.5	254.4
North-Eastern Region	666.8	430.6
Total	**3,721.4**	**1,987.6**
Of which, Core Projects	**3,122.9**	**1,459.0**

Over the years, the Group has remained committed to its strategic focus, aiming to improve integration and connectivity in the Greater Bay Area and the Yangtze River Delta region, adhering to the business philosophy of pursuing quality growth. As the market recovery gathers pace, the Group's competitive edges and the value of its land bank will become more apparent. In addition, the PRC government has continued to formulate and refine policies related to urban renewal. The Group will, as always, continue to flexibly adjust the progress of its projects in line with such policies and based on the market environment and business circumstances, so as to enhance its advantages in developing the urban renewal business. At the same time, urban renewal projects enable diversified investment over a longer period of time to achieve greater returns from projects than those from public land auctions, which is beneficial to the steady development of the Group.

The Group is currently investing in and developing seven urban renewal projects in Mainland China, all of which are located in the core cities of Guangzhou and Shenzhen, with a total GFA of 1,622,000 sq m. Of these, the 188 Industrial Zone renewal project in Longgang District, Shenzhen has a plan to commence construction. Two other urban renewal projects in Shenzhen, namely the Xili Industrial Zone Project and the Guangming Guangqiao Food Factory Project, have also entered the full development stage. Among them, the project planning for the Xili Industrial Zone Project has been approved by the Shenzhen Municipal Planning Board Statutory Planning Committee (深圳市規劃圖則委) and the project is progressing rapidly. A number of other urban renewal projects in Guangzhou city centre have also made steady progress, indicating that the Group's urban renewal business is entering the harvesting stage.

Hotel

Following the reopening of the land border with Mainland China in January 2023, visitor arrivals to Hong Kong increased dramatically and the upward trend continued into FY2024. Total overnight visitor arrivals in FY2024 were 21 million, returning to around 70% of the pre-pandemic level in FY2019 and three times the level in FY2023. Benefiting from the strong recovery of inbound tourism in FY2024, the Group's hotels in Hong Kong recorded a significant 60% YOY increase in GOP (after manager's fees).

In Mainland China, the domestic tourism and hospitality sectors continued to recover during FY2024. Despite the Group's hotels in Mainland China achieved an overall YOY growth of 76% in GOP (after manager's fees), the pace and strength varied, with travel demand in 2H FY2024 noticeably weaker than in 1H. The recovery inbound tourism has been slow, mainly impacted by visa complexities and ongoing geopolitical tensions. The government has rolled out a series of measures to facilitate inbound travel since Q42023, including visa-free transit and unilateral visa-free policies. The number of international visitors has increased in 2024 due to these measures.

In Southeast Asia ("SEA"), inbound tourism continued to be stimulated in countries such as Thailand, which announced visa facilitation schemes. Even destinations that have not introduced visa exemption measures, such as the Philippines and Vietnam, recorded an increase in tourist arrivals compared with the previous year due to improved business activity. During the year under review, the Group's hotels in SEA achieved an overall YOY growth of 25% in GOP (after manager's fees).

Looking ahead, with the third runway scheduled to open by the end of the year, Hong Kong aims to restore flight capacity to pre-COVID levels. More than 100 MICE and other events will take place in 2024, and the expansion of the Individual Visit Scheme to more cities in Mainland China will also contribute to a stable recovery of Hong Kong's hotel and tourism industry. In Mainland China, the expected decline in interest rates could help boost economic growth. With a series of visa-free policies and the recovery of international flight capacity, the hotel and tourism industry in Mainland China will benefit in the long term. In SEA, fueled by the implementation of visa-free policies with key feeder markets such as Mainland China, Russia and India, Thailand will continue to enjoy stellar growth in the travel industry, with exchange rate differences helping to attract more tourists.

As at 30 June 2024, the Group had a total of 17 hotel properties in operation in Hong Kong, Mainland China and SEA, with a total of approximately 6,560 rooms.

Outlook

Backed by its international vision and localised decision-making efficiency, the Group is committed to the dual strategies of property development and property investment. It has explored high-quality development and remains committed to the strategic layout in major and core areas, taking advantage of policies and market opportunities through its own brand appeal to further promote the inclusive and synergistic development among sectors of its ecosystem. The Group will team up with excellent partners to capitalise on the advantages and achieve win-win cooperation.

With the support by Central Government, Hong Kong continued to actively drive the “eight centres” development as underpinned by the “14th Five-Year Plan” with a view to consolidating the city’s standing as an international financial centre. As economic activities gradually returned to normalcy, the Hong Kong Government has launched a number of measures to further boost local economic growth, including abolition of all demand-side management measures for residential properties and the introduction of various talent admission schemes. Together with the expectation of lower interest rates, it is anticipated that the overall economy and the growth of property market will pick up bit by bit. As for property development in Hong Kong, as at 30 June 2024, the primary market was expected to supply approximately 112,000 private residential units for the next three to four years, which will be the main supply to the market. In FY2025, the Group will launch several residential projects by phases, and expedite the conversion of farmland into developable land. The Group will continue to price its pre-sales of its properties under development and sales of completed properties in line with market development.

Regarding Hong Kong property investment, in response to the change of tourists’ consumption preferences and the new retailing landscape in the city, the Group will continue to create unique and innovative experience for customers by using its one-of-a kind “Cultural Commerce” business model. K11 MUSEA will continue to capitalise on the synergy effects with Avenue of Stars and the dock area of Victoria Harbour to bring together art, humanities and creativity, which not only will create thriving business opportunities, connect the communities and form a cultural ecosystem, but also will successfully establish Hong Kong as a vibrant tourists’ hotspot that combines art and culture. Seven luxury brands are planning to collectively double their footprint in K11 MUSEA to more than 30,000 square feet over the next four years, which will substantially stimulate customers’ spending and bring positive effects to the retail industry. K11 Art Mall will also work with its tenants and business partners to actively introduce popular brands and content, launch various promotional offers and campaigns, so as to consolidate its position as a trendsetter in Gen Z market and provide customers with a diversity of new experiences.

The Group will continue to optimise its loyalty programme so as to provide customers with attractive offers and better services, with an aim to boost footfall and spending in its shopping malls and attract the registration of new members.

Hong Kong office market will remain affected by economic uncertainties in the future. Coupled with the increase in supply of newly completed office buildings, the overall market is expected to be challenging. In recent years, the Group’s strategic penetration in non-traditional business districts has been mainly focusing on forging the grade-A commercial complex in the core business district of West Kowloon. The office buildings in Cheung Sha Wan, a district with well-developed infrastructure in support of its connection with the major business districts in the Greater Bay Area, should attract Chinese enterprises to settle in and be better positioned to attract more tenants.

As the exterior construction for the Main Stadium of Kai Tak Sports Park enters its final stage, Kai Tak Mall, where the Group acts as the leasing agent and operator of the retail area, will open by the end of 2024. Spanning nearly 700,000 sq ft, Kai Tak Mall comprises three main towers, each rising up to five-storeys and connects to a 700-metre-long Sports Avenue that integrates the retail complex with the surrounding parkland.

"11 SKIES", situated in Hong Kong International Airport SKYCITY complex, is the first tourism and entertainment landmark in Hong Kong and is opening the first phase of its family amusement area in the second quarter of next year. Among which, KidZania, a park offering fun and interactive experience, being the first of its kind in the Greater China Area, is holding a soft opening in early September 2024. KidZania Hong Kong, located in 11 SKIES and occupying three floors, collaborates with nearly 30 renowned international and local brands to create almost 70 occupational role-plays, including seven "Hong Kong Exclusive" creative experiences, such as KidZania's first-ever wealth management centre in Greater China, the first 5G smart city technology hub, the first sports complex infused with sportsmanship and wellness for children in the region, and a Chinese pastry bakery. 11 SKIES spans a total gross floor area of over 3,800,000 sq ft, in which three Grade A office buildings, K11 ATELIER 11 SKIES, are already in use. The first phase of entertainment offerings is opening by phases from the second quarter of next year, followed by retail, dining and professional services depending on the development schedule of the Hong Kong International Airport and the SKYCITY complex project, which is scheduled to provide services by phases starting from the fourth quarter of 2025.

During the magnificent journey of urbanisation in the PRC, the diversified and discretionary demand for housing quality and living space will develop a broader market for mid- to high-end products and services, which will facilitate the Group to leverage its expertise in developing and operating mid- to high-end products. With the gradual completion, sale and operation of its project pipeline in Guangzhou, Shanghai, Shenzhen, Ningbo and Wuhan, the Group is expected to enter a new phase of development.

A number of the Group's flagship projects will be successively launched in major cities in Mainland China, including the office buildings, K11 Select and the residence of Guangzhou New Metropolis • New Metropolis Mansion project, which are expected to be delivered in 2025. Along with the grand opening of Ningbo New World Plaza Phase 3, THE PARK by K11 Select Art Mall is scheduled to open on 28 September 2024. The steel structure of K11 Tower II in Shanghai was successfully topped out.

The year 2024 marks the beginning of the Group's in-depth cultivation of the Shenzhen market. It is committed to exploring the Shenzhen market and actively promoting the progress of major projects in Shenzhen, making Shenzhen another core market in addition to Hong Kong and Guangzhou. K11 ECOAST, the first flagship project of K11 in Mainland China with a total GFA of nearly 230,000 sq m, will open soon.

K11 ECOAST aims to create the most aesthetic and influential oceanfront arts district, comprising the cultural retail landmark K11 ECOAST, the multi-purpose cultural space K11 Cultural Centre, the modern office space K11 ATELIER office building, and the bayfront Promenade. The project continuously integrates artistic, commercial and sustainable circular economy lifestyle, transforming culture and retail into a combination of attractive and functional commercial spaces.

K11 is expected to have a total of 34 projects with a total GFA of 2,730,000 sq m in 12 major cities across Greater China. With the gradual completion and opening of K11 projects across the country, the proportion of the Group's recurring rental income will increase, driving steady growth in the Group's performance and providing sufficient cash flow.

Through disposal of non-core assets and businesses, the Group focuses on developing core businesses, continuously optimising its asset portfolio and returns, enhancing corporate efficiency, generating cash inflow and mitigating the liquidity risk and creating more value for shareholders. The Group completed the disposal of non-core assets worth about HK$7.7 billion in FY2024.

The Group has maintained a sound financial position and has been in compliance of financial covenants of the Group's borrowings during the year, with total capital resources of HK$46,270.1 million as at 30 June 2024, including approximately HK$27,990.1 million of cash and bank deposits and approximately HK$18,280.0 million 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 17% during the year under review. The Group will continue to optimise operating and capital expenditure. Subsequent to the reporting period and up to the date of approval of the consolidated financial statements, the Group has refinanced bank borrowings with an aggregate amount of HK$7,584.0 million with its existing lenders and secured new borrowings with an aggregate amount of approximately HK$2,326.0 million from banks. The Group is actively negotiating with its existing lenders on the refinancing of existing bank borrowings, especially with scheduled repayment dates due within one year, at a reasonable cost. The management of the Company believes that the Group will be able to refinance its bank borrowings when they become due and obtain new bank facilities as needed based on the Group's relationship with the banks and its historical record of successfully refinancing loans and comply with banking requirements.

The Group will continue to be in close communication with 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 endeavours to develop the State Theatre in Hong Kong and a number of urban renewal projects in Mainland China into prominent landmarks in the Greater Bay Area.

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

LIQUIDITY AND CAPITAL RESOURCES

Net Debt

	As at 30 June 2024 HK$m	As at 30 June 2023 HK$m
Consolidated net debt	**123,657.1**	130,755.9
NWS Holdings Limited ("NWSH") (stock code: 0659)	**-**	4,325.9
New World Department Store China Limited ("NWDS") (stock code: 0825)		
– net cash and bank balances	**(119.0)**	(132.0)
Net debt (exclude listed subsidiaries)	**123,776.1**	126,562.0

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 30 June 2024, 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$1,001.9 million is recognised in equity. Apart from this, the Group does not have any material foreign exchange exposure.

The Group's borrowings were arranged on both floating rate and fixed rate basis. The financing costs had increased to HK$5,895.2 million, of which HK$5,508.1 million from continuing operations, due to increase in interest rate. The Group used interest rate swaps, cross currency swaps and foreign exchange forward contracts to hedge part of the Group's underlying interest rate and foreign exchange exposure. As at 30 June 2024, the Group had outstanding cross currency swaps in the amounts of approximately HK$17,825.4 million, and had outstanding interest rate swaps in the amounts of HK$30,411.7 million.

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

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

Category	Principal (equivalent to HK$)	Interest rate	Due date	Price range	Net settlement (equivalent to HK$)	Outstanding principal amount as at 30 June 2024 (equivalent to HK$)
GN	US$600.0 million (HK$4,680.0 million)	4.750%	2027	90.000%	US$95.8 million (HK$747.1 million)	US$504.2 million (HK$3,932.9 million)
GN	US$200.0 million (HK$1,560.0 million)	5.875%	2027	91.000%	US$28.0 million (HK$218.4 million)	US$172.0 million (HK$1,341.6 million)
GN	US$950.0 million (HK$7,410.0 million)	4.125%	2029	81.000%	US$222.0 million (HK$1,731.6 million)	US$717.8 million (HK$5,598.8 million)
GN	US$600.0 million (HK$4,680.0 million)	4.500%	2030	80.000%	US$111.0 million (HK$865.8 million)	US$442.6 million (HK$3,452.3 million)
GLN	US$200.0 million (HK$1,560.0 million)	3.750%	2031	76.000%	US$51.8 million (HK$403.9 million)	US$76.1 million (HK$593.2 million)
P	US$1,200.0 million (HK$9,360.0 million)	4.125%	N/A	60.000%	US$55.6 million (HK$433.7 million)	US$1,144.4 million (HK$8,926.3 million)
P	US$500.0 million (HK$3,900.0 million)	6.150%	N/A	87.500%	US$46.1 million (HK$359.7 million)	US$453.9 million (HK$3,540.3 million)

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

Following the disposals of NWSH and non-core assets of HK$7.7 billion, the Group used the proceeds for repayment of bank loans, purchase and redemption of bonds and general working capital purpose. During the period from 20 December 2023 to 3 January 2024 (both dates inclusive), the Company has also made on-market repurchase of parts of the 2029 Notes, the 2030 Notes and the US$1,000,000,000 (equivalent to approximately HK$7,800,000,000) 5.25% guaranteed senior perpetual capital securities issued by NWD Finance (stock code: 40262) ("the 2020 Securities") in an aggregate principal amount of US$10,201,000 (equivalent to approximately HK$79,567,800), US$9,230,000 (equivalent to approximately HK$71,994,000) and US$1,000,000 (equivalent to approximately HK$7,800,000) (collectively, the "Repurchased Debt Securities") respectively, which were subsequently cancelled on 10 January 2024. The purchase price ranged from 76.916% to 79.460% of the principal amount of the 2029 Notes, 76.250% to 78.200% of the principal amount of the 2030 Notes and 70.630% of the principal amount of the 2020 Securities. After the cancellation of the Repurchased Debt Securities, the outstanding principal amount of the 2029 Notes, the 2030 Notes and the 2020 Securities would be US$717,799,000 (equivalent to approximately HK$5,598,832,200), US$442,587,000 (equivalent to approximately HK$3,452,178,600) and US$999,000,000 (equivalent to approximately HK$7,792,200,000) respectively.

As at 30 June 2024, the Group's cash and bank balances (including restricted bank balances) stood at HK$27,990.1 million (30 June 2023: HK$54,517.9 million) and the consolidated net debt amounted to HK$123,657.1 million (30 June 2023: HK$130,755.9 million). The net debt to equity ratio was 55.0%; an increase of 7.3 and 6.3 percentage points as compared to 30 June 2023 restated ratio and original ratio respectively.

As at 30 June 2024, the Group's long-term bank loans, other loans and fixed rate bonds and notes payable amounted to HK$141,132.1 million (30 June 2023: HK$170,564.3 million). Short-term bank loans and other loans as at 30 June 2024 were HK$10,515.1 million (30 June 2023: HK$14,709.5 million). The maturity of bank loans, other loans and fixed rate bonds and notes payable as at 30 June 2024 and 30 June 2023 was as follows:

	As at 30 June 2024 HK$m	As at 30 June 2023 HK$m
Within first year	**41,631.9**	49,234.8
In the second year	**32,157.7**	43,847.8
In the third to fifth year	**57,409.7**	67,990.0
After the fifth year	**20,447.9**	24,201.2
	151,647.2	185,273.8

Equity of the Group as at 30 June 2024 decreased to HK$224,888.8 million against HK$274,092.8 million (Restated) as at 30 June 2023 mainly due to disposal of NWSH and its subsidiaries during the year.

MAJOR ACQUISITIONS AND DISPOSALS

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

On 26 June 2024, Total Partner Holdings Limited (an indirect wholly-owned subsidiary of the Company) entered into a sale and purchase agreement with Shine Through Holdings Limited (a wholly-owned subsidiary of Chow Tai Fook Enterprises Limited) to dispose of 30% of the entire issued share capital of Sky Treasure Development Limited ("Sky Treasure") at consideration of approximately RMB1,440.5 million (equivalent to approximately HK$1,548.9 million). The transaction was completed on 27 August 2024, the Group ceased to have any interests in Sky Treasure and Sky Treasure ceased to be an associate of the Group.

EVENTS AFTER REPORTING PERIOD

In September 2024, the Group entered into disposal agreements with AC Group Limited which is wholly-owned by Dr. Cheng Chi Kong Adrian to transfer the entire issued capital of K11 Commercial Management Group Company Limited, K11 Loyalty Program Limited, K11 Gentry Club Limited, Globo Travel Agency Limited and Share for Good Company Limited which mainly relate to the management of the properties under the "K11" brand and related businesses at a consideration of HK$209.0 million (subject to instalment arrangements). As part of the disposal, all parties also enter rights agreement and trademark licensing agreement. The transaction is yet to complete up to the date of this announcement. Upon completion of the disposal, it is anticipated that there will be immaterial gain or loss to be derived from the disposal for the year ending 30 June 2025.

RESULTS

The board of directors (the "Board") of New World Development Company Limited (新世界發展有限公司) (the "Company") would like to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 30 June 2024 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2024

	Note	**2024 HK$m**	2023 HK$m (Restated)
Continuing operations			
Revenues	3	**35,782.2**	54,566.2
Cost of sales		**(22,933.0)**	(38,121.0)
Gross profit		**12,849.2**	16,445.2
Other income		**43.8**	47.2
Other (losses)/gains, net		**(4,978.5)**	1,917.3
Selling and marketing expenses		**(1,285.7)**	(1,788.1)
Expenses of department store's operation		**(1,036.1)**	(1,030.3)
Administrative and other operating expenses		**(4,195.7)**	(5,068.1)
Gain on transfer to investment properties		**2,237.2**	-
Changes in fair value of investment properties		**(3,145.6)**	(514.6)
Operating profit	4	**488.6**	10,008.6
Financing income		**1,233.3**	1,341.9
Financing costs		**(5,508.1)**	(4,571.8)
		(3,786.2)	6,778.7
Share of results of			
Joint ventures		**(295.6)**	(291.9)
Associated companies		**(666.6)**	43.4
(Loss)/profit before taxation		**(4,748.4)**	6,530.2
Taxation	5	**(5,062.4)**	(5,258.1)
(Loss)/profit from continuing operations		**(9,810.8)**	1,272.1
Discontinued operations			
(Loss)/profit from discontinued operations	13	**(7,315.1)**	2,229.0
(Loss)/profit for the year		**(17,125.9)**	3,501.1

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2024

	Note	**2024** **HK$m**	2023 HK$m (Restated)
(Loss)/profit for the year		**(17,125.9)**	3,501.1
Attributable to:			
Shareholders of the Company			
- from continuing operations		**(11,806.5)**	(419.0)
- from discontinued operations		**(7,876.4)**	967.0
Holders of perpetual capital securities			
- from continuing operations		**1,906.2**	1,928.1
- from discontinued operations		**269.3**	612.0
Non-controlling interests			
- from continuing operations		**89.5**	(237.0)
- from discontinued operations		**292.0**	650.0
		(17,125.9)	3,501.1
Dividend	6	**503.3**	5,914.1
Basic and diluted (losses)/earnings per share (HK$)	7		(Restated)
From continuing operations		**(4.60)**	(0.17)
From discontinued operations		**(3.13)**	0.41

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024	2023
	HK$m	HK$m
		(Restated)
(Loss)/profit for the year	**(17,125.9)**	3,501.1
Other comprehensive (loss)/income		
Items that will not be reclassified to profit or loss		
Net fair value changes on equity instruments as financial assets at fair value through other comprehensive income	**(442.1)**	(269.7)
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets	**3,010.1**	45.8
- deferred tax arising from revaluation thereof	**-**	(2.0)
Remeasurement of post-employment benefit obligation	**-**	2.2
Translation differences	**(64.7)**	(1,084.9)
Items that had been reclassified/may be reclassified subsequently to profit or loss		
Net fair value changes and other net movements of debt instruments as financial assets at fair value through other comprehensive income	**(293.9)**	(222.7)
Release of reserves upon disposal of debt instruments as financial assets at fair value through other comprehensive income	**(3.0)**	3.2
Release of reserves upon disposal of interests in a joint venture	**-**	(6.4)
Release of reserves and reclassification of reserve upon disposal of subsidiaries	**4,339.5**	(168.9)
Net insurance finance expenses	**(46.7)**	(115.9)
Share of other comprehensive loss of joint ventures and associated companies	**(91.9)**	(1,463.1)
Cash flow/fair value hedges	**(782.3)**	412.7
Translation differences	**(843.5)**	(11,164.0)
Other comprehensive income/(loss) for the year	**4,781.5**	(14,033.7)
Total comprehensive loss for the year	**(12,344.4)**	(10,532.6)
Attributable to:		
Shareholders of the Company		
- from continuing operations	**(10,570.5)**	(11,394.7)
- from discontinued operations	**(4,027.1)**	(521.8)
Holders of perpetual capital securities		
- from continuing operations	**1,906.2**	1,928.1
- from discontinued operations	**269.3**	612.0
Non-controlling interests		
- from continuing operations	**46.0**	(958.7)
- from discontinued operations	**31.7**	(197.5)
	(12,344.4)	(10,532.6)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 30 June 2024 HK$m**	As at 30 June 2023 HK$m	As at 1 July 2022 HK$m
			(Restated)	(Restated)
ASSETS				
Non-current assets				
Investment properties		**207,711.8**	209,478.8	211,220.7
Property, plant and equipment		**13,207.4**	15,566.3	19,684.3
Right-of-use assets		**3,860.4**	5,124.0	6,298.2
Intangible concession rights		**-**	13,236.5	13,011.4
Intangible assets		**1,174.6**	8,375.2	8,395.2
Interests in joint ventures		**37,503.9**	54,527.4	48,745.2
Interests in associated companies		**8,578.1**	13,857.3	16,193.1
Insurance contract assets		**-**	1,160.3	-
Reinsurance contract assets		**-**	28.5	-
Financial assets at amortised costs		**129.7**	55.2	-
Financial assets at fair value through profit or loss		**6,285.7**	56,024.5	44,130.2
Financial assets at fair value through other comprehensive income		**2,303.6**	11,738.0	13,695.2
Derivative financial instruments		**402.6**	1,219.2	781.6
Properties for development		**15,286.8**	16,115.1	23,310.6
Deferred tax assets		**2,204.9**	2,342.4	2,015.0
Other non-current assets		**28,493.3**	28,267.8	27,036.1
		327,142.8	437,116.5	434,516.8
Current assets				
Properties under development		**43,483.4**	56,424.6	62,066.2
Properties held for sale		**28,346.1**	21,536.4	21,770.6
Inventories		**139.0**	497.4	504.9
Debtors, prepayments, premium receivables and contract assets	8	**15,276.1**	23,266.9	31,738.3
Investments related to unit-linked contracts		**-**	8,940.1	8,649.2
Financial assets at fair value through profit or loss		**841.0**	5,968.9	4,609.7
Financial assets at fair value through other comprehensive income		**-**	578.7	1,066.8
Derivative financial instruments		**178.3**	150.8	27.4
Restricted bank balances		**590.5**	1,254.0	4,494.5
Cash and bank balances		**27,399.6**	53,263.9	57,715.6
		116,254.0	171,881.7	192,643.2
Assets of disposal groups held for sale	9	**1,760.8**	15.8	20.1
		118,014.8	171,897.5	192,663.3
Total assets		**445,157.6**	609,014.0	627,180.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 30 June 2024 HK$m**	As at 30 June 2023 HK$m	As at 1 July 2022 HK$m
			(Restated)	(Restated)
EQUITY				
Share capital		**78,382.1**	78,382.1	78,382.1
Reserves		**101,449.8**	121,079.9	140,125.5
Shareholders' funds		**179,831.9**	199,462.0	218,507.6
Perpetual capital securities		**36,280.5**	47,439.3	47,614.2
Non-controlling interests		**8,776.4**	27,191.5	27,124.5
Total equity		**224,888.8**	274,092.8	293,246.3
LIABILITIES				
Non-current liabilities				
Long-term borrowings and other interest-bearing liabilities		**114,437.8**	138,222.9	143,038.9
Lease liabilities		**3,701.4**	4,013.8	4,517.3
Insurance contract liabilities		-	5,588.3	4,986.7
Liabilities related to unit-linked contracts		**-**	123.1	123.0
Deferred tax liabilities		**7,762.2**	9,270.7	10,045.3
Derivative financial instruments		**317.0**	347.6	221.6
Other non-current liabilities		**92.2**	370.5	211.0
		126,310.6	157,936.9	163,143.8
Current liabilities				
Creditors, accrued charges, payables to policyholders and contract liabilities	10	**39,658.9**	57,357.7	68,028.5
Current portion of long-term borrowings and other interest-bearing liabilities		**31,198.3**	36,790.3	36,175.1
Short-term borrowings and other interest-bearing liabilities		**10,913.8**	15,388.5	14,094.5
Lease liabilities		**701.1**	1,160.4	1,285.2
Insurance contract liabilities		**-**	50,826.1	36,025.3
Reinsurance contract liabilities		-	12.2	56.1
Liabilities related to unit-linked contracts		**-**	4,301.5	4,480.3
Derivative financial instruments		**0.3**	12.7	0.4
Current tax payable		**10,787.7**	11,104.5	10,614.1
		93,260.1	176,953.9	170,759.5
Liabilities of disposal groups held for sale	9	**698.1**	30.4	30.5
		93,958.2	176,984.3	170,790.0
Total liabilities		**220,268.8**	334,921.2	333,933.8
Total equity and liabilities		**445,157.6**	609,014.0	627,180.1

Notes:

1. Basis of preparation

The consolidated financial statements for the year ended 30 June 2024 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, certain financial assets and financial liabilities (including derivative financial instruments), which have been measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The management also makes assessment on potential cash generation, liquidity and available funding to the Group. As at the date of which the consolidated financial statements were authorised for issue, the Directors of the Company consider it is appropriate to continue adopt going concern basis in preparing the consolidated financial statements.

(a) Adoption of new standard and amendments to standards

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

HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts
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 arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

The adoption of HKAS 12 (Amendments) – Deferred Tax related to Assets and Liabilities from a Single Transaction requires the Group to recognise deferred tax for all temporary differences related to leases. The retrospective application from 1 July 2022 primarily impacts disclosures of components of deferred tax assets and liabilities before offsetting, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as at 1 July 2022 and 30 June 2023 as the related deferred tax balances qualify for offsetting under HKAS 12.

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

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

Transition

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

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

1. Basis of preparation (continued)

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

Transition (continued)

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

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

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

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

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

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

Overall effect on adoption of HKFRS 17

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

	As at 30 June 2022 HK$m	Adjustments HK$m	As at 1 July 2022 HK$m
	(Previously stated)		(Restated)
Consolidated statement of financial position (extract)			
Total equity	288,098.8	5,147.5	293,246.3

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

1. Basis of preparation (continued)

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

Overall effect on adoption of HKFRS 17 (continued)

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

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

(c) Change in presentation following adoption of HKFRS 17

The Group, taken into account the characteristics of insurance contracts and expectation on the scaling of assets and liabilities of its insurance business with the adoption of HKFRS 17 due to the capitalisation of future profits in the CSM as liabilities and natural business growth, changes the presentation of its consolidated statement of financial position as at 30 June 2024 that provides relevant, comparable and understandable information to present all assets and liabilities in the order of liquidity in accordance with HKAS 1 "Presentation of Financial Statements". The comparative figures in the consolidated statement of financial position have been restated accordingly.

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

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

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
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKAS 21	Lack of Exchangebility
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 18	Presentation and Disclosure in Financial Statements
HKFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRSs	Annual Improvements to HKFRSs – Volume 11

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

(e) Restatements due to discontinued operations

During the year ended 30 June 2024, the Group announced that all its shares in NWSH had been disposed of by the Group. Their results for the year are presented separately as one-line item below profit from continuing operations as "discontinued operations" in the consolidated income statement and the consolidated statement of comprehensive income have been restated to present their operations as "discontinued operations". Further details of financial information of the discontinued operations are set out in note 13.

2. Changes in accounting policies

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

Accounting policies applied from 1 July 2023

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

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

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

(a) Definition and classification

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

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

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

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

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

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

(b) Level of aggregation and separation of insurance components

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

2. Changes in accounting policies (continued)

(c) Fulfilment cash flows

Fulfilment cash flows comprise:

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

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

(d) Insurance acquisition cash flows

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

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

(e) Risk adjustment for non-financial risk

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

2. Changes in accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

(i) Reinsurance contracts held

Reinsurance contracts held measured under the GMM

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

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

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

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

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

2. Changes in accounting policies (continued)

(i) Reinsurance contracts held (continued)

Reinsurance contracts held measured under the PAA

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

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

(j) Derecognition and modification

An insurance contract is derecognised when:

- it is extinguished, i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled; or

- its terms modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

(k) Presentation of insurance contracts

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

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

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

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

Insurance revenue – insurance contracts not measured under the PAA

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

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

- claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period;

- changes in the risk adjustment for non-financial risk relating to current services;

- amounts of the CSM recognised for the services provided in the period; and

- other amounts, including experience adjustments for premium receipts for current or past services.

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

2. Changes in accounting policies (continued)

(k) Presentation of insurance contracts (continued)

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

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

Insurance revenue – insurance contracts measured under the PAA

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

Loss component – insurance contracts not measured under PAA

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

Insurance service expenses

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

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

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

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

Net income/(expenses) from reinsurance contracts held

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

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

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

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

2. **Changes in accounting policies (continued)**

(k) Presentation of insurance contracts (continued)

Insurance finance income or expenses

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

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

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

3. **Revenues and segment information**

Revenues recognised during the year are as follows:

	2024 HK$m	2023 HK$m (Restated)
Revenues		
From continuing operations		
Property development	**16,124.9**	27,308.1
Property investment	**5,197.2**	4,995.7
Construction	**9,388.7**	17,285.8
Hotel operations	**1,381.2**	1,091.2
Others	**3,690.2**	3,885.4
Total from continuing operations	**35,782.2**	54,566.2
From discontinued operations		
Roads	**1,108.9**	2,731.8
Construction	**7,043.5**	15,262.5
Insurance	**1,299.1**	2,893.8
Others	**1,163.7**	1,903.0
Total from discontinued operations	**10,615.2**	22,791.1
Total	**46,397.4**	77,357.3

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

The Executive Committee considers the business from products and services perspectives, which comprises property development, property investment, roads, construction, insurance, hotel operations and others (including facilities management, logistic, department store, healthcare, technology and other strategic businesses) segments. During the year ended 30 June 2024, following the completion of disposal of NWS Holdings Limited ("NWSH") and to better reflect the nature of the income streams and group strategies, the segments related to NWSH are presented as discontinued operations in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" ("HKFRS 5") as detailed in note 13. The comparative segment information for the year ended 30 June 2024 and 30 June 2023 has been restated to conform with the current period presentation accordingly.

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

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

3. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
For the year ended 30 June 2024												
Total revenues	16,266.4	5,270.0	9,478.5	1,381.2	4,376.2	36,772.3	1,108.9	7,167.7	1,299.1	1,171.2	10,746.9	47,519.2
Inter-segment	(141.5)	(72.8)	(89.8)	-	(686.0)	(990.1)	-	(124.2)	-	(7.5)	(131.7)	(1,121.8)
Revenues-external	16,124.9	5,197.2	9,388.7	1,381.2	3,690.2	35,782.2	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	46,397.4
Revenues from contracts with customers:												
- Recognised at a point in time	16,124.9	-	-	459.5	1,879.8	18,464.2	1,108.9	-	-	1,163.7	2,272.6	20,736.8
- Recognised over time	-	-	9,388.7	921.7	1,810.4	12,120.8	-	7,043.5	82.0	-	7,125.5	19,246.3
	16,124.9	-	9,388.7	1,381.2	3,690.2	30,585.0	1,108.9	7,043.5	82.0	1,163.7	9,398.1	39,983.1
Revenues from other source:												
- Rental income	-	5,197.2	-	-	-	5,197.2	-	-	-	-	-	5,197.2
- Insurance revenue	-	-	-	-	-	-	-	-	1,217.1	-	1,217.1	1,217.1
	-	5,197.2	-	-	-	5,197.2	-	-	1,217.1	-	1,217.1	6,414.3
	16,124.9	5,197.2	9,388.7	1,381.2	3,690.2	35,782.2	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	46,397.4
Segment results (Note a)	5,782.5	3,409.2	(239.0)	(162.7)	(1,302.2)	7,487.8	501.0	332.9	2,297.3	234.8	3,366.0	10,853.8
Other losses, net	(3,539.9)	20.3	-	(1,208.8)	(250.1)	(4,978.5)	-	-	(1,910.4)	(313.9)	(2,224.3)	(7,202.8)
Gain on transfer to investment properties	-	2,237.2	-	-	-	2,237.2	-	-	-	-	-	2,237.2
Changes in fair value of investment properties	-	(3,145.6)	-	-	-	(3,145.6)	-	-	-	(48.4)	(48.4)	(3,194.0)
	2,242.6	2,521.1	(239.0)	(1,371.5)	(1,552.3)	1,600.9	501.0	332.9	386.9	(127.5)	1,093.3	2,694.2
Unallocated items												
Corporate expenses						(1,112.3)					(133.6)	(1,245.9)
Financing income (Note a)						1,233.3					189.8	1,423.1
Financing costs (Note a)						(5,508.1)					(367.3)	(5,875.4)
						(3,786.2)					782.2	(3,004.0)
Share of results of												
Joint ventures	(1,029.6)	968.3	-	(222.7)	(11.6)	(295.6)	273.1	-	-	101.5	374.6	79.0
Associated companies	(239.6)	(406.8)	(9.5)	-	(10.7)	(666.6)	62.6	21.0	-	(44.8)	38.8	(627.8)
(Loss)/profit before taxation						(4,748.4)					1,195.6	(3,552.8)
Taxation						(5,062.4)					(253.6)	(5,316.0)
(Loss)/profit before loss on disposal of discontinued operations						(9,810.8)					942.0	(8,868.8)
Loss on disposal of discontinued operations						-					(8,257.1)	(8,257.1)
Loss for the year						(9,810.8)					(7,315.1)	(17,125.9)

3. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
As at 30 June 2024												
Segment assets	109,601.7	212,195.5	20,344.4	8,048.6	18,109.5	368,299.7	-	-	-	-	-	368,299.7
Interests in joint ventures	25,748.3	6,601.5	-	3,018.5	2,135.6	37,503.9	-	-	-	-	-	37,503.9
Interests in associated companies	7,115.4	11.7	-	-	1,451.0	8,578.1	-	-	-	-	-	8,578.1
Unallocated assets						30,775.9					-	30,775.9
Total assets						445,157.6					-	445,157.6
Segment liabilities	31,557.7	4,610.5	1,513.7	719.4	6,450.4	44,851.7	-	-	-	-	-	44,851.7
Unallocated liabilities						175,417.1					-	175,417.1
Total liabilities						220,268.8					-	220,268.8
For the year ended 30 June 2024												
Additions to non-current assets (Note b)	41.0	7,142.2	1,350.8	239.8	481.8	9,255.6	98.6	29.4	75.0	36.0	239.0	9,494.6
Depreciation and amortisation	81.4	72.2	0.1	349.0	725.9	1,228.6	453.4	-	30.5	241.5	725.4	1,954.0
Impairment loss and loss allowance	3,709.9	-	-	1,208.8	1,002.0	5,920.7	61.0	-	-	149.6	210.6	6,131.3

3. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
For the year ended 30 June 2023 (Restated)												
Total revenues	27,311.8	5,134.0	19,879.7	1,091.2	4,561.3	57,978.0	2,731.8	19,638.5	2,895.8	1,903.0	27,169.1	85,147.1
Inter-segment	(3.7)	(138.3)	(2,593.9)	-	(675.9)	(3,411.8)	-	(4,376.0)	(2.0)	-	(4,378.0)	(7,789.8)
Revenues-external	27,308.1	4,995.7	17,285.8	1,091.2	3,885.4	54,566.2	2,731.8	15,262.5	2,893.8	1,903.0	22,791.1	77,357.3
Revenues from contracts with customers:												
- Recognised at a point in time	25,243.8	-	-	438.2	2,173.4	27,855.4	2,731.8	-	-	1,903.0	4,634.8	32,490.2
- Recognised over time	2,064.3	-	17,285.8	653.0	1,712.0	21,715.1	-	15,262.5	199.2	-	15,461.7	37,176.8
	27,308.1	-	17,285.8	1,091.2	3,885.4	49,570.5	2,731.8	15,262.5	199.2	1,903.0	20,096.5	69,667.0
Revenues from other source:												
- Rental income	-	4,995.7	-	-	-	4,995.7	-	-	-	-	-	4,995.7
- Insurance revenue	-	-	-	-	-	-	-	-	2,694.6	-	2,694.6	2,694.6
	-	4,995.7	-	-	-	4,995.7	-	-	2,694.6	-	2,694.6	7,690.3
	27,308.1	4,995.7	17,285.8	1,091.2	3,885.4	54,566.2	2,731.8	15,262.5	2,893.8	1,903.0	22,791.1	77,357.3
Segment results (Note a)	8,669.3	3,161.7	(447.4)	(225.2)	(1,296.3)	9,862.1	1,220.7	789.2	2,093.0	(195.5)	3,907.4	13,769.5
Other gains/(losses), net	2,673.7	394.5	32.3	-	(1,183.2)	1,917.3	-	1.8	(1,266.4)	(163.2)	(1,427.8)	489.5
Changes in fair value of investment properties	-	(514.6)	-	-	-	(514.6)	-	-	-	215.0	215.0	(299.6)
	11,343.0	3,041.6	(415.1)	(225.2)	(2,479.5)	11,264.8	1,220.7	791.0	826.6	(143.7)	2,694.6	13,959.4
Unallocated items												
Corporate expenses						(1,256.2)					(148.3)	(1,404.5)
Financing income (Note a)						1,341.9					236.9	1,578.8
Financing costs (Note a)						(4,571.8)					(727.7)	(5,299.5)
						6,778.7					2,055.5	8,834.2
Share of results of												
Joint ventures	(1.5)	(46.8)	-	(218.9)	(24.7)	(291.9)	528.6	-	-	225.4	754.0	462.1
Associated companies	45.8	(9.6)	-	-	7.2	43.4	189.0	18.2	-	(30.4)	176.8	220.2
Profit before taxation						6,530.2					2,986.3	9,516.5
Taxation						(5,258.1)					(757.3)	(6,015.4)
Profit for the year						1,272.1					2,229.0	3,501.1

3. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
As at 30 June 2023 (Restated)												
Segment assets	113,815.1	208,466.0	19,742.0	9,658.5	19,900.7	371,582.3	14,831.4	6,874.3	65,351.0	14,819.9	101,876.6	473,458.9
Interests in joint ventures	24,425.5	6,647.7	-	3,327.1	2,470.8	36,871.1	5,638.8	-	-	12,017.5	17,656.3	54,527.4
Interests in associated companies	7,055.6	2,064.1	-	-	206.3	9,326.0	2,190.7	255.3	-	2,085.3	4,531.3	13,857.3
Unallocated assets						38,550.1					28,620.3	67,170.4
Total assets						456,329.5					152,684.5	609,014.0
Segment liabilities	36,740.3	4,449.7	828.3	299.2	9,013.8	51,331.3	684.7	8,292.9	57,742.2	1,296.1	68,015.9	119,347.2
Unallocated liabilities						179,272.7					36,301.3	215,574.0
Total liabilities						230,604.0					104,317.2	334,921.2
For the year ended 30 June 2023 (Restated)												
Additions to non-current assets (Note b)	1,853.3	6,846.4	3,729.1	354.0	752.3	13,535.1	2,538.2	62.9	150.1	108.2	2,859.4	16,394.5
Depreciation and amortisation	70.0	41.5	58.4	371.5	904.5	1,445.9	1,131.0	51.2	340.8	276.3	1,799.3	3,245.2
Impairment loss and loss allowance	329.9	-	14.5	-	1,224.7	1,569.1	-	74.1	489.5	143.3	706.9	2,276.0

3. Revenues and segment information (Continued)

	Hong Kong HK$m	Mainland China HK$m	Others HK$m	Total HK$m
For the year ended 30 June 2024				
Revenues				
From continuing operations				
Property development	**2,411.9**	**13,713.0**	**-**	**16,124.9**
Property investment	**3,356.3**	**1,840.9**	**-**	**5,197.2**
Construction	**8,966.9**	**421.8**	**-**	**9,388.7**
Hotel operations	**411.0**	**570.7**	**399.5**	**1,381.2**
Others	**1,420.3**	**2,269.9**	**-**	**3,690.2**
	16,566.4	**18,816.3**	**399.5**	**35,782.2**
From discontinued operations				
Roads	**-**	**1,108.9**	**-**	**1,108.9**
Construction	**7,043.5**	**-**	**-**	**7,043.5**
Insurance	**1,299.1**	**-**	**-**	**1,299.1**
Others	**1,099.7**	**64.0**	**-**	**1,163.7**
	9,442.3	**1,172.9**	**-**	**10,615.2**
Consolidated total	**26,008.7**	**19,989.2**	**399.5**	**46,397.4**
As at 30 June 2024				
Non-current assets (Note b)				
From continuing operations	**142,457.7**	**97,686.2**	**1,097.1**	**241,241.0**
From discontinued operations	**-**	**-**	**-**	**-**
	142,457.7	**97,686.2**	**1,097.1**	**241,241.0**

3. Revenues and segment information (Continued)

	Hong Kong HK$m	Mainland China HK$m	Others HK$m	Total HK$m
For the year ended 30 June 2023 (Restated)				
Revenues				
From continuing operations				
Property development	16,754.9	10,553.2	-	27,308.1
Property investment	3,087.0	1,908.7	-	4,995.7
Construction	16,625.8	660.0	-	17,285.8
Hotel operations	351.0	401.2	339.0	1,091.2
Others	1,543.9	2,341.5	-	3,885.4
	38,362.6	15,864.6	339.0	54,566.2
From discontinued operations				
Roads	-	2,731.8	-	2,731.8
Construction	15,262.5	-	-	15,262.5
Insurance	2,893.8	-	-	2,893.8
Others	1,715.8	187.2	-	1,903.0
	19,872.1	2,919.0	-	22,791.1
Consolidated total	58,234.7	18,783.6	339.0	77,357.3
As at 30 June 2023 (Restated)				
Non-current assets (Note b)				
From continuing operations	155,830.5	98,243.0	1,121.4	255,194.9
From discontinued operations	11,151.2	16,873.4	29.7	28,054.3
	166,981.7	115,116.4	1,151.1	283,249.2

Notes :

(a) For the year ended 30 June 2024, segment results of insurance segment included insurance related financing income of HK$1,087.0 million (2023 (Restated): HK$2,148.9 million) and financing costs of HK$19.8 million (2023: HK$90.7 million).

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

4. Operating profit

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

	2024	2023
	HK$m	HK$m
		(Restated)
From continuing operations		
Gain on redemption of fixed rate bonds	**726.2**	183.4
Net gain on fair value of derivative financial instruments	**491.4**	252.5
Net loss on fair value of financial assets at fair value through profit or loss	**(344.2)**	(107.2)
Write back of loss allowance on		
Inventories	**7.5**	-
Loans and other receivables	**1.1**	53.9
Properties for development	**169.0**	818.0
Other payable	**107.4**	0.5
Net (loss)/gain on disposal of		
Financial assets at fair value through profit or loss	**(211.3)**	(76.2)
Investment properties, property, plant and equipment, right-of-use assets and intangible assets	**212.8**	159.5
Subsidiaries	**22.8**	868.2
Joint ventures	**26.9**	47.6
Associated companies	**-**	342.8
Impairment loss/loss allowance on		
Goodwill	**(414.5)**	-
Intangible assets	**(38.0)**	-
Interests in associated companies	**(39.3)**	(418.8)
Interests in joint ventures	**(43.5)**	-
Inventories	**-**	(21.5)
Loans, debtors and other receivables	**(335.7)**	(851.7)
Properties held for sale	**(3,060.0)**	(174.6)
Properties under development	**(649.9)**	(98.8)
Property, plant and equipment	**(990.9)**	(1.7)
Right-of-use assets	**(348.9)**	(2.0)
Remeasurement of cost of disposal (Note)	**-**	1,081.7
Rent concession, government grants and subsidies	**11.9**	13.1
Loss allowance, loss on derecognition and lease modification of lease receivables	**-**	(14.2)
Loss on remeasurement of the disposal group	**(284.9)**	-
Cost of inventories sold	**(9,970.5)**	(17,166.0)
Cost of services rendered	**(11,567.0)**	(19,324.9)
Depreciation and amortisation	**(1,228.6)**	(1,445.9)
Net exchange gains/(losses)	**5.6**	(137.2)

Note:

The amount for the year ended 30 June 2023 represented the remeasurement of cost of disposal of a subsidiary in the prior years, as certain conditions in this disposal were lapsed, and the cost of disposal related to this disposal was distinguished in the consolidated income statement (2024: Nil).

5. Taxation

	2024 HK$m	2023 HK$m (Restated)
From continuing operations		
Current taxation		
Hong Kong profits tax	**264.7**	700.8
Mainland China and overseas taxation	**1,656.4**	1,698.3
Mainland China land appreciation tax	**2,889.4**	3,252.0
Deferred taxation	**251.9**	(393.0)
	5,062.4	5,258.1

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year.

Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profit for the year at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 12% to 28% (2023: 12% to 28%).

Withholding tax on dividends is mainly provided at the rate of 5% or 10% (2023: 5% or 10%).

Mainland China land appreciation tax is provided at progressive rates ranging from 30% to 60% (2023: 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.

6. Dividend

	2024 HK$m	2023 HK$m
Interim dividend of HK$0.20 per share (2023: HK$0.46 per share)	**503.3**	1,157.7
Final dividend of HK$nil per share (2023: HK$0.30 per share)	**-**	755.0
Conditional special dividend of HK$nil per share (2023: HK$1.59 per share)	**-**	4,001.4
	503.3	5,914.1

The Directors have resolved not to recommend a final dividend for the year ended 30 June 2024 (2023: HK$0.30 per share).

7. (Losses)/earnings per share

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

	30 June 2024 **HK$m**	30 June 2023 HK$m
		(Restated)
(Loss)/profit attributable to shareholders of the Company for calculating basic and diluted earnings per share		
From continuing operations	**(11,806.5)**	(419.0)
Adjust for gain from redemption of perpetual capital securities	**220.7**	-
	(11,585.8)	(419.0)
From discontinued operations	**(7,876.4)**	967.0
Adjust for gain from redemption of perpetual capital securities	**-**	75.5
	(7,876.4)	1,042.5

	Number of shares (million)	
	30 June 2024	30 June 2023
Weighted average number of shares for calculating basic and diluted (losses)/earnings per share	**2,516.6**	2,516.6

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

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

For the year ended 30 June 2024, the Company had no outstanding share options and therefore no potentially dilutive oridinary shares in issue.

For the year ended 30 June 2023, the adjusted exercise price was above the average market price of the ordinary shares. Accordingly, the share options of the Company had an anti-dilutive effect on the basic (losses)/earnings per share and therefore were not included in the calculation of diluted (losses)/earnings per share.

8. Trade debtors

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

	30 June 2024 **HK$m**	30 June 2023 HK$m	1 July 2022 HK$m
Less than 30 days	**807.4**	2,632.1	2,231.5
31 to 60 days	**30.7**	123.2	300.4
Over 60 days	**735.3**	576.0	657.5
	1,573.4	3,331.3	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.

9. Disposal groups held for sale

	30 June 2024 HK$m	30 June 2023 HK$m	1 July 2022 HK$m
Assets of disposal groups held for sales			
Interests in joint ventures	**18.6**	15.8	20.1
Interests in associated companies	**1,367.9**	-	-
Trade debtors	**100.1**	-	-
Deferred tax assets	**10.5**	-	-
Cash and bank	**85.0**	-	-
Financial assets at fair value through other comprehensive income	**18.0**	-	-
Current portion of long-term receivables	**160.7**	-	-
	1,760.8	15.8	20.1

	30 June 2024 HK$m	30 June 2023 HK$m	1 July 2022 HK$m
Liabilities of disposal groups held for sale	**698.1**	30.4	30.5

10. Trade creditors

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

	30 June 2024 HK$m	30 June 2023 HK$m	1 July 2022 HK$m
Less than 30 days	**3,788.2**	5,818.9	6,248.0
31 to 60 days	**127.6**	191.9	117.2
Over 60 days	**5,186.7**	4,380.7	4,596.8
	9,102.5	10,391.5	10,962.0

11. Pledge of assets

As at 30 June 2024, the assets with an aggregated amount of HK84,276.6 million (2023: HK$64,770.5 million) were pledged as securities for certain banking facilities of the Group.

12. Financial guarantee and contingent liabilities

	30 June 2024 HK$m	30 June 2023 HK$m
Financial guarantee contracts:		
Mortgage facilities for certain purchasers of properties	**2,910.7**	2,633.7
Guarantees for credit facilities granted to		
Joint ventures	**8,602.6**	9,454.6
Associated companies	**-**	1,520.0
	11,513.3	13,608.3

13. Discontinued operations

On 17 November 2023, the Group disposed of all its shares in NWSH (the "Relevant NWS Shares") and the consideration of the Relevant NWS Shares had been received by the Group on 20 November 2023 (the "Disposal"). Accordingly, the Group did not hold any shares in NWSH and NWSH had ceased to be a subsidiary of the Group, following which the business operations and performance of NWSH would not be consolidated with and reflected in the financial information of the Group subsequent to 17 November 2023. The Group had recognised an aggregated net loss on disposal of HK$8,257.1 million in the consolidated income statement for the year.

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

(a) Results from discontinued operations

	2024	2023
	HK$m	HK$m
		(Restated)
Revenues	**10,615.2**	22,791.1
Cost of sales	**(8,148.7)**	(17,256.9)
Gross profit	**2,466.5**	5,534.2
Other income	**114.5**	290.8
Other losses, net	**(2,224.3)**	(4,359.8)
Selling and marketing expenses	**(64.8)**	(137.1)
Administrative and other operating expenses	**(351.0)**	(1,055.0)
Changes in fair value of investment properties	**(48.4)**	215.0
Operating (loss)/profit	**(107.5)**	488.1
Financing income	**1,276.8**	2,385.8
Financing costs	**(387.1)**	(818.4)
Share of results		
Joint ventures	**374.6**	754.0
Associated companies	**38.8**	176.8
Profit before taxation	**1,195.6**	2,986.3
Taxation (Note)	**(253.6)**	(757.3)
	942.0	2,229.0
Loss on disposal of NWSH	**(8,257.1)**	-
(Loss)/profit for the year from discontinued operations	**(7,315.1)**	2,229.0

Note:

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

13. Discontinued operations (continued)

An analysis of the results and total comprehensive income relating to the discontinued operations was set out below: (continued)

(b) Total comprehensive income from discontinued operations

	2024	2023
	HK$m	HK$m
		(Restated)
(Loss)/profit from discontinued operations	**(7,315.1)**	2,229.0
Other comprehensive (loss)/income		
Net fair value changes on equity instruments as financial assets at fair value through other comprehensive income	**(189.2)**	(139.8)
Remeasurement of post-employment benefit obligation	**-**	2.2
Net fair value changes and other net movements of debt instruments as financial assets at fair value through other comprehensive income	**(354.2)**	(222.7)
Release of reserve upon disposal of interest in a joint venture	**-**	(6.4)
Share of other comprehensive loss of associated companies and joint ventures	**-**	(858.4)
Cash flow hedges	**(57.1)**	86.4
Translation differences	**(100.3)**	(1,084.9)
Net insurance finance expenses	**(46.7)**	(115.9)
Release of reserves upon disposal of debt instruments as financial assets at fair value through other comprehensive income	**(3.0)**	3.2
Release and reclassification of reserves upon disposal of subsidiaries	**4,339.5**	-
Other comprehensive income/(loss) for the year	**3,589.0**	(2,336.3)
Total comprehensive loss for the year from discontinued operations	**(3,726.1)**	(107.3)

DIVIDENDS

The Directors have resolved not to recommend a final dividend for the year ended 30 June 2024 (2023: HK$0.30 per share). The dividend for the financial year ended 30 June 2024 is HK$0.20 per share (2023: interim and final dividend of HK$0.76 per share and a special dividend of HK$1.59 per share).

BOOK CLOSE DATES FOR 2024 AGM

Book close dates (both days inclusive)	:	14 November 2024 to 21 November 2024
Latest time to lodge transfers with Share Registrar	:	4:30 p.m. on Wednesday, 13 November 2024
Address of Share Registrar	:	Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

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

Description of the debt securities	Purchase price (as a % of the respective principal amount)	Principal amount purchased and redeemed upon settlement	Total outstanding principal amount as at 30 June 2024
US$600,000,000 (equivalent to approximately HK$4,680,000,000) 4.750% guaranteed notes due 2027 issued by NWCL (stock code: 5343)	90.000%	US$95,779,000 (equivalent to approximately HK$747,076,200)	US$504,221,000 (equivalent to approximately HK$3,932,923,800)
US$200,000,000 (equivalent to approximately HK$1,560,000,000) 5.875% guaranteed notes due 2027 issued by NWD (MTN) Limited ("NWD (MTN)", a wholly-owned subsidiary of the Company) (stock code: 5321)	91.000%	US$28,000,000 (equivalent to approximately HK$218,400,000)	US$172,000,000 (equivalent to approximately HK$1,341,600,000)
US$950,000,000 (equivalent to approximately HK$7,410,000,000) 4.125% guaranteed notes due 2029 issued by NWD (MTN) (stock code: 5418) (the "2029 Notes")	81.000%	US$222,000,000 (equivalent to approximately HK$1,731,600,000)	US$717,799,000 (equivalent to approximately HK$5,598,832,200)
US$600,000,000 (equivalent to approximately HK$4,680,000,000) 4.500% guaranteed notes due 2030 issued by NWD (MTN) (stock code: 40223) (the "2030 Notes")	80.000%	US$111,000,000 (equivalent to approximately HK$865,800,000)	US$442,587,000 (equivalent to approximately HK$3,452,178,600)
US$200,000,000 (equivalent to approximately HK$1,560,000,000) 3.750% guaranteed sustainability-linked notes due 2031 issued by NWD (MTN) (stock code: 40534)	76.000%	US$51,785,000 (equivalent to approximately HK$403,923,000)	US$76,050,000 (equivalent to approximately HK$593,190,000)
US$1,200,000,000 (equivalent to approximately HK$9,360,000,000) 4.125% guaranteed senior perpetual capital securities issued by NWD Finance (BVI) Limited ("NWD Finance", a wholly-owned subsidiary of the Company) (stock code: 40711)	60.000%	US$55,600,000 (equivalent to approximately HK$433,680,000)	US$1,144,400,000 (equivalent to approximately HK$8,926,320,000)
US$500,000,000 (equivalent to approximately HK$3,900,000,000) 6.150% guaranteed senior perpetual capital securities issued by NWD Finance (stock code: 5312)	87.500%	US$46,119,000 (equivalent to approximately HK$359,728,200)	US$453,881,000 (equivalent to approximately HK$3,540,271,800)

During the period from 20 December 2023 to 3 January 2024 (both dates inclusive), the Company made on-market repurchase of parts of the 2029 Notes, the 2030 Notes and the US$1,000,000,000 (equivalent to approximately HK$7,800,000,000) 5.25% guaranteed senior perpetual capital securities issued by NWD Finance (stock code: 40262) ("the 2020 Securities") in an aggregate principal amount of US$10,201,000 (equivalent to approximately HK$79,567,800), US$9,230,000 (equivalent to approximately HK$71,994,000) and US$1,000,000 (equivalent to approximately HK$7,800,000) (collectively, the "Repurchased Debt Securities") respectively, which were subsequently cancelled on 10 January 2024. The purchase price ranged from 76.916% to 79.460% of the principal amount of the 2029 Notes, 76.250% to 78.200% of the principal amount of the 2030 Notes and 70.630% of the principal amount of the 2020 Securities. After the cancellation of the Repurchased Debt Securities, the outstanding principal amount of the 2029 Notes, the 2030 Notes and the 2020 Securities would be US$717,799,000 (equivalent to approximately HK$5,598,832,200), US$442,587,000 (equivalent to approximately HK$3,452,178,600) and US$999,000,000 (equivalent to approximately HK$7,792,200,000) respectively.

During the year, 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 year.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, around 11,000 staff were employed by entities under the Group's management. Remuneration policies are reviewed annually. Remuneration and bonuses are awarded to employees based on individual performances and are in line with market practices. Education subsidies are granted to employees who are taking job-related courses. Periodic in-house training programs are also offered. A non-listed subsidiary of the Company has share award scheme under which certain employees may be awarded its shares. Under the share option schemes of the Company and its listed subsidiary, share options may be granted to certain directors and employees of the Group to subscribe for shares in the Company and/or the listed subsidiary.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The Audit Committee was established in accordance with requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules) for the purposes of reviewing and providing supervision over the Group's financial reporting process and risk management (including but not limited to business, operation as well as environmental, social and governance related risks) and internal control systems. The Audit Committee has reviewed the framework and policy of risk management, the system of internal control and the financial statements for the year ended 30 June 2024.

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 June 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

CORPORATE GOVERNANCE CODE

Throughout the year ended 30 June 2024, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix C1 of the Listing Rules, with the exception of code provision C.1.3.

Code provision C.1.3 is in relation to guidelines for securities dealings by relevant employees. Under code provision C.1.3, the Board should establish written guidelines on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules for its relevant employees in respect of their dealings in the securities of the Company. Instead of following the Model Code strictly, the Board has established its own guidelines which are not on no less exacting terms than the Model Code. Such deviation from the CG Code is considered necessary because of the large number of employees of the Group (around 11,000) and the Group's diversified businesses. For these reasons, to strictly 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.

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 years ended 30 June 2024 and 30 June 2023 included in this preliminary announcement of annual results of 2023/2024 does not constitute the Company's statutory annual consolidated financial statements for those years 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 (Cap. 622) is as follows:

The Company had delivered the financial statements for the year ended 30 June 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 30 June 2024 in due course.

The Company's auditor had reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; 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, 26 September 2024

As at the date of this announcement, the Board of the Company comprises (a) six executive directors, namely Dr. Cheng Kar-Shun, Henry, Mr. Ma Siu-Cheung, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Huang Shaomei, Echo and Ms. Chiu Wai-Han, Jenny; (b) five non-executive directors, namely, Mr. Doo Wai-Hoi, William, Dr. Cheng Chi-Kong, Adrian, 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.