新鴻基地產發展有限公司
Sun Hung Kai Properties Limited

(Incorporated in Hong Kong with limited liability)
Stock Codes : 16 (HKD counter) and 80016 (RMB counter)

2023 / 24 Annual Results

CHAIRMAN'S STATEMENT

I am pleased to present my report to the shareholders.

RESULTS

The Group's underlying profit attributable to the Company's shareholders for the year ended 30 June 2024, excluding the effect of fair-value changes on investment properties, amounted to HK$21,739 million, compared to HK$23,885 million last year. Underlying earnings per share were HK$7.50, compared to HK$8.24 last year.

Reported profit and reported earnings per share attributable to the Company's shareholders were HK$19,046 million and HK$6.57 respectively, compared to HK$23,907 million and HK$8.25 last year. The reported profit included a decrease in fair value of investment properties net of deferred taxation and non-controlling interests of HK$2,412 million, compared to an increase of HK$221 million last year.

DIVIDEND

The directors have recommended the payment of a final dividend of HK$2.80 per share for the year ended 30 June 2024. The dividend will be payable on 21 November 2024. Together with the interim dividend of HK$0.95 per share, the dividend for the full year will be HK$3.75 per share, a decrease of 24% from last year.

BUSINESS REVIEW

Development Profit and Rental Income

Development Profit

For the year under review, profit generated from property sales totalled HK$7,850 million, as compared to HK$11,299 million in the previous financial year. Contracted sales reached about HK$37,500 million in attributable terms.

Rental Income

During the year, the Group's gross rental income, including contributions from joint ventures and associates, increased by 3% year-on-year to HK$24,991 million, and net rental income rose by 3% year-on-year to HK$19,000 million. The increase in rental income derived from the retail and serviced apartment portfolios offset the decrease in the office portfolio.

Property Business – Hong Kong

Land Bank

During the year, the Group added three residential sites with a total gross floor area of about 1.5 million square feet to its land bank through lease modifications. These included a site in Heung Fan Liu, Sha Tin added in the second half of the financial year. Nestled amid lush greenery near the Shing Mun River, the site will be developed into a residential development consisting of around 521,000 square feet of gross floor area. Scheduled for completion in 2030 or beyond, the project will offer about 1,200 quality units, the majority of which will be of small-to-medium sizes. Details of the additions are shown in the table below.

Location	**Usage**	**Group's Interest** (%)	**Attributable Gross Floor Area** (square feet)
Lot No. 1696 in DD 115, Tung Shing Lei, Yuen Long	Residential/Shops	100	776,000
Sha Tin Town Lot No. 537, Heung Fan Liu, Sha Tin	Residential	100	521,000
Lot No. 1071 in DD 103, Kam Tin, Yuen Long	Residential	100	251,000
Total			**1,548,000**

As at 30 June 2024, the Group's attributable land bank in Hong Kong amounted to about 57.8 million square feet. Of these, about 38.2 million square feet were diversified completed properties, an overwhelming majority of which were for rental and long-term investment purposes, contributing to the Group's substantial recurring income. Of the remaining portions, about 13.3 million square feet were residential properties under development for sale. These developments are expected to be completed in phases over the next six to seven years.

During the year under review, some 1.5 million square feet of the Group's land lots in Kwu Tung North/Fanling North New Development Area were resumed by the HKSAR Government. The Group is expected to receive cash compensation of approximately HK$1,900 million from the Government, and the corresponding gains have been recognized in financial year 2023/24. Another batch of land lots with a total site area of about 2.5 million square feet in Hung Shui Kiu/Ha Tsuen New Development Area will be resumed, for which compensation of approximately HK$2,700 million will be recognized in financial year 2024/25.

Following the end of the financial year, the Group acquired a residential site near MTR City One Station, Sha Tin in July 2024. The site will be developed into a boutique residential development comprising a total gross floor area of 157,000 square feet, providing mainly small- and medium-sized units to meet end-user demand in a mature community with well-established amenities. The Group also recently settled the premium for a land exchange in Fanling North. Covering a total gross floor area of about 308,000 square feet, the site will be developed into a residential-cum-retail project. The Group, as always, will adhere to its prudent financial discipline in land bank replenishment.

Property Development

The residential market in Hong Kong became active following the withdrawal of property cooling measures in February 2024, but has softened in recent months due to the prevailing high interest rate environment. Nevertheless, home rental continued to pick up, supported by an influx of talent and students into the city.

During the year under review, the Group recorded contracted sales of about HK$25,600 million in attributable terms in Hong Kong. Major contributors included YOHO WEST Phase 1 in Tin Shui Wai, The YOHO Hub II in Yuen Long, Cullinan Harbour Phase 1 in Kai Tak and NOVO LAND Phases 2A and 3B in Tuen Mun. The remaining units from various completed projects such as Dynasty Court in Mid-levels Central, Crown of St. Barths in Ma On Shan and Ultima in Ho Man Tin continued to receive positive market response and contribute to the Group's contracted sales.

Embracing the Building Homes with Heart philosophy, the Group has always put customers first and placed strong emphasis on offering quality products and property management that satisfy customers' needs. The Group's unique vertically integrated development model underpins its ability in keeping high quality standards for both products and services. The Group, through the SHKP Club, continues to maintain effective two-way communication with customers, allowing the Group to keep tabs on latest market trends and understand consumer preferences. The Group has made dedicated efforts to enhance its offerings for maintaining its competitiveness and brand reputation. The Group's residential project in Sai Sha, with designs blending the development with nature, boasts comprehensive sports facilities and good transport links. This project is the latest example of the Group's response to rising aspirations for smart homes, wellness, and green living.

A total of six projects in Hong Kong comprising about 3.5 million square feet of attributable gross floor area were ready for handover during the year. Of these, about 2.5 million square feet of gross floor area were residential properties for sale. The remaining 942,000 square feet were non-residential properties retained for long-term investment. Project details are shown in the table below.

Project	Location	Usage	Group's Interest (%)	Attributable Gross Floor Area (square feet)
NOVO LAND Phases 2A & 2B	8 Yan Po Road, Tuen Mun	Residential / Shops	100	931,000
Silicon Hill / University Hill	63 Yau King Lane, Tai Po	Residential / Shops	100	923,000
The YOHO Hub II / YOHO MIX	1 Long Lok Road, Yuen Long	Residential / Shopping Centre	JV	734,000
MEGA IDC Phase 1	297 Wan Po Road, Tseung Kwan O	Data Centre	74	390,000
TOWNPLACE WEST KOWLOON	10 Lai Ying Street, West Kowloon	Hotel	100	374,000
Grand Jeté Phase 1	170 Castle Peak Road, Tai Lam, Tuen Mun	Residential	59.1	101,000
Total				**3,453,000**

As at 30 June 2024, the Group's contracted sales in Hong Kong yet to be recognized amounted to about HK$24,900 million, of which about HK$19,600 million is expected to be recognized in financial year 2024/25. Most of the related sale proceeds will be received when the respective units are delivered.

Property Investment

During the year, the Group's well-diversified property investment portfolio, including contributions from joint ventures and associates, remained resilient and registered a modest increase in gross rental income of 1% year-on-year to HK$17,942 million. With distinguished building quality, strategic locations and the Group's proactive leasing approach, the portfolio achieved satisfactory overall occupancy.

Among its retail portfolio of over 12 million square feet, a majority are flagship or regional shopping malls located along railway lines with mature transportation networks and are well-connected to the surrounding residences or facilities by covered footbridges. Thanks to the recovery of inbound tourism, albeit slower-than-expected, and dedicated efforts of its professional leasing and management teams, the Group's retail portfolio registered a moderate increase in rental income during the year with a relatively stable occupancy of about 94%. Nevertheless, the strength of the Hong Kong dollar and the changing spending patterns of locals and tourists continued to pose challenges to the retail industry, in particular starting from early 2024.

In view of keen competition in the market, the Group is committed to strengthening the competitive edge of its malls through a multi-pronged approach. Apart from ongoing tenant-mix refinement, including incorporating new concepts that are more compatible with customers' changing preferences, the Group reconfigured the store layout of selected malls to accommodate these changes. Popular brands and restaurants from the mainland and overseas, some of which are new to Hong Kong, have been introduced to bring novelty to customers.

In addition, the Group has gone beyond partnerships with its business units and tenants to collaborate with market players from different sectors in launching promotional programmes and offering exclusive privileges. For example, prior to and during the Paris 2024 Olympic Games this summer, many of the Group's malls organized a series of sports-related activities on top of live broadcasts of the games to cheer for the athletes and created an enjoyable atmosphere for all. Campaigns were organized in conjunction with mega events year-round to drive footfall and stimulate spending in malls across different districts, in alignment with the Government's vision of 'Tourism is everywhere in Hong Kong'.

The Group continues to invest in upgrading both its properties and service quality. To provide more immersive experiences for both shoppers and their pets, the Group has added pet- and family-friendly facilities in the outdoor areas of its malls. As a flagship mall in Hong Kong, New Town Plaza in Sha Tin is undergoing a revamp of its facade. To dedicate additional event space for leisure and live performances, part of the open space on the third floor of the mall will be reconfigured into Chill Park, the enhancement work of which is expected to be completed in late 2024.

The Point, the integrated loyalty programme for malls, continues to expand its customer base and bring in new functions for enhancing shoppers' experience. Following the gradual recovery of inbound tourism, The Point leveraged the Group's hotel footprints and extensive retail network to strengthen its membership recruitment efforts. The new Instant Point Earn function, allowing members to earn points immediately after purchases, has been extended to about 60% of the tenants in the Group's major malls since its launch in early 2024. Spending by loyal The Point members had proven to be resilient amid the challenging environment. On top of its Contactless Parking and EV Super Charging services, The Point recently offered its special members a selection of exclusive privileges, including extra bonus points and a soon-to-be-launched pre-booking function for EV charging service at the Group's malls to encourage repeat purchases.

The uncertain economic outlook remains a drag on office demand in Hong Kong. By differentiating itself through a diversified portfolio, high green-building standards that meet tenants' ESG goals, premium building quality and property management services, in addition to its long-term relationship with tenants and its reputable brand, the Group's office portfolio reported an average occupancy of about 91% during the year.

Benefitting from the flight-to-quality trend, two landmark office towers, IFC and ICC, remained the most prominent office addresses for global financial institutions and MNCs. Both achieved an occupancy of over 90% during the year. The Group's other premium offices, including the Millennium City office cluster in Kowloon East, recorded a reasonable overall occupancy level of about 90%.

Rental contribution from newly completed investment properties further strengthened the Group's recurrent income base. Opened in October 2023, TOWNPLACE WEST KOWLOON offers hybrid short- and long-stay leasing options to tap the growing accommodation demand from young professionals and incoming talent. The clubhouse offers an array of amenities and exclusive social activities. This innovative model, together with the project's premium facilities and relaxing harbourfront environment, has drawn young talent and corporate clients.

Another addition is YOHO MIX adjoining MTR Yuen Long Station. Opened in June 2024, this 107,000-square-foot retail space has consolidated with the completed YOHO Mall to form a retail cluster of some 1.1 million square feet, the largest in northwest New Territories. The enlarged flagship mall draws locals and visitors with its more diverse offerings and unique pet events. The 500,000-square-foot shopping mall beneath The Millennity in Kwun Tong will see its first phase open in late 2024.

Over the next few years, the High Speed Rail West Kowloon Terminus Development will become a new contributor to the Group's recurring income base. Sitting atop the city's only High Speed Rail station, the project enjoys unrivalled transport connectivity, with easy access to the Airport Express and three other MTR lines as well as a walkway linking the thriving West Kowloon Cultural District (WKCD) and the neighbouring communities. Set to be one of the most sustainable and environmentally friendly buildings in the world upon its completion in 2026, the development comprises two sets of twin-block premium grade-A office towers and a retail podium underneath. The office portion, named as International Gateway Centre (IGC), has drawn a leading global financial institution as an anchor tenant. UBS has rented an entire block of about 460,000 square feet as its regional headquarters.

The High Speed Rail West Kowloon Terminus Development, together with the Artist Square Towers Project in WKCD under construction, will join the Group's two luxury hotels and the completed ICC in the vicinity to create a distinctive commercial cluster in Hong Kong upon their completions. With its superb location and transport connectivity, this cluster will function as a unique and green commercial hub in the Greater Bay Area (GBA), solidifying Hong Kong's status as a world-class wealth and asset management centre.

Property Business – Mainland

Land Bank

As at 30 June 2024, the Group held a total attributable land bank of 66.7 million square feet on the mainland. This included about 21.0 million square feet of completed properties, mostly located in major business hubs of first-tier and leading second-tier cities, an overwhelming majority of which were for rental and long-term investment purposes. The remaining 45.7 million square feet were properties under development, of which over 50% will be developed into quality units and office space for sale. The Group will focus on developing existing projects in phases in key mainland cities and delivering premium products to meet evolving customer needs.

Property Development

The mainland residential market continued to consolidate during the year under review. To support stable and healthy growth in the real estate market, the Central Government has continued to roll out an array of measures including the removal of home purchase restrictions and the lowering of down-payment ratios and mortgage rates. Measures to expedite the destocking process also helped restore market confidence.

Despite a challenging market environment, the Group achieved attributable contracted sales of RMB11,000 million on the mainland during the year, mainly contributed by two landmark projects, Phase 3 of the wholly-owned Shanghai Arch in Lujiazui, Shanghai and the third batch of the residential portion at the joint-venture Hangzhou IFC (River East) in Qianjiang New City CBD, Hangzhou. Sales response for the two projects has been encouraging.

During the year, the Group completed a total gross floor area of about 1.5 million square feet on the mainland. Among these, Four Seasons Hotel Suzhou, which opened in late 2023, will be retained for long-term investment. Project details are shown in the table below.

Project	**Location**	**Usage**	**Group's Interest** (%)	**Attributable Gross Floor Area** (square feet)
The Woodland Phase 5B	Zhongshan 5 Road, Zhongshan	Residential/ Shops	50	381,000
Oriental Bund Phase 6A	Chancheng, Foshan	Residential/ Shops	50	297,000
Four Seasons Hotel Suzhou	Yuanqu, Suzhou	Hotel	90	297,000
TODTOWN Phase 2	Minhang, Shanghai	Office	35	291,000
Taihu International Community Phase 8	Taihu New City, Wuxi	Office	40	184,000
Total				**1,450,000**

As at 30 June 2024, the Group's contracted sales yet to be recognized on the mainland amounted to about RMB12,600 million, of which about RMB8,000 million is expected to be recognized in financial year 2024/25.

Property Investment

Over the years, the Group has established a strong presence in major cities on the mainland with its landmark integrated projects. This property rental portfolio continued to perform satisfactorily during the year. Gross rental income derived from its rental portfolio on the mainland, including contributions from joint ventures and associates, as well as additional contributions from newly completed projects, increased by 12% year-on-year to RMB5,822 million.

The Group's premium malls, mostly a part of large-scale integrated projects, have consistently impressed customers with their innovative interior designs, creative marketing activities, comprehensive amenities, excellent transport accessibility, and outstanding customer service. Shanghai IFC Mall in the central business district of Pudong, Shanghai has established itself as a must-visit, distinctive luxury destination for shoppers. Notable brands have further expanded their global flagship stores in the mall, reflecting their trust in the Group's capabilities. The mall continued to register high occupancy during the year.

Extending the Group's success from Shanghai to Nanjing, the one-million-square-foot Nanjing IFC Mall held its grand opening in late July 2024. The mall has achieved high occupancy since its soft opening in January 2024, with its nine floors filled by duplex luxury flagships and new concept stores of renowned retailers. The mall also houses an array of gourmet choices ranging from cafes to renowned restaurants, operated by award-winning teams from Michelin-starred and Black Pearl eateries. Its innovative western-garden-themed interior design and striking facade offer an unconventional experience to locals and visitors. Additionally, the open space at the mall has gained popularity as a venue for hosting a variety of pop-up events, including gourmet markets and entertainment.

The Group has adopted a proactive approach in managing its retail portfolio in a competitive retail landscape. Debuting multiple first stores in the city has successfully strengthened IAPM's distinctive market positioning as a trend-setter in Puxi, Shanghai. The extensive open space in its sunken garden allows Parc Central in Guangzhou to hold an array of brand-promotion campaigns and events. The mall also hosted its first pet-friendly activity, which received encouraging responses. In addition, the Group's extensive retail network allows close collaboration between its malls in Hong Kong and Guangzhou, creating synergy for both. These malls maintained high occupancies during the year.

The Group's grade-A offices, backed by a strong brand reputation, are well-known for their premium building quality and property management services. Advantageously located within integrated complexes with good transport connectivity, the offices allow tenants to enjoy complementary services at shopping malls and hotels which form part of the projects. Despite the challenging operating environment, the overall occupancy of the Group's office portfolio in Shanghai remained satisfactory. Shanghai IFC and Shanghai ICC continued to house renowned multinational corporations and leading domestic firms with their quality space and high green building standards. The completed Tower A of Three ITC in Shanghai, boasting a gross floor area of 1.1 million square feet, has achieved a committed occupancy of over 70%.

The Group's rental portfolio on the mainland will be further expanded upon the completion of the remaining portion of Three ITC in Shanghai. This prominent part of ITC, which includes a 370-metre-tall office skyscraper Tower B, a flagship mall ITC Maison and the Andaz Shanghai ITC hotel, is scheduled for completion from 2025 onwards. The 2.4-million-square-foot Tower B, built with the highest green standards as the completed Tower A, is set to become one of the most sustainable office buildings in Shanghai. Scheduled to open in phases, the 2.6-million-square-foot ITC Maison mall will feature a curated mix of top-notch brands across various trades and lifestyle categories, enticing new retail formats and immersive experiences. Marketing is underway with encouraging initial responses.

Hangzhou IFC is the Group's joint-venture development in the core area of Qianjiang CBD, Hangzhou. Connectivity of the project has been enhanced with the recent completion of a pedestrian bridge linking its two riverside sites. Construction is progressing well and the marketing of the grade-A office tower at River West will soon begin. The Group has obtained LEED Platinum pre-certifications for the office towers of this project which are retained for long-term investment. Upon its phased completion from 2025, Hangzhou IFC will offer a 'seamless city' experience combining tourism and leisure elements.

Other Businesses

<u>Hotels</u>

During the year under review, the Group's hotel business in Hong Kong achieved a notable recovery despite a challenging environment marked by a slower-than-expected return of inbound tourists. Four Seasons Hotel Hong Kong and The Ritz-Carlton, Hong Kong have maintained their leading positions in the Hong Kong hotel sector. The Royal brand hotels, especially The Royal Garden and Royal Plaza Hotel, maintained high average occupancies.

In response to dynamic market changes, the Group's hotel management team launched targeted promotions on social media platforms, effectively reaching a broader audience and enhancing brand visibility. Concurrently, the Group's hotels have continued to explore new markets to diversify their customer base and drive business growth. The Go Royal by SHKP loyalty programme continued to offer privileges to members and recorded a growth in its membership to more than 180,000, with an increase in mainland members. The programme collaborates with The Point to enrich customer experience and foster synergy across different business arms of the Group, which also entitles The Point members to more privileges.

On the mainland, The Ritz-Carlton Shanghai, Pudong achieved exceptional results during the year, with both average room rates and revenue per available room reaching record highs. In addition, the Four Seasons Hotel Suzhou, which commenced operations in December 2023, has rapidly garnered a stellar reputation. Situated on a serene urban island on the picturesque Jinji Lake, this new hotel is establishing itself as a top destination for business and leisure travellers in Suzhou. Situated in the premium Nanjing IFC complex in Hexi CBD, Andaz Nanjing Hexi has set a new benchmark in the region since its opening in April 2023.

Telecommunications and Information Technology

SmarTone

During the year under review, SmarTone's business and profit remained resilient amid the challenging operating environment. Despite highly intense competition, the company expanded its customer base and increased its 5G penetration rate to nearly 40%. The 5G Home Broadband service has continued to register growth in its customers and revenue, and has become a growth engine for the company. The service is seen by users as a fast, easy-to-use (no installation) and cost-effective solution to strong Wi-Fi.

With Hong Kong's reopening, SmarTone's roaming revenues have grown notably from the previous year. The Enterprise Solutions business has also grown and delivered material contribution to profitability. In February 2024, the company's AI solution was recognized as one of the 'Top 5 Best Mobile Innovation for Digital Life' by the Global Mobile Awards at the Mobile World Congress in Barcelona. SmarTone is the first Hong Kong operator to have won this major global award.

SmarTone's mission is to deliver the best network in Hong Kong and a network that rivals the best globally. Emphasizing strong cost discipline, the company will continue to invest in a world-class network that makes Hong Kong proud. The company believes its 5G network is a key digital infrastructure that supports Hong Kong's vision to become a technology hub, as laid out in the 14th Five-Year Plan. The Group is confident about SmarTone's prospects and will continue to hold the company as a long-term investment. The Group will also leverage the company as its telecommunications technology arm and utilize its technologies to further improve customer experience.

SUNeVision

During the year under review, SUNeVision continued to see strong demand for its data centre services from overseas, mainland and local customers. The emergence of AI has raised the demand not just for the quantity, but also the quality of data centre capacity. SUNeVision has benefitted from such trends given that all of its data centres are premium in location, service and infrastructure.

Phase 1 of MEGA IDC, the state-of-the-art data centre in Tseung Kwan O, opened in the first half of 2024. The new centre has received very positive interest from various customers in the market, including large international cloud players and financial institutions. Two banks and a major cloud player have already moved in. Other data centres of the company also reported strong performance, and are nearly fully occupied with strong rental reversion.

SUNeVision has won the Judicial Review case in May 2022 against the Hong Kong Science and Technology Parks Corporation (HKSTP) in respect of unauthorized subletting activities among data centre operators in the industrial estates. The company is disappointed that after two years, HKSTP has still not publicly announced the next steps to address the situation, nor unveiled what the non-compliant operators have done to rectify the breaches. This is considered unacceptable both from a rule-of-law perspective and a governance perspective. Allowing such rent-seeking opportunities to prolong over these scarce and valuable resources will only be harmful to Hong Kong's development as an important innovation and technology hub. SUNeVision has asked the HKSTP to publicly detail the measures against such illegal activities.

Looking ahead, there are still a lot of uncertainties in the economic environment. Interest rates remain high, and costs are rising. SUNeVision will continue to exercise the highest level of financial and operational discipline to achieve the best return on capital deployed amid these developments.

Infrastructure and Other Businesses

During the year under review, the Group's infrastructure and transport businesses showed mixed results. Wilson Group has delivered a stable set of results in spite of the weaker economic environment. Traffic at Route 3 (CPS), of which the franchise period will expire in May 2025, was still well below the pre-pandemic level because of softer cross-border traffic. The Hong Kong Business Aviation Centre (HKBAC) saw good growth with traffic close to pre-pandemic levels. Its terminal is undergoing a major revamp that will substantially enhance customer experience, with the objective of making it the best private jet airport in Asia. The franchise agreement of the HKBAC has also been extended to the end of 2043. The Airport Freight Forwarding Centre saw steady business due to improved exports; the Centre will also undergo a major revamp to upgrade its facilities to world-class levels. The container handling business of the River Trade Terminal remained challenging. Nevertheless, it achieved profit through stringent cost control measures.

YATA faces a challenging retail environment and substantial changes in customer preferences due to the ongoing trend of e-commerce, cross-border shopping, etc. To rise to the challenges, the company is undertaking a transformation to adapt to customer's changing needs. This will include the adoption of a 'supermarket plus' strategy to focus on the supermarket business. YATA is also repurposing its 'department store' space for product categories with strong customer demand, such as fresh produce. The company is also introducing new products from Japan and locally, as well as new food vendors that create excitement among customers. This transformation will start with the flagship store at New Town Plaza in Sha Tin. YATA will further leverage the Group's strengths and resources to increase its reach, including collaboration with the malls' loyalty programme, The Point. Stronger cooperation between YATA and the Group's malls will continue to drive footfall to both arms of the Group on a synergistic basis.

Corporate Finance

Prudent financial management stands as a cornerstone for providing a solid foundation for the Group's sustainable growth. This, together with its sizeable recurring income, has enabled the Group to fortify itself against adverse economic conditions. With the Group's dedicated efforts in cash-flow management, a gearing ratio of 18.3% was recorded as at the end of June 2024.

The Group continued to maintain its strong position and is one of the best-rated developers in Hong Kong, holding an A+ rating (stable outlook) from S&P and an A1 rating (negative outlook) from Moody's.

Committed to maintaining excellent relationships with its banking partners, the Group continues to benefit from abundant banking facilities. In May 2024, the Group signed a HK$23,000 million 5-year syndicated loan with a wide spectrum of 23 banks. The enthusiastic response demonstrated the trust of the banks in the Group and their confidence in the future of Hong Kong.

To diversify its funding sources and achieve a better alignment of the Group's Renminbi-denominated assets and liabilities, the Group has been ramping up the utilization of Renminbi-denominated debt funding. During the year, the Group concluded the CNH bank loan and issued CNH800 million of 5-year bonds and CNH2,850 million of 2-year bonds. Additionally, the Group issued CNH700 million of 3-year bonds in July 2024. In August 2024, the Group issued another tranche of RMB2,000 million commercial mortgage-backed securities (CMBS) on the mainland, which achieved the lowest CMBS pricing so far in 2024. In addition, the Group is actively exploring other funding options, including issuing new Dim Sum Bonds and Panda Bonds. The Group continued to gain considerable trust and support from banks on the mainland for its operations and development projects. By the end of June 2024, about 46% of the Group's total borrowings were either fixed-rate debts denominated in Hong Kong dollars or Renminbi-denominated debts.

Adhering to its established financial discipline, the Group has not engaged in any speculative derivative or structured product deals. With the vast majority of its borrowings denominated in Hong Kong dollars, the Group has limited its exposure to foreign-exchange risk on debt financing. All of the Group's US dollar borrowings have been hedged through cross-currency swaps while the Renminbi-denominated borrowings can be naturally hedged against the Group's assets on the mainland.

CORPORATE GOVERNANCE

The Group is determined to uphold high standards of corporate governance in order to safeguard the interests of all its stakeholders and create long-term sustainable value for them.

The Board of Directors is responsible for overseeing the overall strategies of the Group, including sustainable development matters. Consisting of 19 members, including seven INEDs, the Board has a proper mix of experience, expertise and diversity that is compatible with the Group's strategies, governance, and businesses. All INEDs possess the requisite stature, respect, qualifications, skills and experience to discharge their duties as INEDs. The majority of them have been with the Company for considerable periods of time, which enables them to gain an in-depth understanding of the Group's businesses and operations. Throughout their tenure, they have consistently demonstrated strong independence by offering impartial perspectives and insights, thereby making valuable contributions to the Group.

In addition, the Board has delegated specific roles and responsibilities to the Executive, Remuneration, Nomination, and Audit and Risk Management Committees. These Committees have specific terms of reference that clearly define their powers and responsibilities. The Executive Committee meets regularly to formulate business policies, to make decisions on key business issues and policies, and to exercise the powers and authority delegated by the Board. The Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee are all chaired by INEDs, and while the majority of the members of the Remuneration Committee and the Nomination Committee are INEDs, the members of the Audit and Risk Management Committee only comprise INEDs.

The Group's seasoned management team and ongoing efforts in maintaining high standards of corporate governance have earned it various major awards from leading financial publications over the past years. For instance, the Group was named the Best Overall Developer in Hong Kong by *Euromoney*, and won awards in Asia's Best Companies 2024 by *FinanceAsia*, including the Best Real Estate Company in Asia and Hong Kong, during the year.

SUSTAINABLE DEVELOPMENT

The continued refinement of the Group's Environmental, Social and Governance (ESG) initiatives has attained industry recognition. During the year, the Group was included in the Dow Jones Sustainability Asia Pacific Index for the first time and ranked among the top 20% of companies in the region with exemplary sustainability practices. The Group was also listed in the *S&P Global Sustainability Yearbook 2024* and recognized by Morningstar Sustainalytics as a regional top-rated ESG performer. In addition, the Group was ranked among the top three companies in the Hang Seng Corporate Sustainability Index, with the highest AAA rating. It also obtained an A rating in the MSCI ESG Ratings assessment.

Environment

The Group is making steady progress towards achieving its 10-year environmental targets. Four years into the timeline, the Group has already met its target of reducing the greenhouse gas emissions for its key commercial buildings by 25%. Encouraged by this early success, the Group is now setting a new target for greenhouse gas emissions reductions in this key environmental benchmark.

The Group remains dedicated to obtaining LEED Gold or Platinum ratings for its new major commercial projects. The High Speed Rail West Kowloon Terminus Development has achieved the highest ratings across major sustainable building pre-certification programmes. The Group has also exchanged a green lease with UBS, an anchor tenant of International Gateway Centre (IGC), the office portion of the project, reaffirming both parties' commitment to sustainability. A mega project on the mainland, Hangzhou IFC, has attained LEED Platinum pre-certification for Cities and Communities: Plan and Design Communities while the office and retail portions at this project have obtained the WELL pre-certification.

To increase transparency in reporting climate-related risks, the Group will, starting from this year, disclose its Scope 3 emissions (specific indirect emissions) in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures and other international standards.

To support the development and adoption of renewable energy, the Group, through a joint-venture partnership, is undertaking the development of Hong Kong's first solar farm built on a landfill, the South East New Territories Landfill in Tseung Kwan O. Works on the 107,600-square-foot solar farm will soon commence, and it will be capable of generating 1.2 million kWh of electricity annually upon completion.

To encourage greater usage of electric vehicles, the Group has installed nearly 40 super-fast EV chargers in its major malls across various districts in Hong Kong, allowing drivers to conveniently redeem The Point bonus points for the charging services. The feedback has been overwhelmingly positive and users particularly appreciate the convenience and the speed. In view of the strong utilization rate of the service, the Group plans to double the number of EV super-chargers at its malls over the next few months, providing greater convenience to customers.

Furthermore, the Group's construction arm, Sanfield, has taken a lead among local developers by purchasing several pieces of electric construction equipment to replace diesel counterparts. It has also launched Hong Kong's first sustainability-linked supplier payment services programme in the construction industry in collaboration with a bank. By providing suppliers with early payment opportunities tied to meeting certain sustainability-related targets, the programme will help drive the adoption of ESG practices in the construction industry.

Social

Serving the greater good of the community is a guiding principle for the Group. The Group has continued its efforts to help address the public housing issue through lending a site on Yau Pok Road in Yuen Long to the Government for the provision of Light Public Housing. A total of 2,100 units will be built on the site and they will be among the first Light Public Housing projects to start taking in residents in 2025.

The Group has been a strong advocate of reading for two decades. As the city celebrated its first Hong Kong Reading for All Day in 2024, the Group provided the high-traffic New Town Plaza mall for the 2024 Hong Kong Reading+ carnival which featured a series of activities to promote reading for all and sharing of literary resources with Shenzhen to strengthen collaboration between the two neighbouring cities.

In line with the Government's vision of 'Tourism is everywhere in Hong Kong', the Group collaborated with the Sports Federation & Olympic Committee of Hong Kong to host an array of engaging promotional activities in the Group's malls during the Paris 2024 Olympic Games. This helped bring major events to different districts through the Group's network of malls, boosting the economy, local tourism and the retail market.

As part of the Group's Sai Sha mega development, a 1.3 million-square-foot GO PARK Sai Sha, an indoor and outdoor complex of sports, dining, entertainment and recreational facilities, is nearly completed. In addition to providing more than a dozen types of sports facilities, the complex will support the development of sports in Hong Kong and promote the joy of sports to the public. The Group also supported a wide range of sports-for-charity initiatives, including sponsoring the Sun Hung Kai Properties Hong Kong Cyclothon, the SHKP Supernova Cycling Team, the Sun Hung Kai Properties Hong Kong 10K Championships and The Community Chest Corporate Challenge. Promoting community sports and a healthy lifestyle, the Group continues to be the title and charity sponsor of the Sun Hung Kai Properties Hong Kong Cyclothon 2024, which is the biggest cycling event in the city.

Furthermore, the second phase of Ma Wan Park is scheduled to open soon. Blending nature, historical culture and art, the revitalized Ma Wan Old Village will feature art studios for experiential activities, and is set to become an inviting destination for both locals and tourists.

Recognizing employees as vital assets, the Group offers them comprehensive development programmes ranging from job-related skills to well-being. Courses on the latest technological trends, such as artificial intelligence, data-mining techniques, and blockchain technology, were organized. Additionally, the Group supports the Government's talent-admission schemes by recruiting mainland talent for positions in Hong Kong and the GBA.

PROSPECTS

The world economy is still clouded by a host of headwinds, including a fragile geopolitical backdrop, growing high-tech trade tensions, elevated interest rates and inflation pressure. The upcoming US presidential election may also pose uncertainties to the geopolitical landscape. Nevertheless, the beginning of an interest-rate-cut cycle for selected advanced economies and a clearer rate-cut path should pave the way for economic growth.

The Central Government has continued to put forward comprehensive policies to deepen reforms for advancing high-quality development in the country, including strengthening counter-cyclical adjustment and mitigating risks in relation to the property sector and local governments. Policies in cultivating new quality productive forces, advancing high-standard opening up and unleashing domestic demand will render further support to structural transformation and steady economic growth on the mainland. Despite consolidations that prevail in the housing market in the near term, such policies should help steer the sector towards a more sustainable path over the medium term.

Against the challenging external environment, Hong Kong's economy is expected to register modest growth in the near term. In order to build the city into an international hub for high-calibre talent, various measures have been rolled out to draw non-local students and professionals, international enterprises, investments, and skills. All these policies are expected to help spur impetus for growth and further strengthen the city's competitiveness. Relentless efforts by the Government to foster a mega-event economy and the recovery of passenger flight capacity are expected to support the revival of inbound tourism, mitigating the challenges posed by outbound travel and changing spending patterns of locals and visitors. Rising home rents reflect that underlying housing demand remains solid, while the potential interest rate cut should further benefit the housing market.

Backed by the firm support of the motherland and the policy of 'One Country, Two Systems', Hong Kong is poised to strengthen its traditional position as an international financial, transportation, trade, and aviation hub, and further bolster its competitiveness as a leading global asset- and wealth-management centre. The city will continue to benefit from its unique position as a double gateway connecting the mainland, especially the GBA, and the rest of the world.

Being one of the safest and most welcoming cities in the world, Hong Kong will continue to draw talent from the mainland and different parts of Asia. Supported by its long-standing strength of having a simple and low tax regime, sound rule of law, as well as a market structure that embraces new investments, the city is well positioned to capture opportunities arising from the increasing cross-border businesses. The Group has full confidence in the long-term prospects of the mainland and Hong Kong.

The Group will continue to adhere to its prudent financial discipline, maintain its sizeable recurring income from its rental portfolio and non-property businesses, and capitalize on its strong reputation for delivering high-quality properties to achieve high asset turnover for its property development business. Without compromising on quality, the Group will keep on carrying out strict cost control, and the overall construction capex is expected to decrease meaningfully in the next few financial years. Endowed with its financial and operational strengths, the Group is well positioned to navigate the current challenges.

Strengthening the competitiveness of its property investment portfolio is one of the Group's key strategies. Amid the ongoing challenges, the Group will upgrade its properties by making use of digital initiatives to enhance service quality, aside from leveraging the strengths of its sizeable quality portfolio in prime locations. Over the next two to three years, new developments will come on stream, bringing additional cash flows and rental income to the Group. In Hong Kong, the shopping mall beneath The Millennity in Kwun Tong is scheduled to open in phases in late 2024, while the first office towers at IGC atop the High Speed Rail West Kowloon Terminus will be ready for handover starting from early 2026. For Three ITC in Shanghai, office skyscraper Tower B and the mall ITC Maison are scheduled for completion in phases in 2025. These additions will help contribute to the Group's recurring income upon their gradual completions.

The Group will continue to launch new residential projects for sale when ready and put up for sale its unsold completed residential units and some non-core properties. Tender for sale of units at Victoria Harbour II in North Point has begun recently. Over the next 10 months, several of the Group's major developments in Hong Kong are expected to be put on the market. These will include the first phase of Cullinan Sky in Kai Tak, a new block at The YOHO Hub II in Yuen Long, a joint-venture project on Prince Edward Road West in Ho Man Tin, the second phase of YOHO WEST in Tin Shui Wai and the first phase of Sai Sha project near Ma On Shan. On the mainland, the Group plans to launch new batches of joint-venture developments such as Lake Genève in Suzhou, Hangzhou IFC, and Oriental Bund in Foshan.

Adhering to its long-standing commitment of Building Homes with Heart, the Group is dedicated to building a harmonious and sustainable community for all. A prime example is the upcoming project in Sai Sha, which is not only a large-scale residential development but also creates a vibrant and liveable environment in the vicinity. In addition to the infrastructure enhancements that benefit all residents in the neighbourhood, the Group is building GO PARK Sai Sha, a new sports-and-entertainment landmark combining indoor and outdoor facilities, which is expected to redefine contemporary living in the brand-new, dynamic community.

Over the past half-century, the Group has been shaping Hong Kong's cityscape with iconic landmark developments which have built its history and long-running reputation for quality. The Group's customer-centric culture has earned trust and long-term relationships with tenants and customers. Adhering to prudent financial discipline, the Group has achieved sound performance and resilience in weathering various economic downturns. Moving forward, the Group will uphold its unwavering commitment to quality, flexibility in moving with the times, and prudent financial discipline. Supported by its solid foundation, including time-tested business strategies and strong execution teams, the Group firmly believes it can rise above challenges and achieve long-term growth by continuing to build quality properties to meet the public's aspirations for a healthy and environmentally friendly community.

APPRECIATION

I would like to take this opportunity to convey my appreciation to our staff, whose hard work and contributions have been instrumental to our continued success and commitment to quality amid evolving challenges. I also extend my gratitude to my fellow directors for their guidance, and to our shareholders and customers for their trust and support.

Kwok Ping-luen, Raymond
Chairman & Managing Director
Hong Kong, 5 September 2024

ANNOUNCEMENT

The Board of Directors of Sun Hung Kai Properties Limited announces the following audited consolidated figures for the Group for the year ended 30 June 2024 with comparative figures for 2023:

Consolidated Income Statement
For the year ended 30 June 2024
(Expressed in millions of Hong Kong dollars)

	Notes	2024	2023
Revenue	**2**	**71,506**	71,195
Cost of sales		**(39,292)**	(36,737)
Gross profit		**32,214**	34,458
Other net income		**1,766**	411
Selling and marketing expenses		**(3,906)**	(4,179)
Administrative expenses		**(3,322)**	(3,145)
Operating profit	**2**	**26,752**	27,545
Change in fair value of investment properties		**(1,481)**	(593)
Finance costs		**(4,046)**	(3,053)
Finance income		**479**	554
Net finance costs	**3**	**(3,567)**	(2,499)
Share of results of:			
Associates		**259**	738
Joint ventures		**1,620**	3,331
	2	**1,879**	4,069
Profit before taxation	**4**	**23,583**	28,522
Taxation	**5**	**(3,978)**	(3,947)
Profit for the year		**19,605**	24,575
Profit for the year attributable to:			
Company's shareholders		**19,046**	23,907
Non-controlling interests		**559**	668
		19,605	24,575
(Expressed in Hong Kong dollars)			
Earnings per share based on profit attributable to the Company's shareholders (reported earnings per share)	**6(a)**		
Basic and diluted		**$6.57**	$8.25
Earnings per share excluding the effect of change in fair value of investment properties net of deferred tax (underlying earnings per share)	**6(b)**		
Basic and diluted		**$7.50**	$8.24

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2024
(Expressed in millions of Hong Kong dollars)

	2024	2023
Profit for the year	**19,605**	24,575
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of mainland subsidiaries	**(355)**	(7,675)
Cash flow hedge		
- fair value losses recognized directly through other comprehensive income	**(236)**	(400)
- fair value gains transferred to consolidated income statement	**(53)**	(87)
	(289)	(487)
Debt securities		
- fair value gains/(losses) recognized directly through other comprehensive income	**2**	(2)
- fair value losses transferred to consolidated income statement	**1**	-
	3	(2)
Share of other comprehensive losses of associates and joint ventures	**(62)**	(1,764)
Items that will not be reclassified to profit or loss:		
Fair value losses of equity securities at fair value through other comprehensive income	**(227)**	(211)
Revaluation gain arising from transfer of property, plant and equipment to investment properties	**-**	605
Share of other comprehensive losses of an associate	**(14)**	(38)
Other comprehensive losses for the year	**(944)**	(9,572)
Total comprehensive income for the year	**18,661**	15,003
Total comprehensive income for the year attributable to:		
Company's shareholders	**18,089**	14,448
Non-controlling interests	**572**	555
	18,661	15,003

Consolidated Statement of Financial Position
As at 30 June 2024
(Expressed in millions of Hong Kong dollars)

	Notes	2024	2023
Non-current assets			
Investment properties	**8**	**408,424**	403,559
Property, plant and equipment		**50,190**	47,168
Associates		**7,954**	7,715
Joint ventures		**93,101**	93,639
Financial investments		**1,681**	1,991
Intangible assets		**4,338**	5,079
Other non-current assets		**3,743**	4,057
		569,431	563,208
Current assets			
Properties for sale		**214,077**	211,639
Inventories		**502**	497
Trade and other receivables	**9**	**17,115**	14,757
Financial investments		**748**	610
Bank deposits and cash		**16,221**	15,280
		248,663	242,783
Current liabilities			
Bank and other borrowings		**(10,498)**	(7,508)
Trade and other payables	**10**	**(32,412)**	(32,288)
Deposits received on sales of properties		**(11,226)**	(4,162)
Current tax payable		**(7,876)**	(9,456)
		(62,012)	(53,414)
Net current assets		**186,651**	189,369
Total assets less current liabilities		**756,082**	752,577
Non-current liabilities			
Bank and other borrowings		**(116,589)**	(117,545)
Deferred tax liabilities		**(23,905)**	(23,910)
Other non-current liabilities		**(4,517)**	(4,326)
		(145,011)	(145,781)
NET ASSETS		**611,071**	606,796
CAPITAL AND RESERVES			
Share capital		**70,703**	70,703
Reserves		**536,014**	531,352
Shareholders' equity		**606,717**	602,055
Non-controlling interests		**4,354**	4,741
TOTAL EQUITY		**611,071**	606,796

1. Basis of Preparation

The financial information relating to the years ended 30 June 2024 and 2023 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 30 June 2023 to the Registrar of Companies and will deliver the consolidated financial statements for the year ended 30 June 2024 in due course. The Company’s auditor has reported on the consolidated financial statements 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 report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards and interpretations (collectively, "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance (Cap. 622) and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”). The consolidated financial statements are prepared under the historical cost convention except for investment properties and certain financial instruments, which are measured at fair value. In the current year, the Group has adopted a number of new and amendments to HKFRSs issued by the HKICPA that are effective for the first time for the Group's financial year beginning 1 July 2023. These new and amended standards had no material impact on the Group's financial statements. The Group has not applied any new standard or amendment that is not effective for the current year.

(Expressed in millions of Hong Kong dollars)

2. Segment Information

Segment revenue and results are measured without allocation of central administration costs, other net income, net finance costs and change in fair value of investment properties, which are reported to the Group's management for the purposes of resource allocation and assessment of segment performance.

(a) Segment revenue and results

An analysis of the revenue and results for the year of the Group and its share of associates and joint ventures by reportable and operating segments is as follows:

For the year ended 30 June 2024

	The Company and its subsidiaries		Associates and joint ventures			
	Revenue	Results	Share of revenue	Share of results	Combined revenue	Consolidated results
Property development						
Hong Kong	24,745	6,513	-	-	24,745	6,513
Mainland	361	50	2,316	1,287	2,677	1,337
	25,106	6,563	2,316	1,287	27,422	7,850
Property rental						
Hong Kong	15,212	11,293	2,730	2,130	17,942	13,423
Mainland	5,154	4,211	1,151	816	6,305	5,027
Singapore	-	-	744	550	744	550
	20,366	15,504	4,625	3,496	24,991	19,000
Hotel operations	4,421	521	840	129	5,261	650
Telecommunications	6,221	701	-	-	6,221	701
Transport infrastructure and logistics	4,571	1,294	4,041	418	8,612	1,712
Data centre operations	2,674	1,266	-	-	2,674	1,266
Other businesses	8,147	1,125	308	55	8,455	1,180
Segment total	71,506	26,974	12,130	5,385	83,636	32,359
Other net income/(loss)		1,766		(95)		1,671
Unallocated administrative expenses		(1,988)		-		(1,988)
Operating profit		26,752		5,290		32,042
Change in fair value of investment properties						
Hong Kong		(565)		(1,449)		(2,014)
Mainland		(916)		(114)		(1,030)
Singapore		-		264		264
		(1,481)		(1,299)		(2,780)
Net finance costs		(3,567)		(714)		(4,281)
Profit before taxation		21,704		3,277		24,981
Taxation						
- Group		(3,978)		-		(3,978)
- Associates		-		(36)		(36)
- Joint ventures		-		(1,362)		(1,362)
Profit for the year		17,726		1,879		19,605

(Expressed in millions of Hong Kong dollars)

For the year ended 30 June 2023

	The Company and its subsidiaries		Associates and joint ventures			
	Revenue	Results	Share of revenue	Share of results	Combined revenue	Consolidated results
Property development						
Hong Kong	23,853	8,467	13	7	23,866	8,474
Mainland	2,330	1,175	2,920	1,650	5,250	2,825
	26,183	9,642	2,933	1,657	29,116	11,299
Property rental						
Hong Kong	14,996	11,081	2,742	2,168	17,738	13,249
Mainland	4,751	3,859	1,092	789	5,843	4,648
Singapore	-	-	741	564	741	564
	19,747	14,940	4,575	3,521	24,322	18,461
Hotel operations	3,504	74	711	87	4,215	161
Telecommunications	6,763	702	-	-	6,763	702
Transport infrastructure and logistics	4,276	1,239	3,623	348	7,899	1,587
Data centre operations	2,346	1,171	-	-	2,346	1,171
Other businesses	8,376	1,255	344	53	8,720	1,308
Segment total	71,195	29,023	12,186	5,666	83,381	34,689
Other net income		411		53		464
Unallocated administrative expenses		(1,889)		-		(1,889)
Operating profit		27,545		5,719		33,264
Change in fair value of investment properties						
Hong Kong		(231)		317		86
Mainland		(362)		61		(301)
Singapore		-		36		36
		(593)		414		(179)
Net finance costs		(2,499)		(587)		(3,086)
Profit before taxation		24,453		5,546		29,999
Taxation						
- Group		(3,947)		-		(3,947)
- Associates		-		(10)		(10)
- Joint ventures		-		(1,467)		(1,467)
Profit for the year		20,506		4,069		24,575

Results from property development include selling and marketing expenses of HK$349 million (2023: HK$576 million) and HK$175 million (2023: HK$111 million) that relate to pre-sale of property projects under construction in Hong Kong and mainland, respectively.

Other businesses comprise revenue and profit derived from other activities including property management, department store operations and financial services.

(Expressed in millions of Hong Kong dollars)

Other net income comprise mainly gain on disposal of assets and investment income from financial assets.

During the year, the Group recorded other net income of HK$1,766 million (2023: HK$411 million), which included gains in aggregate of HK$1,095 million on land resumption by the HKSAR Government, resulting mainly from the resumption of certain land lots held by the Group in Kwu Tung North/Fanling North New Development Area and a profit of HK$343 million on disposal of investment properties.

(b) Geographical information

An analysis of the Group's revenue by geographical area of principal markets is as follows:

	2024	2023
Hong Kong	**65,267**	63,512
Mainland	**6,187**	7,428
Others	**52**	255
	71,506	71,195

3. Net Finance Costs

	2024	2023
Interest and other finance costs on bank and other borrowings	**6,090**	4,521
Notional non-cash interest accretion	**65**	70
Finance costs on lease liabilities	**90**	44
Less: Amount capitalized	**(2,199)**	(1,582)
	4,046	3,053
Interest income on bank deposits	**(479)**	(554)
	3,567	2,499

(Expressed in millions of Hong Kong dollars)

4. Profit before Taxation

	2024	2023
Profit before taxation is arrived at		
after charging:		
Cost of properties sold	**16,480**	14,236
Cost of other inventories sold	**2,672**	3,364
Depreciation of property, plant and equipment	**3,088**	2,888
Amortization of		
Intangible assets (included in cost of sales)	**735**	736
Contract acquisition costs	**982**	1,141
Credit loss allowance on financial assets and contract assets	**72**	346
Lease expenses		
Short-term and low-value assets leases	**142**	224
Variable lease payments	**35**	43
Staff costs (including directors' emoluments and retirement schemes contributions)	**10,605**	10,193
Share-based payments	**11**	20
Auditors' remuneration	**29**	29
Loss on disposal of financial investments at fair value through profit or loss	**26**	61
Fair value losses on financial investments at fair value through profit or loss	**-**	85
Loss on disposal of property, plant and equipment	**12**	10
and crediting:		
Dividend income from investments	**75**	110
Interest income from investments	**69**	72
Fair value gains on financial investments at fair value through profit or loss	**25**	-

(Expressed in millions of Hong Kong dollars)

5. Taxation

	2024	2023
Current tax expenses		
Hong Kong profits tax	**2,549**	2,718
Under provision in prior years	**14**	34
	2,563	2,752
Tax outside Hong Kong	**1,336**	1,214
Over provision in prior years	**-**	(28)
	1,336	1,186
Total current tax	**3,899**	3,938
Deferred tax expenses		
Change in fair value of investment properties	**(353)**	(432)
Other origination and reversal of temporary differences	**432**	441
Total deferred tax	**79**	9
Total income tax expenses	**3,978**	3,947

Hong Kong profits tax is provided at the rate of 16.5% (2023: 16.5%) based on the estimated assessable profits for the year. Tax outside Hong Kong, which includes mainland land appreciation tax and withholding tax on income distributions, is calculated at the rates applicable in the relevant jurisdictions.

6. Earnings per Share

(a) Reported earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to the Company's shareholders of HK$19,046 million (2023: HK$23,907 million).

The basic earnings per share is based on the weighted average number of shares in issue during the year of 2,897,780,274 (2023: 2,897,780,274) shares.

Diluted earnings per share were the same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the years.

(Expressed in millions of Hong Kong dollars)

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the underlying profit attributable to the Company's shareholders of HK$21,739 million (2023: HK$23,885 million), which excluded the net effect of change in the valuation of investment properties. A reconciliation of profit is as follows:

	2024	2023
Profit attributable to the Company's shareholders as shown in the consolidated income statement	**19,046**	23,907
Decrease/(increase) in fair value of investment properties		
Subsidiaries	**1,481**	593
Associates	**(53)**	(491)
Joint ventures	**1,352**	77
	2,780	179
Effect of corresponding deferred tax expenses		
Subsidiaries	**(353)**	(432)
Joint ventures	**8**	22
Non-controlling interests	**(23)**	10
Unrealized fair value losses/(gains) of investment properties net of deferred tax	**2,412**	(221)
Cumulative valuation gains of investment properties net of deferred tax realized on disposal	**281**	199
Net effect of change in fair value of investment properties	**2,693**	(22)
Underlying profit attributable to the Company's shareholders	**21,739**	23,885

(Expressed in millions of Hong Kong dollars)

7. Dividends

(a) Dividends payable to equity shareholders of the Company attributable to profit for the year

	2024	2023
Interim dividend declared and paid of HK$0.95 (2023: HK$1.25) per share	**2,753**	3,622
Final dividend proposed after the end of the reporting period of HK$2.80 (2023: HK$3.70) per share	**8,114**	10,722
	10,867	14,344

The final dividend proposed after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to profit for the previous financial year, approved and paid during the year

	2024	2023
Final dividend in respect of the previous financial year, approved and paid during the year of HK$3.70 (2022: HK$3.70) per share	**10,722**	10,722

8. Investment Properties

(a) Movement during the year

	Completed	**Under development**	**Total**
Valuation			
At 1 July 2023	**337,987**	**65,572**	**403,559**
Additions	**725**	**6,461**	**7,186**
Transfer upon completion	**10,934**	**(10,934)**	**-**
Transfer from property, plant and equipment	**13**	**-**	**13**
Disposals	**(331)**	**-**	**(331)**
Exchange difference	**(354)**	**(168)**	**(522)**
Increase/(decrease) in fair value	**240**	**(1,721)**	**(1,481)**
At 30 June 2024	**349,214**	**59,210**	**408,424**

(Expressed in millions of Hong Kong dollars)

(b) The Group's investment properties were valued at their fair values at 30 June 2024 and 30 June 2023 by Knight Frank Petty Limited, an independent firm of professional qualified valuers, on a market value basis, in accordance with Valuation Standards on Properties issued by Hong Kong Institute of Surveyors.

The Group's completed investment properties are valued using the income capitalization method by capitalizing the net income from the existing tenancies and reversionary income potential at appropriate capitalization rates for individual properties. The capitalization rate adopted is derived by making reference to the yields achieved from analysis of comparable property investment transactions and valuer’s view of prevailing investor expectations regarding rental growth and perceived risks.

The Group's investment properties under development are valued using the residual method by estimating the value of the property when completed using income capitalization method with reference to comparable sales transactions assuming that the property had been completed in accordance with the current development plan on the valuation date less the costs that will be incurred to complete the development with appropriate allowance for profit and risk.

Set out below is the significant unobservable inputs used for fair value measurements:

	Fair value		**Weighted average capitalization rate**	
	2024	2023	**2024**	2023
Completed				
Hong Kong	**274,585**	263,266	**5.1%**	5.1%
Mainland	**74,629**	74,721	**6.6%**	6.6%
	349,214	337,987		

	Fair value (residual method)		**Capitalization rate**	
	2024	2023	**2024**	2023
Under development				
Hong Kong	**25,578**	33,151	**3.5%-5.5%**	3.0%-5.5%
Mainland	**33,632**	32,421	**5.0%-8.8%**	5.0%-8.8%
	59,210	65,572		

9. Trade and Other Receivables

Included in trade and other receivables of the Group are trade receivables of HK$3,645 million (2023: HK$3,818 million), of which 63% (2023: 65%) are aged less than 30 days, 11% (2023: 14%) between 31 to 60 days, 7% (2023: 6%) between 61 to 90 days and 19% (2023: 15%) more than 90 days.

10. Trade and Other Payables

Included in trade and other payables of the Group are trade payables of HK$3,070 million (2023: HK$3,259 million), of which 57% (2023: 66%) are aged less than 30 days, 9% (2023: 7%) between 31 to 60 days, 5% (2023: 4%) between 61 to 90 days and 29% (2023: 23%) more than 90 days.

FINANCIAL REVIEW

Review of Results for FY2023/24

Underlying profit attributable to the Company's shareholders, excluding the effect of revaluation changes on investment properties for the year ended 30 June 2024 was HK$21,739 million, decreased by 9% or HK$2,146 million compared with HK$23,885 million for the previous year. The decrease was primarily due to a decrease in profit contribution from property development. The Group's property investment and non-property business segments showed steady performance, achieving moderate growth during the year under review.

After taking into account the net revaluation loss on investment properties of HK$2,412 million for the year (2023: revaluation gain of HK$221 million) and adjustment for cumulative valuation gains realized on disposed investment properties of HK$281 million (2023: HK$199 million), the Company reported an attributable profit to shareholders of HK$19,046 million for the year, representing a decrease of HK$4,861 million or 20% compared with HK$23,907 million for the previous year.

	2024	2023
	HK$ Million	*HK$ Million*
Reported profit attributable to Company's shareholders	**19,046**	23,907
Adjustments in respect of investment properties		
Net revaluation loss/(gain) for the year	**2,412**	(221)
Cumulative valuation gains realized on disposal during the year	**281**	199
	2,693	(22)
Underlying profit attributable to Company's shareholders	**21,739**	23,885

Total revenue of the Group's business segments (including share of joint ventures and associates) for the year was HK$83,636 million (2023: HK$83,381 million). Segment operating profit was HK$32,359 million, decreased by 7%.

Revenue and Operating profit by segment for the year ended 30 June
(including share of joint ventures and associates)

	Revenue		Operating profit	
	2024	2023	**2024**	2023
	HK$ Million	*HK$ Million*	***HK$ Million***	*HK$ Million*
Property development				
Hong Kong	**24,745**	23,866	**6,513**	8,474
Mainland	**2,677**	5,250	**1,337**	2,825
	27,422	29,116	**7,850**	11,299
Property rental				
Hong Kong	**17,942**	17,738	**13,423**	13,249
Mainland	**6,305**	5,843	**5,027**	4,648
Singapore	**744**	741	**550**	564
	24,991	24,322	**19,000**	18,461
Hotel operations	**5,261**	4,215	**650**	161
Telecommunications	**6,221**	6,763	**701**	702
Transport infrastructure and logistics	**8,612**	7,899	**1,712**	1,587
Data centre operations	**2,674**	2,346	**1,266**	1,171
Other businesses	**8,455**	8,720	**1,180**	1,308
Segment total	**83,636**	83,381	**32,359**	34,689

Revenue from property development (including share of joint ventures) in Hong Kong increased by 4% to HK$24,745 million, and was mainly derived from sales of residential units in NOVO LAND Phases 2A and 2B, University Hill Phases 2A and 2B, Silicon Hill, Grand Jete Phase 1, Grand YOHO Phase 2 and certain luxury units in Central Peak, The Cullinan and Ultima. Development profit decreased by 23% to HK$6,513 million, mainly due to lower profit margin. Profit margin was 26% compared with 36% for the previous year.

Revenue from property development (including share of joint ventures) on the mainland decreased by 49% to HK$2,677 million, mainly due to lower sales volume of residential units. Development profit decreased by 53% to HK$1,337 million. The contributions were mainly attributable to sales of residential units in Oriental Bund, TODTOWN, The Woodland and Grand Waterfront.

As at 30 June 2024, contracted sales of properties (including investment properties) attributable to the Group (including share of joint ventures) not yet recognized amounted to HK$38.3 billion, comprising HK$24.9 billion in Hong Kong, of which about HK$19.6 billion is expected to be recognized in the next financial year, and HK$13.4 billion on the mainland, of which HK$8.6 billion will be booked in the next financial year.

Rental revenue and net rental income of property investment in Hong Kong, including share of joint ventures and associates, increased by 1% to HK$17,942 million and HK$13,423 million, respectively. The increase was mainly driven by increased contributions from the retail and the serviced apartment segments, more than offsetting the reduced contribution from office segment. The retail portfolio saw a moderate positive rental reversion with revenue increased by 3% to HK$9,283 million. The office portfolio recorded a revenue drop of 3% to HK$6,000 million due to negative rental reversions. Revenue from the Group's residential and serviced apartment portfolio grew by 17%, driven mostly by increase in rent rates as well as the contribution from TOWNPLACE WEST KOWLOON, the Group's brand-new serviced apartment in West Kowloon.

Rental revenue and net rental income of the mainland portfolio, including share of joint ventures, increased by 8% in Hong Kong dollar terms to HK$6,305 million and HK$5,027 million, respectively. In Renminbi ("RMB") terms, rental revenue increased by 12% to RMB5,822 million, driven mainly by rental contribution from newly completed properties, including Nanjing IFC Mall and Tower A of Three ITC in Shanghai as well as the discontinuation of rental concessions given to tenants in last year.

Hotel segment (including share of joint ventures) delivered a 25% increase in revenue to HK$5,261 million. Operating profit increased by 304% to HK$650 million (after depreciation charge of HK$694 million). Room rate and occupancy continued to improve despite slower-than-expected return of inbound tourists. An average occupancy rate of 84% was achieved for the Group's hotels in Hong Kong during the year.

SmarTone reported a revenue of HK$6,221 million, decreased by 8%, while operating profit stayed flat at HK$701 million. Revenue decrease was mainly due to reduced handset and accessory sales. Total service revenue remained resilient with notable recovery from roaming business and 5G Home Broadband services.

Transport infrastructure and logistics segment (including share of joint ventures and associates) reported a revenue growth of 9% to HK$8,612 million with operating profit increased by 8% to HK$1,712 million. The increase was largely contributed by improved performance in business aviation centre operation, toll road and franchised bus businesses following the resumption of cross-border travel.

SUNeVision's revenue increased by 14% to HK$2,674 million and operating profit increased by 8% to HK$1,266 million, driven by continued demand for data centre services and IT facilities business from local, mainland and multi-national customers.

The Group's other businesses (including share of joint ventures and associates), which include mainly property management, department store operations and financial services, reported a 3% drop in revenue to HK$8,455 million and a 10% drop on operating profit to HK$1,180 million. The decline was due to a decreased contribution from YATA, as it is currently undertaking store enhancement initiatives, which have temporarily impacted its operations.

Other Net Income

Other net income (including share of joint ventures and associates) was HK$1,671 million (2023: HK$464 million). This was mainly contributed by gains in aggregate of HK$1,095 million on land resumption by the Government, mostly in relation to the resumption in April 2024 of certain land lots of approximately 1.5 million square feet held by the Group in Kwu Tung North/Fanling North New Development Area, for which a cash compensation of approximately HK$1,940 million will be received by the Group from the Government.

Other net income for the year also included a reported profit of HK$343 million (calculated on the basis of net sales proceeds over fair value), primarily stemming from the disposal of six units in Tower 2 of Dynasty Court. The Group realized net proceeds of HK$674 million from these disposals which, taking into account the cumulative valuation gains realized, contributed a profit in an aggregate of HK$611 million to the Group's underlying profit.

In the forthcoming financial year, another 48 units in Tower 2 and 3 of Dynasty Court are scheduled for handover. These disposals, with an aggregate purchase consideration exceeding HK$2,600 million, are expected to make a significant contribution to the Group's underlying profit in FY 24/25.

Fair Value Change of Investment Properties

Investment properties were carried at fair values based on independent valuation as at 30 June 2024. These consist of completed investment properties and investment properties under development.

The Group recorded a net fair value loss of HK$1,481 million (2023: loss of HK$593 million) arising mainly from revaluation of investment properties under development and shared a net fair value loss of HK$1,299 million (2023: gain of HK$414 million) on revaluation of investment properties held by its joint ventures and associates. Net unrealized revaluation loss attributable to the Company's shareholders, after related deferred taxation and non-controlling interests, was HK$2,412 million (2023: gain of HK$221 million). The net revaluation loss was mainly attributable to revaluation loss of the office portfolio due to lower market rents, partly offset by revaluation gain from the retail and serviced apartment portfolio.

Finance Costs and Interest Cover

For the year ended 30 June 2024, the Group's net finance costs including capitalized interest increased by HK$1,685 million to HK$5,766 million, reflecting higher average effective cost of borrowings, which went up to 4.4% (2023: 3.3%), mainly due to rising HIBOR rates. Net finance costs charged to the income statement (after interest capitalized) increased by HK$1,068 million to HK$3,567 million.

Interest cover for the year was 4.6 times (2023: 6.8 times), measured by the ratio of operating profit to total net interest expenses including those capitalized.

The average effective interest rate of the Group's borrowings for the year ended 30 June 2024 is analyzed as follows:

	Year ended 30 June	
	2024	2023
Fixed rate	**2.7%**	2.8%
Floating rate	**5.1%**	3.6%
Weighted average interest rate	**4.4%**	3.3%

Underlying Profit

Underlying profit for the year, after adjustments to exclude the net unrealized revaluation loss of HK$2,412 million (2023: gain of HK$221 million) and to include the cumulative valuation gains of HK$281 million (2023: HK$199 million) realized on disposed investment properties, was HK$21,739 million (2023: HK$23,885 million).

Financial Management

The Group continues to adopt a disciplined approach in financial management by maintaining a strong balance sheet and a diversified base of funding sources with sufficient financial resources to support operations and business growth. The Group constantly reviews its capital structure and financial position to ensure that it remains financially sound, so that the Group can continue to provide returns to shareholders while keeping financial leverage at a prudent level.

The entire Group's financing risk management, financing and treasury activities are centrally managed and controlled at the corporate level.

Gearing Ratio

The Group's balance sheet remains strong. Shareholders' equity was HK$606.7 billion or HK$209.4 per share as at 30 June 2024 compared with HK$602.1 billion as at 30 June 2023. The increase was primarily attributable to profit attributable to the shareholders of HK$19.0 billion, offset by dividends of HK$13.5 billion paid during the year and foreign exchange loss of HK$0.5 billion on translation of financial statements of the mainland and overseas operations.

As at 30 June 2024, the Group's net debt amounted to HK$110,866 million (30 June 2023: HK$109,773 million). Gearing ratio as at 30 June 2024, calculated on the basis of net debt to shareholders' equity of the Company, was 18.3% (30 June 2023: 18.2%).

Debt Maturity Profile and Composition

As at 30 June 2024, the Group's gross borrowings totalled HK$127,087 million, of which 68% were bank loans and 32% were notes and bonds, which are repayable on various dates up to June 2033. 74% of the Group's gross borrowings were raised through its wholly-owned finance subsidiaries and the remaining 26% through operating subsidiaries.

The maturity profile of the Group's gross borrowings is set out as follows:

	At 30 June 2024		At 30 June 2023	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Repayable:				
Within one year	**10,498**	**8%**	7,508	6%
After one year but within two years	**20,052**	**16%**	31,999	26%
After two years but within five years	**74,816**	**59%**	57,595	46%
After five years	**21,721**	**17%**	27,951	22%
Total bank and other borrowings	**127,087**	**100%**	125,053	100%
Bank deposits and cash	**16,221**		15,280	
Net debt	**110,866**		109,773	

The Group's debt maturity profile was well-staggered with around 76% of the borrowings repayable after two years. The weighted average duration of the entire debt portfolio was approximately 3.3 years as at 30 June 2024.

Composition of the Group's debt portfolio is as follows:

(i) By currency (after currency swap)

	At 30 June 2024		At 30 June 2023	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Hong Kong dollar	**99,867**	**79%**	105,861	85%
RMB	**25,527**	**20%**	17,565	14%
British pound	**1,693**	**1%**	1,627	1%
Total borrowings	**127,087**	**100%**	125,053	100%

When financing operations outside Hong Kong, the Group will borrow on the same currency as the underlying assets or when feasible, hedge through cross currency swaps for exchange risk exposure. At 30 June 2024, about 20% of the Group's total borrowings were denominated in RMB to act as natural hedges of net investments in the mainland.

(ii) By fixed or floating interest (after interest rate swap)

	At 30 June 2024		At 30 June 2023	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Fixed	**39,660**	**31%**	37,197	30%
Floating				
- Hong Kong dollar	**67,007**	**53%**	71,031	57%
- RMB	**18,727**	**15%**	15,198	12%
- British pound	**1,693**	**1%**	1,627	1%
Total borrowings	**127,087**	**100%**	125,053	100%

The Group's fixed-rate borrowings mainly consist of medium-term notes and a RMB2,000 million commercial mortgage-backed securities issued on the mainland in September 2022.

Financial Resources

The Group's strong financial strength enables it to raise long-term financing from various sources at competitive rates. As part of its prudent debt management policy, the Group has always secured substantial amount of undrawn committed banking facilities, most of which are arranged on a medium to long term basis with a well-balanced maturity profile, to help minimize refinancing risk and attain financing flexibility, while optimizing financing cost. The Group closely monitors its liquidity and financing requirements to ensure that available financial resources are in place to cover its financing needs.

With substantial amount of available committed banking facilities in place, continuous cash inflow from property sales and a solid base of recurrent income, the Group has adequate financial resources for its funding requirements and is well positioned to take advantage of investment opportunities when they arise.

Foreign Exchange Rate Risk Management

The Group's foreign exchange exposure was small given both its large asset base and operational cash flow are primarily denominated in Hong Kong dollar, which is the Group's presentation currency.

The Group is exposed to currency translation risk mainly arising from translating the financial statements of subsidiaries and joint ventures operating in the mainland. The Group has not entered into foreign currency derivatives to hedge the translation risk exposure of its net investments in mainland. Land acquisition costs for the mainland projects are principally financed by capital injection funded by the Group's equity and internally generated funds. On-going business operations in the mainland are financed through internal resources and borrowings in RMB as natural hedges to minimize the Group's exposure to exchange rate risk. As at 30 June 2024, approximately 17% of the Group's net assets were denominated in RMB. Compared with 30 June 2023, RMB depreciated against Hong Kong dollar by about 0.5%. The translation of these RMB assets into Hong Kong dollar at the exchange rate as of 30 June 2024 resulted in a translation loss of approximately HK$450 million (2023: loss of HK$9.4 billion), recognized in the exchange reserve.

The Group has insignificant currency risk exposure associated with certain monetary assets and liabilities denominated in foreign currencies. Where feasible and cost effective, the Group may enter into foreign exchange contracts to reduce the currency risk.

Derivative Instruments

As at 30 June 2024, the Group has entered into certain interest rate swaps, cross currency interest rate swaps and forward foreign exchange contracts in the aggregate notional amount of HK$16,389 million to manage its interest rate risk and currency risk exposures. The use of derivative instruments is strictly controlled and solely for hedging the Group's underlying financial exposures for its core business operations. It is the Group's policy not to enter into derivative and structured product transactions for speculative purposes.

Bank Deposits and Cash

As at 30 June 2024, the Group's bank deposits and cash amounted to HK$16,221 million, of which 61% were denominated in Hong Kong dollar, 33% in RMB, and the remaining 6% mostly in US dollar. The RMB deposits were mostly held by the mainland subsidiaries for meeting the funding needs of their mainland projects.

All deposits are placed with banks carrying strong credit ratings with appropriate credit limits assigned relative to their credit strength, and are regularly monitored for exposures to each financial counterparty.

Charges of Assets

As at 30 June 2024, certain bank deposits of the Group's subsidiaries in the aggregate amount of HK$48 million were pledged for securing guarantees issued by the banks. Additionally, certain assets of the Group's subsidiaries with an aggregate carrying value of HK$5,840 million have been charged as security for their bank borrowings. Except for the aforementioned charges, all the Group's assets are free from any encumbrances.

Contingent Liabilities

As at 30 June 2024, the Group had contingent liabilities in respect of guarantees for bank borrowings of certain joint ventures and other guarantees in the aggregate amount of HK$1,907 million (30 June 2023: HK$2,072 million).

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES OF THE GROUP

As at 30 June 2024, the Group employed more than 40,000 employees. The related employees' costs before reimbursements for the year amounted to approximately HK$14,888 million. Compensation for the Group is made with reference to the market as well as individual performance and contributions. Extensive use of bonuses to link performance with reward is adopted. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to individual needs. Share option and share award schemes have also been adopted by certain subsidiaries of the Company to provide appropriate long-term incentive to the key staff of the Group. Details of the share option and share award schemes of the Group are set out in the section headed "Share Option and Share Award Schemes" of the annual report of the Company.

BASIS OF DETERMINING EMOLUMENT TO DIRECTORS

The same remuneration philosophy also applies to the Directors of the Company. Apart from benchmarking against the market, the Company looks at individual competence and contributions and the affordability of the Company in determining the exact level of remuneration for each Director. Appropriate benefits schemes are also in place for the Executive Directors.

DIVIDEND

The Board of Directors of the Company (the "Board") has decided to recommend the payment of a final dividend of HK$2.80 per share (2023: HK$3.70 per share) for the year ended 30 June 2024. Including the interim dividend of HK$0.95 per share paid on 20 March 2024, the total dividend for the year ended 30 June 2024 amounts to HK$3.75 per share (2023: HK$4.95 per share).

The proposed final dividend, if approved at the forthcoming annual general meeting of the Company (the "2024 Annual General Meeting"), will be payable in cash on Thursday, 21 November 2024 to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Wednesday, 13 November 2024. Shares of the Company will be traded ex-dividend as from Monday, 11 November 2024.

ANNUAL GENERAL MEETING

The 2024 Annual General Meeting will be held on Thursday, 7 November 2024 and the Notice of the 2024 Annual General Meeting will be published and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

(1) The record date for ascertaining Shareholders' entitlement to attend and vote at the 2024 Annual General Meeting will be Thursday, 7 November 2024. The register of members of the Company will be closed from Monday, 4 November 2024 to Thursday, 7 November 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2024 Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates (together the "Share Transfer Documents") for registration not later than 4:30 p.m. on Friday, 1 November 2024.

(2) The record date for ascertaining Shareholders' entitlement to the proposed final dividend will be Wednesday, 13 November 2024, during which the register of members of the Company will be closed and no transfer of shares will be registered. In order to establish entitlements to the proposed final dividend, Shareholders must lodge the Share Transfer Documents for registration not later than 4:30 p.m. on Tuesday, 12 November 2024.

(3) The Share Transfer Documents shall be lodged for registration with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE

The annual results for the year ended 30 June 2024 have been reviewed by the Audit and Risk Management Committee of the Company. The Group's consolidated financial statements have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, and it has issued an unmodified opinion.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 30 June 2024, the Company has complied with the code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except that there is no separation of the roles of chairman and chief executive as required under Code Provision C.2.1. However, the powers and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management. In addition, there are two Non-Executive Directors and seven Independent Non-Executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place.

ANNUAL REPORT

The 2023/24 annual report containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.shkp.com, and printed copies will be sent to the Shareholders before the end of October 2024.

By order of the Board
YUNG Sheung-tat, Sandy
Company Secretary

Hong Kong, 5 September 2024

As at the date hereof, the Board comprises ten Executive Directors, being KWOK Ping-luen, Raymond (Chairman and Managing Director)(KWOK Ho-lai, Edward being his Alternate Director), WONG Chik-wing, Mike (Deputy Managing Director), LUI Ting, Victor (Deputy Managing Director), KWOK Kai-fai, Adam, KWOK Kai-wang, Christopher, TUNG Chi-ho, Eric, FUNG Yuk-lun, Allen, LAU Tak-yeung, Albert, FUNG Sau-yim, Maureen and CHAN Hong-ki, Robert; two Non-Executive Directors, being KWAN Cheuk-yin, William and KWOK Kai-chun, Geoffrey; and seven Independent Non-Executive Directors, being YIP Dicky Peter, WONG Yue-chim, Richard, LI Ka-cheung, Eric, FUNG Kwok-lun, William, LEUNG Nai-pang, Norman, LEUNG KO May-yee, Margaret and FAN Hung-ling, Henry.