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## Interim Results Announcement 2024/2025

### **Results Highlights:**

- The Group's revenues recorded a year-on-year decrease of 1.6% to HK\$16,789 million; gross profit recorded a year-on-year decrease of 8% to HK\$6,675 million
- Core operating profit was HK\$4,416 million
- Loss attributable to shareholders was HK\$6,633 million
- Revenues of property development in Hong Kong amounted to HK\$1,734 million
- Revenues of property development in Mainland China amounted to HK\$6,644 million
- The Group's attributable contracted sales in Hong Kong amounted to approximately HK\$5.2 billion
- The Group's overall contracted sales in Mainland China amounted to approximately RMB7.5 billion, with the Southern Region led by the Greater Bay Area, accounting for nearly 60%
- Revenues of property investment in Hong Kong was HK\$1,615 million, and the segment results was HK\$1,202 million
- Revenues of property investment in Mainland China was HK\$944 million, and the segment results was HK\$556 million
- Continuous stringent cost control efforts as evidenced by an approximately 35% and 9% year-on-year decrease in capital expenditures and administrative and other operating expenses respectively
- The Board has resolved not to declare an interim dividend for the financial year ending 30 June 2025
- As at 31 December 2024, total capital resources amounted to approximately HK\$34 billion, including cash and bank balances of approximately HK\$22 billion and undrawn facilities from banks of approximately HK\$12 billion
- As at 31 December 2024, the Group's short-term debt decreased by HK\$9.4 billion and total debt decreased by HK\$5.1 billion compared to 30 June 2024

## **Business Review**

During the six months ended 31 December 2024, the Group recorded consolidated revenues of HK\$16,789 million and core operating profit (note) of HK\$4,416 million from continuing operations, a year-on-year decrease of 1.6% and 18% respectively. The Group continued its stringent cost control in capital expenditures and administrative and other operating expenses, as evidenced by year-on-year decrease of 35% and 9% respectively.

Taking into account the impairment loss and share of impairment loss on development properties and changes in fair value of investment properties totalling HK\$4,951 million which are non-cash in nature, the Group recorded a loss attributable to shareholders from continuing operations (the “Loss”) of HK\$6,633 million. The Loss mainly arose from drop in market value of projects in both development and investment properties, due to quick changes in market macro factors in the last six months which include, among others, a slower-than-expected pace of interest rate reduction and consumer caution amidst uncertainties arising from the policy shifts of the new administration in the US, despite favourable housing policies launched in both Hong Kong and Mainland China. The absence of one off gain on redemption of fixed rate bonds and transfer to investment properties recorded in the six months ended 31 December 2023, totalling HK\$1,951 million, also explains the Loss in current period.

### **Hong Kong Property Development, Property Investment and Others**

In the second half of 2024, the Hong Kong residential property market became increasingly active, driven by favourable policies such as the complete removal of cooling measures, the initiation of an interest rate reduction cycle, and the relaxation of mortgage loan-to-value ratios. According to publicly available data from the Land Registry, the number of sale and purchase agreements for primary residential properties in Hong Kong from July to December 2024 increased by over 70% year-on-year, while the total contract value rose by 91% compared to the same period in the previous year.

During the period under review, the Group’s revenues and segment results of property development in Hong Kong were HK\$1,734 million and HK\$705 million, respectively. The major contributions were attributed to residential projects including Mount Pavilia and the Group’s grade-A office project at 888 Lai Chi Kok Road. During the period under review, the Group achieved attributable contracted sales in Hong Kong of approximately HK\$5,222 million, mainly contributed by residential projects including The Pavilia Forest, The Knightsbridge, Miami Quay and Uptown East, as well as commercial projects including Artisan Lab, Artisan Hub and Kai Tak Sports Park. The Group launched several residential projects and achieved remarkable results. Among these, the “Pavilia Forest” located in the Kai Tak runway area stood out prominently. This project is developed in three phases, offering over 1,300 high-end residential units in total. As of 31 December 2024, during the presale stage, about 760 units have been released for sale, with a total of 514 units sold, generating gross contracted sales of nearly HK\$3.5 billion. Crowned as the best-selling project newly-launched in the Kai Tak runway area since 2022, the outstanding sales performance fully demonstrates buyers’ trust and recognition of the Group’s brand and high-quality projects.

As at 31 December 2024, among the unrecognised attributable income of the Group from contracted sales in Hong Kong, HK\$12,320 million would be recognised in 2HFY2025 and FY2026. Key projects expected to be recognised in 2HFY2025 and FY2026 include Mount Pavilia, The Knightsbridge, Miami Quay, Double Coast, The Pavilia Farm III, The Pavilia Forest and Uptown East.

In the second half of 2024, Hong Kong’s retail sector showed signs of further softening, influenced by multiple factors including shift in consumer behaviour among residents and tourists, a strong Hong Kong dollar, an increase in net outbound travellers from Hong Kong, and the growing trend of cross-border consumption.

During the period under review, the Group's revenues and segment results of property investment in Hong Kong amounted to HK\$1,615 million and HK\$1,202 million, respectively. While the overall footfall of K11 malls in Hong Kong remained stable, retail sales experienced a year-on-year decline of 13% primarily due to reduced local consumption. This was driven by factors such as the outbound travel trend, weak market demand and a strong Hong Kong dollar.

With its prime location in Tsim Sha Tsui, K11 MUSEA has created synergies with Avenue of Stars. Its unique cultural commerce business model continues to attract a substantial number of visitors. During the period under review, several international luxury brands had either entered or expanded their retail floor space, including the luxury fashion brands Saint Laurent and Loewe, which have both recently completed their store upgrade renovation and reopened.

K11 Art Mall, strategically located adjacent to the Tsim Sha Tsui MTR Station, reported a 2% year-on-year increase in foot traffic despite the challenging operating environment. During the period under review, K11 Art Mall introduced several brands making their debut in Hong Kong, including CHAGEE, Salomon, and Common Man Coffee Roasters. By continuously enhancing its appeal, the mall has solidified its position as a preferred destination for Gen Z consumers and tourists alike.

During the period under review, the global economic performance remained sluggish, and the Hong Kong office market faced numerous challenges. Nevertheless, owing to the prime locations, comprehensive facilities, and high-quality property management services of the Group's office properties, leasing inquiries and leasing activities were maintained at satisfactory levels.

As at 31 December 2024, the occupancy rates of K11 ATELIER King's Road, a grade-A office building in Quarry Bay, and K11 ATELIER Victoria Dockside, a grade-A office building in Tsim Sha Tsui were approximately 93% and 99%, respectively; the occupancy rate of Manning House, situated in the traditional business district, Central, was approximately 93%. The occupancy rate of New World Tower, a grade-A office building in Central, was approximately 80%. Despite a lower occupancy rate than the Group's other office buildings in Hong Kong, this represents an increase from the initial drop in occupancy rate after some of the Group's departments relocated. In addition, 83 King Lam Street, a new grade-A twin towers office was recently completed in April 2024, and its occupancy rate has reached approximately 40% as at 31 December 2024.

### **Hong Kong Landbank**

During the period under review, the Hong Kong Government has been actively building up the land reserve, and promulgated a series of land and housing policies under which the New Development Areas will be one of the key sources of land supply. Such policies include the implementation of the Northern Metropolis Development Strategy, which aims to reshape the northern part of Hong Kong into a dynamic area with attractions and provide more land for housing, science and technology development, and other industries. In the long term, the Northern Metropolis will become a metropolis that attracts people to live, to work and to visit and an engine for economic growth driven by innovation and technology industries. The Group will continue to expedite its farmland conversion to unlock value, and will act in line with the government's policies and measures when replenishing land bank to meet housing demand in Hong Kong.

As at 31 December 2024, the Group had a landbank with a total attributable gross floor area ("GFA") of approximately 7.23 million sq ft in Hong Kong available for immediate development, of which approximately 3.46 million sq ft was for property development. Meanwhile, the Group had an agricultural landbank with a total attributable land area of approximately 15.53 million sq ft pending land use conversion in the New Territories, most of which are located within the Northern Metropolis. Currently, the Group is proactively developing a number of new projects, among which, land premium payment procedure was completed for a large commercial and residential project jointly developed with a central state-owned enterprise on Ma Sik Road, Fanling. With a total GFA of over 1.11 million sq ft, the project boasts convenient railway connection and easy access to transportation, alongside comprehensive commercial and public facilities, and will provide approximately 2,300 residential units. This project will not only support the development of the Northern Metropolis, but also serve as a new development model for the Group's agricultural landbank of approximately 15 million sq ft in the Northern Metropolis.

<b>Landbank by District</b>	<b>Property Development Total Attributable GFA (sq ft '000)</b>	<b>Property Investment and Others Total Attributable GFA (sq ft '000)</b>	<b>Total Attributable GFA (sq ft '000)</b>
<b>As at 31 December 2024</b>			
Hong Kong Island	665.6	-	665.6
Kowloon	1,178.0	-	1,178.0
New Territories	1,621.0	3,767.4	5,388.4
<b>Total</b>	<b>3,464.6</b>	<b>3,767.4</b>	<b>7,232.0</b>

<b>Agricultural Landbank by District</b>	<b>Total Land Area (sq ft '000)</b>	<b>Total Attributable Land Area (sq ft '000)</b>
<b>As at 31 December 2024</b>		
Yuen Long District	11,916.7	10,917.9
North District	1,790.8	1,790.7
Sha Tin District and Tai Po District	1,910.8	1,856.7
Sai Kung District	1,137.9	968.0
<b>Total</b>	<b>16,756.2</b>	<b>15,533.3</b>

### **Mainland China Property Development, Property Investment and Others**

At the meeting of September 2024, the Political Bureau of the Central Committee of the CPC explicitly proposed to put the real estate market back on a “steady and upward trajectory”, marking a turning point in its policy. The “stabilisation of the property market” in 2025 was reaffirmed by the Political Bureau at the meeting of December 2024. The market was further reassured when the issue continued to take centre stage at the Central Economic Work Conference, which highlighted the need for “continuous efforts to bolster the declining property market”.

Local governments have been actively responding to the Central Government’s call, with more frequent policy introductions involving comprehensive measures. These include optimising or removing purchase restrictions, lowering down payment ratios and mortgage interest rates, and optimising price limits. With the implementation of policies to bring the real estate market back to a “steady and upward trajectory”, transactions in the real estate market became more active and prices gradually stabilised in the fourth quarter of 2024. First-tier cities and major cities have become the biggest beneficiaries of this market rebound. With its forward-looking layout, focus on first- and second-tier core cities, flexible marketing strategies and precise marketing solutions, the Group has been able to take full advantage of the favourable policies and market recovery opportunities, and achieved outstanding sales performance in a number of its projects.

During the period under review, the Group’s revenues and segment results of property development in Mainland China were HK\$6,644 million and HK\$2,699 million, respectively. The contributions were mainly from the residential projects including Hangzhou River Opus, Shenyang New World Garden and Guangzhou New Metropolis Mansion.

During the period under review, the sales performance of the Group's various projects outperformed their respective regional markets, especially for the Greater Bay Area market. As the benchmark of Guangzhou's mansions, the Canton View of Central Park-view, the new phase of its residential project, achieved remarkable results in both volume and price upon its launch, setting an impressive sales record of RMB2 billion at the commencement of sales. Elsewhere, at Bai'etan CBD in Liwan, Guangzhou, THE SILLAGE Project topped the charts in terms of the number of tours and transactions for several months straight, with the sales rate of residential units exceeding 60% in just one week after the launch of the Double 12 special promotion. As for the New World • Canton Bay Project, which is also located in Bai'etan CBD, it swiftly generated sales of RMB300 million in just 60 seconds during the marketing activities. The New World China Stars Project, located in the eastern part of Guangzhou, ranked second in the list of Guangzhou's November 2024 transactions. Meanwhile, the New Metropolis • New Metropolis Mansion Project, located in the core area of Changlong in Panyu, Guangzhou, secured the top spot in terms of the average price of transactions in Panyu during the period from January to November 2024. In addition, its duplex units ranked first place in terms of the total amount, number of units and average price of transactions, stealing the spotlight on the regional real estate market. Moreover, in the Northern Region, the PARKSVILLE continued to lead the market with cumulative sales proceeds of RMB1.1 billion in 2024, ranking first in Shenyang.

The success of the projects not only demonstrates the Group's profound insight into market demands, but also underscores its growing brand influence and product competitiveness.

During the period under review, the contracted sales in Mainland China were nearly RMB7.5 billion. The contracted sales area was approximately 320,000 sq m. The average price of the total contracted sales exceeded RMB23,600 per sq m. In terms of the geographical distribution of contracted sales proceeds, the Southern Region, led by the Greater Bay Area, was the largest contributor, accounting for nearly 60%. Contributions came mainly from Guangzhou Central Park-view, THE SILLAGE, Guangzhou New Metropolis • New Metropolis Mansion, Guangzhou New World • Canton Bay, Guangzhou New World China Stars, the PARKSVILLE in Shenyang as well as commercial projects including Beijing New View Garden Commercial Centre and Ningbo New World.

#### Contracted Sales by Region

As at 31 December 2024

Region	Area (sq m '000)	Proceeds (RMB m)
Southern Region (i.e. the Greater Bay Area)	173.0	4,346
Eastern Region (i.e. the Yangtze River Delta Region)	21.4	344
Central Region	9.9	57
Northern Region	46.1	1,641
North-Eastern Region	65.0	1,063
<b>Total</b>	<b>315.4</b>	<b>7,451</b>

As at 31 December 2024, the Group's unrecognised gross revenue from contracted sales in Mainland China amounted to approximately RMB8.3 billion, which will be recognised in 2HFY2025 and FY2026.

During the period under review, the total GFA of the Group's completed projects in Mainland China (excluding carparks) was approximately 784,000 sq m, most of which were located in the Greater Bay Area. The total GFA of the Group's completed projects in Mainland China (excluding carparks) is expected to reach approximately 884,000 sq m in FY2025.

### 1HFY2025 Project Completion in Mainland China – Property Development

Region	Project/Total GFA (sq. m)	Residential	Commercial	Total (excluding carpark)	Total (including carpark)
Guangzhou	New World – Guangzhou Metro Hanxi Development Project	145,614	-	145,614	266,038
	Guangzhou Zengcheng Stars Apartment	35,414	-	35,414	35,414
Yiyang	Yiyang Scenic Heights Phase I Project D4-D7	63,486	2,414	65,900	87,154
<b>Total</b>		<b>244,514</b>	<b>2,414</b>	<b>246,928</b>	<b>388,606</b>

### 1HFY2025 Project Completion 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	80,730	50,976	131,706	131,706
	Panyu International School Phase 4	48,661	-	48,661	48,661
Ningbo	Ningbo New World Phase 3	83,656	45,618	129,274	138,526
Shenzhen	Shenzhen Prince Bay Project	202,890	24,819	227,709	356,111
<b>Total</b>		<b>415,937</b>	<b>121,413</b>	<b>537,350</b>	<b>675,004</b>

### 2HFY2025 Project Completion Plan in Mainland China – Property Development

Region	Project/Total GFA (sq. m)	Residential	Commercial	Total (excluding carpark)	Total (including carpark)
Guangzhou	Guangzhou Zengcheng Stars Apartment	-	2,050	2,050	42,220
Shanghai	City   Gather	79,001	-	79,001	79,001
Huizhou	Changhuyuan Phase 4	17,349	1,177	18,526	18,526
<b>Total</b>		<b>96,350</b>	<b>3,227</b>	<b>99,577</b>	<b>139,747</b>

According to data released by the National Bureau of Statistics, total retail sales of consumer goods reached RMB48,789.5 billion in 2024, up 3.5% year-on-year. Since the government's Ministry of Commerce designated 2024 as the "Year of Consumption Promotion", consumers have been maintaining rational consumption patterns while broadening lifestyle experiences, hence creating new opportunities for the consumer market. However, under the impact of global economic instability, spending power and consumer sentiment among Chinese residents remained subdued, and consumer demand needed to be further boosted.

During the period under review, the Group's revenue and segment results from property investment in Mainland China amounted to HK\$944 million and HK\$556 million, respectively. The overall occupancy rate of major projects in the investment property portfolio remained stable.

Sales for Shanghai K11 were basically stable during the period under review. While excluding top-tier luxury brands, it recorded a double-digit sales growth, with footfall rising to a three-year high in December 2024. To realise a richer and more diversified offering, Shanghai K11 implemented measures for brand lift and remixing. The rent for F&B recorded year-on-year growth after upgrading popular branded restaurants such as Bistro (山野板紮) and Serene Hill (山緩緩). The overall occupancy rate for Shanghai K11 reached 96% by the end of December 2024. It will continue broadening the sources of income and reducing expenditure through setting up extra advertising spaces and venue as well as continuing its stringent cost control.

Wuhan Hankou K11 further optimised its business mix during the period under review, by continuously introducing trending brands in the entertainment experience and extreme sports sectors. As of 31 December 2024, the project had a 90% occupancy rate. Wuhan Hankou K11 is strategically positioning itself as a “trendsetting hub for the youth” through a diversified business portfolio encompassing night economy, nightlife, and pet-friendly offerings, aiming to capture market share through differentiated competition.

Wuhan Guanggu K11 Select continued to build a “GEN-Z hub” by upgrading its lifestyle portfolio and replacing underperforming brands during the period under review. As of 31 December 2024, the occupancy rate reached 95%. During the period under review, Wuhan Guanggu K11 Select successfully hosted three national e-sports tournaments: “VALORANT (無畏契約)” Champions, “Honour of Kings (王者榮耀)” National Campus Tournament and “League of Legends + Super Smash Bros (英雄聯盟大亂鬥)” National Championship, which went viral on the internet and drove footfall up by 17% year-on-year.

During the period under review, Shenyang K11 Select introduced three first stores in North-Eastern region and two first IP exhibitions in Shenyang. It continuously optimised business offerings and organised exclusive events with tenants, including the only Moody Tiger themed musical in Northern China and X11 Zoraa 4.0 first launch in the country, contributing to year-on-year increases of 4% in footfall and 2% in sales, respectively.

In addition, the soft opening of The PARK by K11 Select in Ningbo was held on 28 September 2024, with the grand opening at the end of December. The highly anticipated first shop of TSUTAYA BOOKSTORE in Ningbo was opened and garnered strong market recognition. With the blending of art, people, nature and business, The PARK by K11 Select in Ningbo has created a cutting-edge lifestyle for consumers with fascinating commercial settings, offering the citizens an even more diverse and enriching experience, and has hence become a landmark in Ningbo and even the Eastern China region. Meanwhile, the first stores of Dynasty Club, Chloe and Burberry Perfume, PerfumeBox, MF by G.C.D.C and Ferragamo in Zhejiang and Ningbo are opening soon.

Yunmen NEW PARK, a high-end business address in northern Guangzhou, pioneered the MALL+PARK immersive park-style commercial space model. As of 31 December 2024, the project had an overall occupancy rate of 92%, bringing together more than 190 brands with a diverse business portfolio, including international retail, boutiques and lifestyle, culture and entertainment, and renowned catering businesses. In the second half of 2024, the project had seen a total footfall of nearly 15 million, and continued to inject vitality into the city’s retail business.

The Canton Place, the Group's benchmark commercial project located in Zhujiang New Town in the Guangzhou CBD, is a premier international lifestyle hub that the Group is proud to present. As a high-end commercial complex in the Guangzhou CBD, and following the brand renovation and upgrading, the project not only satisfies the diverse needs of different customer groups, but has also become a cultural and social destination for citizens, resulting in a 10% year-on-year increase in footfall. As of 31 December 2024, the occupancy rate of The Canton Place was 97%, maintaining its unparalleled uniqueness.

As more large-scale commercial projects will come to fruition successively, the Group will stay adherent 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 further increase recurring rental income.

## Mainland China Landbank

As of 31 December 2024, the Group had a landbank (excluding carparks) with a total GFA of approximately 2.99 million sq m available for immediate development in Mainland China, of which approximately 1.74 million sq m was zoned for residential use. Of the total GFA of the landbank (excluding carparks), approximately 2.46 million sq m were core property development projects mainly located in Guangzhou, Shenzhen, Foshan, Wuhan, Shanghai, Hangzhou, Beijing and Shenyang, with approximately 1.28 million sq m for residential use.

### Landbank by Region

	<b>Total GFA (excluding carpark) (sq m'000)</b>	<b>Residential Total GFA (sq m'000)</b>
<b>As at 31 December 2024</b>		
Southern Region (i.e., the Greater Bay Area)	810.1	718.5
Eastern Region (i.e., the Yangtze River Delta Region)	367.6	51.0
Central Region	623.1	286.3
Northern Region	526.5	254.4
North-Eastern Region	666.8	430.6
<b>Total</b>	<b>2,994.1</b>	<b>1,740.8</b>
<b>Of which, Core Projects</b>	<b>2,461.5</b>	<b>1,275.8</b>

Over the years, the Group has continued 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 and the competition for quality land parcels in core cities continues to intensify, the Group's competitive edges and the value of its landbank will become more apparent. Furthermore, the Group will, as always, continue to flexibly adjust the progress of its projects in line with policy orientation and market dynamics, so as to maintain steady development.

### Hotel Operations

During the period under review, Hong Kong's tourism market was softer than expected, particularly in long-haul markets such as the US and Europe, while Mainland China and Southeast Asia remained generally stable. The soft performance in Hong Kong resulted in a year-on-year decline in gross operating profit ("GOP"). However, hotels in Mainland China and Ho Chi Minh City reported positive GOP growth.

In Hong Kong, overall occupancy rose by 4% year-on-year during the period under review. Visitor arrivals increased by 10% year-on-year to 23 million. The market saw a rise in budget-conscious, experience-driven travellers from Mainland China. In addition, the F&B sector remained soft, with banquet revenues impacted by a decline in corporate events and social gatherings such as weddings. Cross-border weekend travel, driven by lower prices, further reduced local spending. These factors, coupled with a strong Hong Kong dollar, flight capacity constraints, and geopolitical tensions, collectively hindered the recovery of the hotel industry in 2024. Looking forward, the pace of recovery in the meetings, incentives, conferences and exhibitions ("MICE") and long-haul markets remains highly uncertain due to a modest economic growth outlook and ongoing geopolitical tensions. The reintroduction of a 3% Hotel Accommodation Tax from 1 January 2025 has put additional pressure on room rates. However, this is expected to be offset by government efforts to promote city-wide events and conferences, favourable visa policies for Mainland visitors, and the resumption of full flight capacity.



In Mainland China, the tourism market maintained its upward momentum with traveller arrivals up by 14% year-on-year during the period under review. The three hotels in Beijing recorded higher occupancy rates, and most hotels, except for Beijing Tongpai, New World Wuhan, and New World Shunde, reported year-on-year GOP growth, driven by cost-saving efforts. Following a period of “revenge spending” that significantly boosted domestic travel after COVID-19, Chinese consumers have become more conservative due to the slow economic recovery. Outbound travel to destinations such as Japan, South Korea, and Southeast Asia has increased, with a notable shift towards long-haul destinations such as Europe, especially for multi-destination itineraries in 2024. This trend has made it challenging for hotels to drive revenue growth through price increases. Inbound tourism continued to surge in 2024, aided by measures like visa-free transit policies and easier accommodation booking and payment methods. Furthermore, the expansion of the visa-free transit policy to 54 countries in mid-2024, along with additional measures unveiled in December 2024, including cross-regional travel permits, has further boosted inbound tourism. The change offers overseas travellers flexibility to explore multiple regions during their trip. Looking ahead, domestic travel and MICE activity are expected to remain stable but price-sensitive, while overseas feeder markets continue to rebound. Major challenges still facing China's tourism and hospitality market include weaker spending power, tighter corporate travel budgets, intense hotel competition, and the growing trend of outbound tourism.

In Southeast Asia, tourism rebounded strongly, with many cities approaching or surpassing pre-pandemic levels. The relaxation of visa policies has played a key role in the recovery, which has been further fuelled by improvements in flight capacity, making it easier for both international and domestic tourists to travel. The return of Chinese tourists has also benefited hotels across the region. With strategic visa-free policies, Thailand is poised for a remarkable resurgence in tourism, welcoming more than 40 million visitors in 2024. Phuket has successfully transformed into a destination for affluent tourists, with total tourist spending exceeding pre-pandemic records. Rosewood Phuket has benefited significantly, with average daily rate (“ADR”) up 22% year-on-year. Vietnam saw a 40% rise in international tourists, reaching nearly 17.6 million in 2024. The Philippines welcomed 5.9 million international tourists in 2024, an increase of 7.2% from 2023. During the period under review, occupancy at New World Makati Hotel rose by 3% year-on-year, while ADR remained flat. Looking ahead, further growth in international travel is expected in Southeast Asia. However, local economic slowdowns in some countries may impact our hotel performance, particularly in the F&B and MICE sectors.

As at 31 December 2024, the Group had a total of 17 hotel properties in operation in Hong Kong, Mainland China and Southeast Asia, with a total of approximately 6,595 rooms.

## **Outlook**

With the continual introduction of favourable policies, we believe market confidence will recover further in 2025 and the positive momentum for the whole industry will sustain. The Group will focus on its core business of property development and investment and fully leverage its advantages in human capital, technology, sector knowledge, farmland resources and high-quality products to assure sustainable business growth. The Group adopts a long-term view of investment, focusing on Hong Kong and first-tier cities in Mainland China and will continue to strive for excellence in terms of products and services to maintain its market appeal and enhance competitiveness.

Backed by an international vision, extensive network of resources and efficient decision-making, the Group is committed to continuing to pursue high-quality development and excellent customer services which have served the Group well in terms of a strong brand image and market appeal. The Group sees tremendous market opportunities for Hong Kong as the country rolls out favourable policies to speed up development in the Greater Bay Area and the Yangtze River Delta region. It will cooperate with quality partners to capitalise on complementary strengths for mutual success. As projects in Hong Kong, Guangzhou, Shanghai, Shenzhen, Ningbo and Hangzhou begin to complete, sell and operate, the Group holds a positive outlook of future prospects in the coming years.

Regarding Hong Kong property development, as of 31 December 2024, the projected supply of primary private residential units for the next three to four years is approximately 107,000 units, which will dominate the market supply. In January 2025, the Group launched “STATE PAVILIA” residential project in North Point, rolling it out in phases. The development comprises residential units, retail spaces and a grade-A office building. The development offers 388 residential units and has been highly sought after since its launch, resulting in strong sales performance. Since 11 January 2025, the Group has launched 313 residential units in phases and 279 units were sold within about one month, generating gross contracted sales of approximately HK\$3.2 billion. Moreover, “STATE PAVILIA” has achieved three records in 2025. Firstly, it secured the highest unit price for first-hand residential properties on Hong Kong Island, achieving a record-breaking price of HK\$51,000 per square foot. Additionally, it garnered the highest number of registrations of intent among all first-hand residential projects on Hong Kong Island and Kowloon with an oversubscription of 95 times. Furthermore, it became the first development to sell out all units during its initial sales launch in 2025. These achievements underscore the strong confidence and trust buyers place in the Group's brand and offerings. In 2025, the Group will continue with the sales of its residential project “STATE PAVILIA” as well as its joint venture development projects in Kai Tak including “Pavilia Forest”, “The Knightsbridge”, etc. In addition, the Group will expedite the launches of the “THE SOUTHSIDE Package Five Property Development Project” at Wong Chuk Hang MTR Station and luxury residences on Castle Road in Mid-Levels. Meanwhile, the Northern Metropolis, actively developed by the government to grow its land reserve, is poised to be the mainstay of land supply for housing in the future. The Group will also speed up the conversion of farmland into developable land. Through applications for town planning and land exchange, it is expected that approximately 9 million sq ft of GFA will be added for development in the short- to medium-term.

Regarding Hong Kong property investment, despite the weak performance of the Hong Kong retail market due to changes in consumption patterns among tourists and local residents, as well as the strong Hong Kong dollar, the Group remains optimistic about the prospects of retail investment properties. Guided by the cultural-commerce model, the Group will continue to provide innovative experiences for customers, stay attuned to market dynamics, flexibly adjust tenant mix, and actively introduce sought-after international and mainland dining brands to enhance foot traffic and boost consumer activity. K11 MUSEA, the cultural-retail destination, will continue to attract renowned luxury brands, with more high-end brands expected to enter or expand their presence within the next 12 months. Leveraging its synergies with the Avenue of Stars and Victoria Harbour, K11 MUSEA will further integrate art, culture, and innovation to drive foot traffic and sales. Additionally, K11 Art Mall will continue to enhance its brand portfolio and optimize pop-up stores and event spaces, offering customers diverse new retail experiences. This will solidify its trendy positioning in the Gen Z market, benefiting from high occupancy rates and strong foot traffic.

Despite the challenges faced by the leasing market due to the global economic slowdown, the Group remains confident in maintaining stable occupancy rates, owing to the prime locations and comprehensive facilities of its office projects. The Group's office development in West Kowloon has been completed, offering state-of-the-art infrastructure and seamless connectivity with the Greater Bay Area. This has successfully attracted leasing inquiries from tenants across different regions, reinforcing the Group's ability to sustain a stable and robust leasing performance.

Turning to Mainland property development, in FY2025, the Group will continue to launch a number of premium projects, including Guangzhou Central Park-view, THE SILLAGE, New Metropolis, Canton Bay, Shenyang New World and Hangzhou New World Arts Centre. Furthermore, the Xili development project in Shenzhen will commence construction soon, while the Longgang project has already commenced construction. Both projects are anticipated to launch in 2026. With its forward-looking strategic vision, deep understanding of market trends and homebuyers' needs, alongside an established brand reputation in high-quality residential buildings and large-scale complexes, the Group is confident in achieving robust sales results.

In response to the national initiative to promote the growth of the private sector, Hangzhou, a shining jewel in the realm of private enterprise, is experiencing a resurgence of vigour and vitality, fuelled by the emergence of emerging forces such as technology innovation companies. The Group has meticulously developed the New World Arts Centre in Wangjiang New City, Hangzhou, a comprehensive project with a total GFA of 740,000 sq m, which has now reached the harvesting stage. The residential component, “River Opus”, was successfully completed and delivered at the end of 2024. With a commercial property portfolio of approximately 120,000 sq m, featuring a diverse array of office towers and commercial streets, it has garnered widespread acclaim in the market. From June 2025, the office towers and commercial streets will be handed over in stages. Additionally, the second phase of the project has already reached structural completion, with full completion expected by the end of 2025.

At the same time, a number of the Group’s major projects will be successively launched in major cities in Mainland China, including the K11 ECOAST, the first flagship project of K11 in Mainland China, which will open on 28 April 2025. Located in Prince Bay, Qianhai Shekou, Shenzhen with a total GFA of 228,500 sq m, it encompasses cultural-retail landmark K11 ECOAST, multi-purpose art space K11 HACC, new-era office space K11 ATELIER and coastal neighbourhood Promenade. The project integrates art, culture, and nature across diverse functions, aiming to create a world-class cultural and artistic district for Shenzhen coastline. In addition, the second K11 project in Guangzhou, located in Guangzhou Changlong Wanbo, which is also the first K11 Select in the Greater Bay Area, will open in the third quarter of 2025.

With the gradual completion and opening of investment properties 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.

Note:

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

	<b>For the six months ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$m</b>	<b>HK\$m</b>
(Loss)/profit from continuing operations	<b>(5,700.6)</b>	1,543.1
Changes in fair value of investment properties, include share of results of joint ventures and associated companies	<b>1,582.8</b>	376.4
Gain on transfer to investment properties	-	(1,257.1)
Taxation	<b>1,976.9</b>	2,349.0
Financing income	<b>(294.2)</b>	(656.1)
Financing costs	<b>2,532.6</b>	2,522.4
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	<b>3,367.9</b>	401.8
Loss on disposal of non-core portfolio	<b>951.0</b>	78.2
<b>Core operating profit</b>	<b>4,416.4</b>	5,357.7

## LIQUIDITY AND CAPITAL RESOURCES

### Net Debt

	As at 31 December 2024 HK\$m	As at 30 June 2024 HK\$m
Consolidated net debt	<b>124,630.0</b>	123,657.1
New World Department Store China Limited (“NWDS”) (stock code: 0825)		
– net cash and bank balances	<b>(98.2)</b>	(119.0)
Net debt (exclude listed subsidiaries)	<b>124,728.2</b>	123,776.1

The Group’s debts were primarily denominated in Hong Kong dollar, United States Dollar and Renminbi. In respect of the Group’s operations in Mainland China, the Group maintains an appropriate level of external borrowings in Renminbi for natural hedging. The Renminbi currency exposure of the Group is mainly derived from the translation of non-current assets and liabilities of the subsidiaries, associated companies and joint ventures in Mainland China with functional currency of Renminbi and the Renminbi deposits held for future development costs to Hong Kong Dollar. As at 31 December 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\$464.3 million is recognised in equity. Apart from this, the Group does not have any material foreign exchange exposure.

The Group’s borrowings were arranged on both floating rate and fixed rate basis. The financing costs had maintained steady at HK\$2,532.6 million for the period. The Group used interest rate swaps, cross currency swaps and foreign exchange forward contracts to hedge part of the Group’s underlying interest rate and foreign exchange exposure. As at 31 December 2024, the Group had outstanding cross currency swaps in the amounts of approximately HK\$23,105.4 million, and had outstanding interest rate swaps in the amounts of HK\$35,691.4 million.

In August 2024, the Company repurchased and cancelled parts of US\$600.0 million (equivalent to approximately HK\$4,680.0 million) 4.75% guaranteed notes due 2027 (stock code: 5343) (the “2027 Notes”) and parts of US\$500.0 million (equivalent to approximately HK\$3,900.0 million) 6.15% guaranteed senior perpetual capital securities (stock code: 5312) (the “Perpetual Securities”) in principal amounts of US\$45.9 million (equivalent to approximately HK\$357.7 million) and US\$108.6 million (equivalent to approximately HK\$846.8 million) respectively. The purchase prices were 96% and 100% respectively. The 2027 Notes and Perpetual Securities of respectively US\$458.4 million (equivalent to approximately HK\$3,575.3 million) and US\$345.3 million (equivalent to approximately HK\$2,693.4 million) principal amounts remain outstanding.

In August 2024, a US\$400.0 million (equivalent to approximately HK\$3,120.0 million) 8.625% guaranteed notes due 2028 were issued by a wholly-owned subsidiary of the Group and listed on the Stock Exchange at a price of 100.0% of the principal amount with net proceeds of US\$395.2 million (equivalent to approximately HK\$3,082.6 million).

As at 31 December 2024, the Group’s cash and bank balances (including restricted bank balances) stood at HK\$21,858.3 million (30 June 2024: HK\$27,990.1 million) and the consolidated net debt amounted to HK\$124,630.0 million (30 June 2024: HK\$123,657.1 million). The net debt to equity ratio was 57.5%; an increase of 2.5 percentage points as compared to 30 June 2024.

As at 31 December 2024, the Group’s long-term bank loans, other loans and fixed rate bonds and notes payable amounted to HK\$139,525.7 million (30 June 2024: HK\$141,132.1 million). Short-term bank and other loans as at 31 December 2024 were HK\$6,962.6 million (30 June 2024: HK\$10,515.1 million). The maturity of bank loans, other loans and fixed rate bonds and notes payable as at 31 December 2024 and 30 June 2024 was as follows:

	<b>As at 31 December 2024 HK\$m</b>	As at 30 June 2024 HK\$m
Within one year	<b>32,209.1</b>	41,631.9
In the second year	<b>33,056.7</b>	32,157.7
In the third to fifth year	<b>65,398.8</b>	57,409.7
After the fifth year	<b>15,823.7</b>	20,447.9
	<b>146,488.3</b>	151,647.2

Equity of the Group as at 31 December 2024 decreased to HK\$216,645.4 million against HK\$224,888.8 million as at 30 June 2024.

As at 31 December 2024, the Group had obtained waivers from the lenders (“Lenders”) for the compliance with certain financial covenants as of 31 December 2024. The Group is in active dialogue with Lenders on refinancing of certain bank and other borrowings, include revisiting the financial covenants. Based on the cash flow projections prepared by the management from time to time, management may have to apply for financial covenant waiver when needed. It is expected that the Lenders will continue to waive the financial covenant in accordance with the refinancing plans currently under discussion with the Lenders.

The Group has been monitoring its on-going compliance with the financial covenant requirements and will continue to actively arrange for sales and pre-sale activities and execute its assets disposal plan. The Group will respond to market changes and capture demands in order to generate cash inflow and enhance liquidity. The Group will also continue to take active measures to control operating costs and capital expenditure.

Since July 2024 up to the date of this announcement, the Group has successfully refinanced approximately HK\$18,677.6 million of its bank loans. The Company has continued to comply with its existing financial indebtedness requirements.

## **MAJOR ACQUISITION AND DISPOSAL**

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 (“CTFE”)) 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 and the Group ceased to have any interest in Sky Treasure, and Sky Treasure ceased to be an associate of the Group.

On 26 September 2024, the Group entered into disposal agreements (including a rights agreement) with AC Group Limited as the purchaser which is wholly owned by Dr. Cheng Chi-Kong Adrian regarding the sale of 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 (the “Target Companies”) which mainly relate to the management of the properties under the “K11” brand and related businesses at an aggregate consideration of HK\$209.0 million (subject to instalment arrangements). The transactions were completed in November 2024 and the Group ceased to have any interest in the Target Companies.

On 28 November 2024, the Company entered into a sale and purchase agreement with CTFE regarding the sale of the entire equity interest of New World Sports Development Limited (“NWSD”) and the related shareholder’s loan at a total consideration of HK\$416.7 million. NWSD holds 75% interest in Kai Tak Sports Park Limited which is principally engaged in the design, construction and operation of Kai Tak Sports Park Project. The transaction was completed on 29 November 2024 and the Company ceased to have any interest in NWSD.

## RESULTS

The board of directors (the “Board”) of New World Development Company Limited (新世界發展有限公司) (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31 December 2024 as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

		For the six months ended 31 December	
		2024	2023
	Note	HK\$m	HK\$m
<b>Continuing operations</b>			
Revenues	2	16,788.8	17,065.5
Cost of sales		(10,113.5)	(9,808.1)
Gross profit		6,675.3	7,257.4
Other income		23.9	35.7
Other (losses)/gains, net		(1,928.9)	498.7
Selling and marketing expenses		(560.0)	(497.3)
Expenses of department store’s operation		(401.1)	(422.0)
Administrative and other operating expenses		(1,844.8)	(2,035.6)
Gain on transfer to investment properties		-	1,257.1
Changes in fair value of investment properties		(1,233.3)	(365.0)
Operating profit	3	731.1	5,729.0
Financing income		294.2	656.1
Financing costs		(2,532.6)	(2,522.4)
		(1,507.3)	3,862.7
Share of results of			
Joint ventures		(2,173.0)	70.1
Associated companies		(43.4)	(40.7)
(Loss)/profit before taxation		(3,723.7)	3,892.1
Taxation	4	(1,976.9)	(2,349.0)
(Loss)/profit from continuing operations		(5,700.6)	1,543.1
<b>Discontinued operations</b>			
Loss from discontinued operations		-	(7,315.1)
Loss for the period		(5,700.6)	(5,772.0)

## CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

		For the six months ended 31 December	
		2024	2023
		HK\$m	HK\$m
	<i>Note</i>		
Loss for the period		<b>(5,700.6)</b>	(5,772.0)
Attributable to:			
Shareholders of the Company			
- from continuing operations		(6,632.8)	502.0
- from discontinued operations		-	(7,876.4)
Holder of perpetual capital securities			
- from continuing operations		927.1	965.9
- from discontinued operations		-	269.3
Non-controlling interests			
- from continuing operations		5.1	75.2
- from discontinued operations		-	292.0
		<b>(5,700.6)</b>	(5,772.0)
Interim dividend of HK\$Nil per share (2023: HK\$0.2 per share)		-	503.3
Basic and diluted (losses)/earnings per share (HK\$)	5		
From continuing operations		(2.64)	0.29
From discontinued operations		-	(3.13)

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 31 December

	2024 HK\$m	2023 HK\$m
Loss for the period	<b>(5,700.6)</b>	(5,772.0)
Other comprehensive (loss)/income		
Items that will not be reclassified to profit or loss		
Net fair value changes of equity instruments as financial assets at fair value through other comprehensive income	<b>(22.9)</b>	(240.8)
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	<b>17.1</b>	2,013.0
Remeasurement of post-employment benefit obligation	-	0.3
Items that had been reclassified/may be reclassified subsequently to profit or loss		
Share of other comprehensive income/(loss) of joint ventures and associated companies	<b>35.7</b>	(71.1)
Net fair value changes and other net movements of debt instruments as financial assets at fair value through other comprehensive income	-	(293.9)
Release of reserves upon disposal of debt instruments as financial assets through other comprehensive income	-	(3.0)
Release and reclassification of reserves upon disposal of subsidiaries	<b>(17.6)</b>	(300.0)
Cash flow/fair value hedges	<b>(94.5)</b>	116.7
Net insurance finance expenses	-	(46.8)
Translation differences	<b>(500.0)</b>	1,609.4
Other comprehensive (loss)/income for the period	<b>(582.2)</b>	2,783.8
Total comprehensive loss for the period	<b>(6,282.8)</b>	(2,988.2)
Attributable to:		
Shareholders of the Company		
- from continuing operations	<b>(7,151.6)</b>	4,003.8
- from discontinued operations	-	(6,026.2)
Holders of perpetual capital securities		
- from continuing operations	<b>927.1</b>	965.9
- from discontinued operations	-	269.3
Non-controlling interests		
- from continuing operations	<b>(58.3)</b>	154.8
- from discontinued operations	-	(2,355.8)
	<b>(6,282.8)</b>	(2,988.2)



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

	<i>Note</i>	As at 31 December 2024 HK\$m	As at 30 June 2024 HK\$m
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		205,759.7	207,711.8
Property, plant and equipment		14,733.7	13,207.4
Right-of-use assets		3,841.4	3,860.4
Intangible assets		1,162.8	1,174.6
Interests in joint ventures		35,183.7	37,503.9
Interests in associated companies		8,507.8	8,578.1
Financial assets at amortised costs		107.9	129.7
Financial assets at fair value through profit or loss		4,878.4	6,285.7
Financial assets at fair value through other comprehensive income		2,280.7	2,303.6
Derivative financial instruments		572.5	402.6
Properties for development		15,289.8	15,286.8
Deferred tax assets		2,247.4	2,204.9
Other non-current assets		29,857.2	28,493.3
		<b>324,423.0</b>	<b>327,142.8</b>
<b>Current assets</b>			
Properties under development		35,446.5	43,483.4
Properties held for sale		31,645.9	28,346.1
Inventories		144.8	139.0
Debtors, prepayments and contract assets	6	13,000.2	15,276.1
Financial assets at fair value through profit or loss		798.0	841.0
Derivative financial instruments		254.5	178.3
Restricted bank balances		440.1	590.5
Cash and bank balances		21,418.2	27,399.6
		<b>103,148.2</b>	<b>116,254.0</b>
Assets of disposal groups held for sale	7	-	1,760.8
		<b>103,148.2</b>	<b>118,014.8</b>
<b>Total assets</b>		<b>427,571.2</b>	<b>445,157.6</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

	<i>Note</i>	As at 31 December 2024 HK\$m	As at 30 June 2024 HK\$m
<b>EQUITY</b>			
Share capital		78,382.1	78,382.1
Reserves		94,298.2	101,449.8
<hr/>			
Shareholders' funds		172,680.3	179,831.9
Perpetual capital securities		35,443.0	36,280.5
Non-controlling interests		8,522.1	8,776.4
<hr/>			
<b>Total equity</b>		<b>216,645.4</b>	<b>224,888.8</b>
<hr/>			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings and other interest-bearing liabilities		118,783.1	114,437.8
Lease liabilities		3,459.3	3,701.4
Deferred tax liabilities		7,375.8	7,762.2
Derivative financial instruments		341.5	317.0
Other non-current liabilities		94.9	92.2
<hr/>			
		<b>130,054.6</b>	<b>126,310.6</b>
<hr/>			
<b>Current liabilities</b>			
Creditors, accrued charges and contract liabilities	8	35,555.4	39,658.9
Current portion of long-term borrowings and other interest-bearing liabilities		25,246.5	31,198.3
Short-term borrowings and other interest-bearing liabilities		7,365.6	10,913.8
Lease liabilities		613.0	701.1
Derivative financial instruments		-	0.3
Current tax payable		12,090.7	10,787.7
<hr/>			
Liabilities of disposal groups held for sale	7	-	698.1
<hr/>			
		<b>80,871.2</b>	<b>93,260.1</b>
<hr/>			
		<b>80,871.2</b>	<b>93,958.2</b>
<hr/>			
<b>Total liabilities</b>		<b>210,925.8</b>	<b>220,268.8</b>
<hr/>			
<b>Total equity and liabilities</b>		<b>427,571.2</b>	<b>445,157.6</b>

Notes:

## 1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) for the six months ended 31 December 2024 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) (the “Listing Rules”). The Interim Financial Statements should be read in conjunction with the 30 June 2024 annual financial statements.

For the six months ended 31 December 2024, the Group recorded a loss of HK\$5,700.6 million which are mainly due to changes in market value of property projects. As at 31 December 2024, the Group had borrowings amounted to HK\$146,488.3 million, of which HK\$32,209.1 million was repayable within 12 months, while the Group’s cash and bank balances amounted to HK\$21,418.2 million and restricted bank balances amounted to HK\$440.1 million.

As at 31 December 2024, the Group had obtained waivers from the lenders (“Lenders”) for the compliance with certain financial covenants as of 31 December 2024. As such, the Group’s bank and other borrowings have been classified based on the original repayment schedules as stipulated in the relevant loan agreements.

In preparing the Interim Financial Statements, the Directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least 12 months from 31 December 2024, taking into account the following plans and measures:

- (i) The Group has been in active dialogue with Lenders on refinancing of certain bank and other borrowings, include revisiting the financial covenants. The Directors of the Company believe that, given the Group had a net asset value of HK\$216,645.4 million as at 31 December 2024 and the availability of unencumbered assets which provide additional credit enhancement for the borrowings, it is considered the Group will be able to refinance these borrowings.
- (ii) The Group has been monitoring its on-going compliance with the financial covenant requirements. Based on the cash flow projections prepared by the management from time to time, management may have to apply for financial covenant waiver when needed. It is expected that the Lenders will continue to waive the financial covenant in accordance with the refinancing plans currently under discussion with the Lenders.
- (iii) The Group will continue to actively arrange for the sales and pre-sale activities to respond to market changes, capture demands and generate cash inflow.
- (iv) The Group will continue to actively execute its assets disposal plan for the realisation of certain assets to improve liquidity. and
- (v) The Group will continue to take active measures to control operating costs and capital expenditure.

The Directors of the Company have reviewed the Group’s cash flow projections and are of the opinion that, considering the anticipated cash inflows to be generated from the Group’s operations, taking into account reasonably possible changes in operation performance, its cost control measures, as well as the above-mentioned plans and measures, the Group will be able to meet its financial obligations as and when they fall due within 12 months from 31 December 2024. Accordingly, the Interim Financial Statements have been prepared on a going concern basis. Notwithstanding the above, material uncertainties exist as to whether the Group is able to achieve all its plans and measures as described above.

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

The accounting policies used in the preparation of these Interim Financial Statements are consistent with those set out in the annual report for the year ended 30 June 2024.

### (a) Adoption of amendments to standards and interpretation

The Group has adopted the following amendments to standards and interpretation which are relevant to the Group's operations and are mandatory for the financial year ending 30 June 2025:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

### (b) New standards and amendments to standards which are not yet effective

The following new standards and amendments to standards are mandatory for accounting periods beginning on or after 1 July 2025 or later periods but which the Group has not early adopted:

Amendments to HKAS 21	Lack of Exchangeability
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 18	Presentation and Disclosure in Financial Statements
HKFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to HKFRSs	Annual Improvements to HKFRSs – Volume 11

The Group has commenced the assessment on the impact of adoption of all new standards and amendments to standards, 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 condensed consolidated financial statements.

## 2. Revenues and segment information

Revenues recognised during the period are as follows:

	For the six months ended 31 December	
	2024 HK\$m	2023 HK\$m
Revenues		
From continuing operations		
Property development	8,377.8	6,741.5
Property investment	2,558.9	2,674.2
Construction	3,858.4	5,107.6
Hotel operations	712.6	683.4
Others	1,281.1	1,858.8
<b>Total from continuing operations</b>	<b>16,788.8</b>	<b>17,065.5</b>
From discontinued operations		
Roads	-	1,108.9
Construction	-	7,043.5
Insurance	-	1,299.1
Others	-	1,163.7
<b>Total from discontinued operations</b>	<b>-</b>	<b>10,615.2</b>
<b>Total</b>	<b>16,788.8</b>	<b>27,680.7</b>

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, construction, hotel operations and others (including facilities management, department store and other strategic businesses) segments. During the six months ended 31 December 2023, following the completion of disposal of NWS Holdings Limited ("NWSH") and to better reflect the nature of the income streams and group strategies, the segments related to NWSH are presented as discontinued operations in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

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.

2. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					Consolidated HK\$m
	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	
For the six months ended 31 December 2024												
Total revenues	8,377.8	2,558.9	3,874.6	712.6	1,323.1	16,847.0	-	-	-	-	-	16,847.0
Inter-segment	-	-	(16.2)	-	(42.0)	(58.2)	-	-	-	-	-	(58.2)
Revenues-external	8,377.8	2,558.9	3,858.4	712.6	1,281.1	16,788.8	-	-	-	-	-	16,788.8
Revenues from contracts with customers:												
- Recognised at a point in time	8,377.8	-	-	220.7	603.6	9,202.1	-	-	-	-	-	9,202.1
- Recognised over time	-	-	3,858.4	491.9	677.5	5,027.8	-	-	-	-	-	5,027.8
	8,377.8	-	3,858.4	712.6	1,281.1	14,229.9	-	-	-	-	-	14,229.9
Revenues from other source:												
- Rental income	-	2,558.9	-	-	-	2,558.9	-	-	-	-	-	2,558.9
	-	2,558.9	-	-	-	2,558.9	-	-	-	-	-	2,558.9
	8,377.8	2,558.9	3,858.4	712.6	1,281.1	16,788.8	-	-	-	-	-	16,788.8
Segment results	3,483.1	1,725.1	(122.6)	(105.5)	(620.0)	4,360.1	-	-	-	-	-	4,360.1
Other (losses)/gains, net	(1,540.5)	(10.6)	(15.5)	6.3	(368.6)	(1,928.9)	-	-	-	-	-	(1,928.9)
Changes in fair value of investment properties	-	(1,233.3)	-	-	-	(1,233.3)	-	-	-	-	-	(1,233.3)
	1,942.6	481.2	(138.1)	(99.2)	(988.6)	1,197.9	-	-	-	-	-	1,197.9
Unallocated items												
Corporate expenses						(466.8)					-	(466.8)
Financing income						294.2					-	294.2
Financing costs						(2,532.6)					-	(2,532.6)
						(1,507.3)					-	(1,507.3)
Share of results of												
Joint ventures	(2,114.5)	6.1	-	(61.6)	(3.0)	(2,173.0)	-	-	-	-	-	(2,173.0)
Associated companies	(44.2)	1.4	-	-	(0.6)	(43.4)	-	-	-	-	-	(43.4)
Loss before taxation						(3,723.7)					-	(3,723.7)
Taxation						(1,976.9)					-	(1,976.9)
Loss for the period						(5,700.6)					-	(5,700.6)

2. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					Consolidated HK\$m
	Property development	Property investment	Construction	Hotel operations	Others	Subtotal	Roads	Construction	Insurance	Others	Subtotal	
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	
As at 31 December 2024												
Segment assets	103,006.5	211,393.8	18,114.3	10,369.9	16,062.5	358,947.0	-	-	-	-	-	358,947.0
Interests in joint ventures	23,373.2	6,942.8	-	2,945.8	1,921.9	35,183.7	-	-	-	-	-	35,183.7
Interests in associated companies	6,831.0	231.3	-	-	1,445.5	8,507.8	-	-	-	-	-	8,507.8
Unallocated assets						24,932.7					-	24,932.7
<b>Total assets</b>						<b>427,571.2</b>					<b>-</b>	<b>427,571.2</b>
Segment liabilities	29,168.5	3,699.7	1,383.6	617.2	4,853.6	39,722.6	-	-	-	-	-	39,722.6
Unallocated liabilities						171,203.2					-	171,203.2
<b>Total liabilities</b>						<b>210,925.8</b>					<b>-</b>	<b>210,925.8</b>
For the six months ended												
31 December 2024												
Additions to non-current assets (Note b)	59.0	2,219.7	525.5	37.6	77.2	2,919.0	-	-	-	-	-	2,919.0
Depreciation and amortisation	26.6	25.9	-	292.1	294.9	639.5	-	-	-	-	-	639.5
Impairment loss and loss allowance	1,619.4	10.6	-	0.1	145.5	1,775.6	-	-	-	-	-	1,775.6

2. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					Consolidated HK\$m
	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	
For the six months ended 31 December 2023												
Total revenues	6,741.5	2,708.3	5,139.1	683.4	1,952.4	17,224.7	1,108.9	7,167.7	1,299.1	1,171.2	10,746.9	27,971.6
Inter-segment	-	(34.1)	(31.5)	-	(93.6)	(159.2)	-	(124.2)	-	(7.5)	(131.7)	(290.9)
Revenues-external	6,741.5	2,674.2	5,107.6	683.4	1,858.8	17,065.5	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	27,680.7
Revenues from contracts with customers:												
- Recognised at a point in time	6,741.5	-	-	295.7	971.0	8,008.2	1,108.9	-	-	612.0	1,720.9	9,729.1
- Recognised over time	-	-	5,107.6	387.7	887.8	6,383.1	-	7,043.5	82.0	551.7	7,677.2	14,060.3
	6,741.5	-	5,107.6	683.4	1,858.8	14,391.3	1,108.9	7,043.5	82.0	1,163.7	9,398.1	23,789.4
Revenues from other source:												
- Rental income	-	2,674.2	-	-	-	2,674.2	-	-	-	-	-	2,674.2
- Insurance revenue	-	-	-	-	-	-	-	-	1,217.1	-	1,217.1	1,217.1
	-	2,674.2	-	-	-	2,674.2	-	-	1,217.1	-	1,217.1	3,891.3
	6,741.5	2,674.2	5,107.6	683.4	1,858.8	17,065.5	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	27,680.7
Segment results (Note a)	3,852.0	1,720.7	(160.1)	(94.0)	(600.3)	4,718.3	501.0	332.9	2,297.3	234.8	3,366.0	8,084.3
Other (losses)/gains, net	(401.8)	-	-	-	900.5	498.7	-	-	(1,910.4)	(313.9)	(2,224.3)	(1,725.6)
Gain on transfer to investment properties	-	1,257.1	-	-	-	1,257.1	-	-	-	-	-	1,257.1
Changes in fair value of investment properties	-	(365.0)	-	-	-	(365.0)	-	-	-	(48.4)	(48.4)	(413.4)
	3,450.2	2,612.8	(160.1)	(94.0)	300.2	6,109.1	501.0	332.9	386.9	(127.5)	1,093.3	7,202.4
Unallocated items												
Corporate expenses						(380.1)					(133.6)	(513.7)
Financing income (Note a)						656.1					189.8	845.9
Financing costs (Note a)						(2,522.4)					(367.3)	(2,889.7)
						3,862.7					782.2	4,644.9
Share of results of												
Joint ventures	101.9	39.7	-	(72.9)	1.4	70.1	273.1	-	-	101.5	374.6	444.7
Associated companies	(0.8)	(17.3)	-	-	(22.6)	(40.7)	62.6	21.0	-	(44.8)	38.8	(1.9)
Profit before taxation						3,892.1					1,195.6	5,087.7
Taxation						(2,349.0)					(253.6)	(2,602.6)
Profit before loss on disposal of discontinued operations						1,543.1					942.0	2,485.1
Loss on disposal of discontinued operations						-					(8,257.1)	(8,257.1)
Profit/(loss) for the period						1,543.1					(7,315.1)	(5,772.0)



2. Revenues and segment information (Continued)

	Continuing operations						Discontinued operations					Consolidated HK\$m
	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	
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	6,896.9	230.2	-	-	1,451.0	8,578.1	-	-	-	-	-	8,578.1
Unallocated assets						30,775.9					-	30,775.9
<b>Total assets</b>						<b>445,157.6</b>					<b>-</b>	<b>445,157.6</b>
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
<b>Total liabilities</b>						<b>220,268.8</b>					<b>-</b>	<b>220,268.8</b>
For the six months ended												
31 December 2023												
Additions to non-current assets (Note b)	748.5	3,238.2	1,775.8	135.7	1,098.5	6,996.7	98.6	29.4	75.0	36.0	239.0	7,235.7
Depreciation and amortisation	22.8	27.2	-	217.9	500.5	768.4	512.9	37.6	92.9	103.7	747.1	1,515.5
Impairment loss and loss allowance	401.8	-	-	-	23.9	425.7	61.0	-	-	149.6	210.6	636.3

2. Revenues and segment information (Continued)

	Hong Kong HK\$m	Mainland China HK\$m	Others HK\$m	Total HK\$m
For the six months ended 31 December 2024				
Revenues				
From continuing operations				
Property development	1,734.1	6,643.7	-	8,377.8
Property investment	1,615.1	943.8	-	2,558.9
Construction	3,794.9	63.5	-	3,858.4
Hotel operations	201.6	326.5	184.5	712.6
Others	313.1	968.0	-	1,281.1
	<b>7,658.8</b>	<b>8,945.5</b>	<b>184.5</b>	<b>16,788.8</b>
From discontinued operations				
Roads	-	-	-	-
Construction	-	-	-	-
Insurance	-	-	-	-
Others	-	-	-	-
	-	-	-	-
<b>Consolidated total</b>	<b>7,658.8</b>	<b>8,945.5</b>	<b>184.5</b>	<b>16,788.8</b>
As at 31 December 2024				
Non-current assets (Note b)				
From continuing operations	157,338.3	99,523.6	1,113.1	257,975.0
From discontinued operations	-	-	-	-
	<b>157,338.3</b>	<b>99,523.6</b>	<b>1,113.1</b>	<b>257,975.0</b>

2. Revenues and segment information (Continued)

	Hong Kong HK\$m	Mainland China HK\$m	Others HK\$m	Total HK\$m
For the six months ended 31 December 2023				
Revenues				
From continuing operations				
Property development	1,246.1	5,495.4	-	6,741.5
Property investment	1,745.1	929.1	-	2,674.2
Construction	4,803.7	303.9	-	5,107.6
Hotel operations	220.0	281.2	182.2	683.4
Others	437.1	1,421.7	-	1,858.8
	8,452.0	8,431.3	182.2	17,065.5
From discontinued operations				
Roads	-	1,108.9	-	1,108.9
Construction	7,043.5	-	-	7,043.5
Insurance	1,299.1	-	-	1,299.1
Others	1,099.7	64.0	-	1,163.7
	9,442.3	1,172.9	-	10,615.2
Consolidated total	17,894.3	9,604.2	182.2	27,680.7
As at 30 June 2024				
Non-current assets (Note b)				
From continuing operations	159,144.2	97,686.2	1,097.1	257,927.5
From discontinued operations	-	-	-	-
	159,144.2	97,686.2	1,097.1	257,927.5

Notes:

- (a) For the six months ended 31 December 2023, segment results of insurance segment included insurance related financing income of HK\$1,087.0 million and financing costs of HK\$19.8 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, long-term prepayments and deposits within other non-current assets.

### 3. Operating profit

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

	For the six months ended 31 December	
	2024	2023
	HK\$m	HK\$m
From continuing operations		
Gain on redemption of fixed rate bonds	14.3	693.5
Net gain/(loss) on fair value of financial assets at FVPL	2.9	(159.2)
Write back of loss allowance for		
Loans and other receivables	55.5	-
Other payables	73.7	-
Inventories	25.2	2.9
Rent concession, government grants and subsidies	10.5	7.4
Net gain on fair value of derivative financial instruments	396.7	-
Net (loss)/profit on disposal/liquidation of		
Financial assets at FVPL	(674.1)	187.7
Investment properties and property, plant and equipment	28.9	50.3
Subsidiaries	(168.4)	51.6
Associated companies and joint ventures	86.3	29.4
Impairment loss/loss allowance on		
Loans, debtors and other receivables	(162.2)	(23.9)
Properties held for sale	(607.4)	(298.3)
Properties under development	(1,006.0)	(103.5)
Cost of inventories sold	(3,799.9)	(3,317.9)
Cost of services rendered	(5,080.4)	(6,268.2)
Depreciation and amortisation	(639.5)	(768.4)
Net exchange (losses)/gains	(4.8)	60.8

### 4. Taxation

	For the six months ended 31 December	
	2024	2023
	HK\$m	HK\$m
From continuing operations		
Current taxation		
Hong Kong profits tax	54.8	343.5
Mainland China and overseas taxation	753.4	977.0
Mainland China land appreciation tax	1,239.0	1,647.1
Deferred taxation	(70.3)	(618.6)
	1,976.9	2,349.0

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

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

Withholding tax on dividend 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.

Share of results of joint ventures and associated companies is stated after deducting the share of taxation of joint ventures and associated companies of HK\$110.9 million and HK\$Nil (2023: HK\$47.5 million and HK\$76.4 million) respectively.



**7. Disposal groups held for sale**

	<b>As at 31 December 2024 HK\$m</b>	<b>As at 30 June 2024 HK\$m</b>
Assets of disposal groups held for sales		
Interests in joint ventures	-	18.6
Interests in associated companies	-	1,367.9
Debtors and prepayments	-	100.1
Deferred tax assets	-	10.5
Cash and bank balances	-	85.0
Financial assets at fair value through other comprehensive income	-	18.0
Other non-current assets	-	160.7
	-	1,760.8

	<b>As at 31 December 2024 HK\$m</b>	<b>As at 30 June 2024 HK\$m</b>
Liabilities of disposal groups held for sale	-	698.1

**8. Trade creditors**

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

	<b>As at 31 December 2024 HK\$m</b>	<b>As at 30 June 2024 HK\$m</b>
Less than 30 days	5,037.6	3,788.2
31 to 60 days	75.2	127.6
Over 60 days	3,927.7	5,186.7
	9,040.5	9,102.5

**9. Pledge of assets**

As at 31 December 2024, the assets with an aggregated amount of HK\$96,956.2 million (30 June 2024: HK\$88,498.1 million) were pledged as securities for certain banking facilities of the Group.

**10. Financial guarantee and contingent liabilities**

	<b>As at 31 December 2024 HK\$m</b>	<b>As at 30 June 2024 HK\$m</b>
Financial guarantee contracts:		
Mortgage facilities for certain purchasers of properties	3,081.1	2,910.7
Guarantees for credit facilities granted to Joint ventures	7,707.9	8,602.6
	10,789.0	11,513.3

## INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the financial year ending 30 June 2025 (2024: HK\$0.2 per share).

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 1 August 2024, 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 9 August 2024 and cancelled pursuant to the terms and conditions of the respective debt securities:

<b>Description of the debt securities</b>	<b>Purchase price (as a % of the respective principal amount)</b>	<b>Principal amount purchased and redeemed upon settlement</b>	<b>Total outstanding principal amount as at 31 December 2024</b>
US\$600,000,000 (equivalent to approximately HK\$4,680,000,000) 4.750% guaranteed notes due 2027 issued by New World China Land Limited (stock code: 5343)	96%	US\$45,855,000 (equivalent to approximately HK\$357,669,000)	US\$458,366,000 (equivalent to approximately HK\$3,575,254,800)
US\$500,000,000 (equivalent to approximately HK\$3,900,000,000) 6.150% guaranteed senior perpetual capital securities issued by NWD Finance (BVI) Limited (stock code: 5312)	100%	US\$108,567,000 (equivalent to approximately HK\$846,822,600)	US\$345,314,000 (equivalent to approximately HK\$2,693,449,200)

During the six months ended 31 December 2024, the Company has not redeemed any of its listed securities. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s listed securities during the six months ended 31 December 2024.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, around 10,500 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. Under the share option schemes of the Company and its listed subsidiary, share options may be granted to certain directors and employees of the Group to subscribe for shares in the Company and/or the listed subsidiary.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with all the applicable code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Listing Rules throughout the six months ended 31 December 2024, 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 10,500) 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.

## **REVIEW OF INTERIM RESULTS**

The Company’s unaudited interim results for the six months ended 31 December 2024 have not been reviewed by external auditor, but have been reviewed by the Audit Committee of the Company.

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

The financial information relating to the year ended 30 June 2024 that is included in this announcement of interim results 2024/2025 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

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

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

**Dr. Cheng Kar-Shun, Henry**  
**Chairman**

Hong Kong, 28 February 2025

*As at the date of this announcement, the Board of the Company comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Ms. Huang Shaomei, Echo, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Chiu Wai-Han, Jenny, Mr. Ho Gilbert Chi-Hang and Mr. Lau Fu-Keung; (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.*