New World Development Company Limited
(Stock Code: 0017)

2024/2025 INTERIM REPORT

we create
we are artisans
we are csv.

Content

The Artisanal Movement is a cultural vision, a celebration of the human values of craftsmanship, heritage and imagination.

Today, as our business evolves in step with the society, we look ahead to bring a new purpose to this vision: create shared value for all stakeholders in communities that we serve, in order to make a positive impact on the world.

It is our belief of using the power of business and innovation to give back to the society. Through three core areas - culture and creativity, sustainability, and social innovation - we will forge new paths that tie our business success to social progress.

Because together we create, we are artisans, we are CSV.

Financial Highlights

	(Unaudited) For the six months ended 31 December 2024 HK$m	2023 HK$m
From continuing operations		
Revenues	**16,788.8**	17,065.5
Segment results[(1)]	**4,248.9**	4,756.3
Core operating profit[(2)]	**4,416.4**	5,357.7
Interim dividend per share (HK$)	**—**	0.20

	(Unaudited) As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Total assets	**427,571.2**	445,157.6
Cash and bank balances (including restricted bank balances)	**21,858.3**	27,990.1
Undrawn facilities from banks	**12,370.7**	18,280.0
Consolidated net debt[(3)]	**124,630.0**	123,657.1
Net gearing ratio (%)[(4)]	**57.5%**	55.0%

RESULTS HIGHLIGHTS:

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

Remarks:

(1) Include share of results of joint ventures and associated companies, but exclude changes in fair value of investment properties and impairment loss

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

	(Unaudited) For the six months ended 31 December	
	2024	2023
	HK$m	HK$m
(Loss)/profit from continuing operations	**(5,700.6)**	1,543.1
Changes in fair value of investment properties, include share of results of joint ventures and associated companies	**1,582.8**	376.4
Gain on transfer to investment properties	**—**	(1,257.1)
Taxation	**1,976.9**	2,349.0
Financing income	**(294.2)**	(656.1)
Financing costs	**2,532.6**	2,522.4
Impairment loss on properties held for sale, properties under development, property, plant and equipment and right-of-use assets, include share of results of joint ventures and associated companies	**3,367.9**	401.8
Loss on disposal of non-core portfolio	**951.0**	78.2
Core operating profit	**4,416.4**	5,357.7

(3) The aggregate of bank loans, other loans, fixed rate bonds and notes payable less cash and bank balances (including restricted cash balances)

(4) Consolidated net debt divided by total equity

Chairman's Statement

DEAR SHAREHOLDERS,

In 2024, the global economy navigated through a challenging period marked by intensifying geopolitical tensions among major powers and escalating trade protectionism. Amidst these difficulties, China's economy has demonstrated resilience, steadily advancing despite traversing treacherous waters and overcoming numerous obstacles. The global rise of AI, coupled with the continuous emergence of new industries, business models, and formats, has fueled new progress in high-quality development and the creation of new productive forces.

Against this volatile backdrop, New World has maintained a long-term perspective, firmly believing in China's future development and consistently pursuing high-quality growth. Over the past year, our management team has shouldered its responsibilities, adjusting strategies in a timely manner and focusing on core businesses, while adopting a cautious and pragmatic approach to navigate industry cycles.

At the same time, New World has actively participated in the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the Yangtze River Delta metropolitan region. Initially benefiting from the country's favourable policies aimed at stabilising the real estate market and the overall recovery in key first-tier cities, we have witnessed robust sales across multiple projects. In various core cities, New World has continuously established new landmarks, driving high-quality urban development.

"He who holds the Great Dao can lead the world." Further integrating with the national development strategy, New World has anchored its efforts in the development of the "Northern Metropolis" in Hong Kong. We have actively collaborated with central and state-owned enterprises to explore regional development pathways, deepening the integration within the GBA and injecting new impetus into Hong Kong's long-term economic growth. The sustained positive sales performance of our projects in Hong Kong underscores our strong development momentum.

New World adheres to a "dual-engine drive" model of property development and operation, and remains optimistic about the consumer markets in Hong Kong and Mainland China. Looking ahead, a number of projects in Hong Kong and Mainland China will reach new milestones, contributing significantly to the Group's long-term stable growth and creating greater value for shareholders and the society.

For New World, 2024 has been a year of rising to challenges. As we look forward to 2025, challenges coexist with opportunities, with cash repatriation and debt reduction being our top priorities. We firmly believe that under the leadership of our strong management team, the Group will embrace change with a more open mindset and face the future with firmer steps, navigating through storms and steadily advancing towards our goals.

We sincerely thank our shareholders for their continued support and trust over the years. It is with your partnership that we can continue to move forward.

Dr. Cheng Kar-Shun, Henry
Chairman
Hong Kong, China, 28 February 2025

CEO's Report

BUSINESS REVIEW

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

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

Hong Kong Property Development, Property Investment and Others

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

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

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

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

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

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

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

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

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

Hong Kong Landbank

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

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

Landbank by District

As at 31 December 2024	Property Development Total Attributable GFA (sq ft'000)	Property Investment and Others Total Attributable GFA (sq ft'000)	Total Attributable GFA (sq ft'000)
Hong Kong Island	665.6	—	665.6
Kowloon	1,178.0	—	1,178.0
New Territories	1,621.0	3,767.4	5,388.4
Total	**3,464.6**	**3,767.4**	**7,232.0**

Agricultural Landbank by District

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

Mainland China Property Development, Property Investment and Others

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

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

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

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

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

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

Contracted Sales by Region

As at 31 December 2024 Region	Area (sq m'000)	Proceeds (RMB m)
Southern Region (i.e. the Greater Bay Area)	173.0	4,346
Eastern Region (i.e. the Yangtze River Delta Region)	21.4	344
Central Region	9.9	57
Northern Region	46.1	1,641
North-Eastern Region	65.0	1,063
Total	**315.4**	**7,451**

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

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

1HFY2025 Project Completion in Mainland China — Property Development

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

1HFY2025 Project Completion in Mainland China — Property Investment and Others

Region	Project/Total GFA (sq m)	Commercial	Office	Total (excluding carpark)	Total (including carpark)
Guangzhou	New World — Guangzhou Metro Hanxi Development Project	80,730	50,976	131,706	131,706
	Panyu International School Phase 4	48,661	—	48,661	48,661
Ningbo	Ningbo New World Phase 3	83,656	45,618	129,274	138,526
Shenzhen	Shenzhen Prince Bay Project	202,890	24,819	227,709	356,111
	Total	**415,937**	**121,413**	**537,350**	**675,004**

2HFY2025 Project Completion Plan in Mainland China — Property Development

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

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

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

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

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

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

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

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

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

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

As more large-scale commercial projects will come to fruition successively, the Group will stay adherent to its strategic vision of "Improving Integration and Connectivity in First-tier Cities in the Greater Bay Area and the Yangtze River Delta Region" and diversify its business to further increase recurring rental income.

Mainland China Landbank

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

Land bank by Region

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

Over the years, the Group has continued to improve integration and connectivity in the Greater Bay Area and the Yangtze River Delta region, adhering to the business philosophy of pursuing quality growth. As the market recovery gathers pace and the competition for quality land parcels in core cities continues to intensify, the Group's competitive edges and the value of its landbank will become more apparent. Furthermore, the Group will, as always, continue to flexibly adjust the progress of its projects in line with policy orientation and market dynamics, so as to maintain steady development.

Hotel Operations

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

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

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

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

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

OUTLOOK

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

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

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

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

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

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

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

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

With the gradual completion and opening of investment properties across the country, the proportion of the Group's recurring rental income will increase, driving steady growth in the Group's performance and providing sufficient cash flow.

Ms. Huang Shaomei, Echo
Executive Director and Chief Executive Officer
Hong Kong, China, 28 February 2025

Condensed Consolidated Income Statement

For the six months ended 31 December 2024

	Note	(Unaudited) 2024 HK$m	2023 HK$m
Continuing operations			
Revenues	3	**16,788.8**	17,065.5
Cost of sales		**(10,113.5)**	(9,808.1)
Gross profit		**6,675.3**	7,257.4
Other income		**23.9**	35.7
Other (losses)/gains, net		**(1,928.9)**	498.7
Selling and marketing expenses		**(560.0)**	(497.3)
Expenses of department store's operation		**(401.1)**	(422.0)
Administrative and other operating expenses		**(1,844.8)**	(2,035.6)
Gain on transfer to investment properties		**—**	1,257.1
Changes in fair value of investment properties		**(1,233.3)**	(365.0)
Operating profit	4	**731.1**	5,729.0
Financing income		**294.2**	656.1
Financing costs		**(2,532.6)**	(2,522.4)
		(1,507.3)	3,862.7
Share of results of			
Joint ventures		**(2,173.0)**	70.1
Associated companies		**(43.4)**	(40.7)
(Loss)/profit before taxation		**(3,723.7)**	3,892.1
Taxation	5	**(1,976.9)**	(2,349.0)
(Loss)/profit from continuing operations		**(5,700.6)**	1,543.1
Discontinued operations			
Loss from discontinued operations		**—**	(7,315.1)
Loss for the period		**(5,700.6)**	(5,772.0)
Attributable to:			
Shareholders of the Company			
— from continuing operations		**(6,632.8)**	502.0
— from discontinued operations		**—**	(7,876.4)
Holders of perpetual capital securities			
— from continuing operations		**927.1**	965.9
— from discontinued operations		**—**	269.3
Non-controlling interests			
— from continuing operations		**5.1**	75.2
— from discontinued operations		**—**	292.0
		(5,700.6)	(5,772.0)
No interim dividend declared (2023: HK$0.2 per share)		**—**	503.3
Basic and diluted (losses)/earnings per share (HK$)	6		
From continuing operations		**(2.64)**	0.29
From discontinued operations		**—**	(3.13)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2024

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2024

	Note	(Unaudited) As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
ASSETS			
Non-current assets			
Investment properties		**205,759.7**	207,711.8
Property, plant and equipment		**14,733.7**	13,207.4
Right-of-use assets	8	**3,841.4**	3,860.4
Intangible assets		**1,162.8**	1,174.6
Interests in joint ventures		**35,183.7**	37,503.9
Interests in associated companies		**8,507.8**	8,578.1
Financial assets at amortised costs		**107.9**	129.7
Financial assets at fair value through profit or loss		**4,878.4**	6,285.7
Financial assets at fair value through other comprehensive income		**2,280.7**	2,303.6
Derivative financial instruments		**572.5**	402.6
Properties for development		**15,289.8**	15,286.8
Deferred tax assets		**2,247.4**	2,204.9
Other non-current assets		**29,857.2**	28,493.3
		324,423.0	327,142.8
Current assets			
Properties under development		**35,446.5**	43,483.4
Properties held for sale		**31,645.9**	28,346.1
Inventories		**144.8**	139.0
Debtors, prepayments and contract assets	9	**13,000.2**	15,276.1
Financial assets at fair value through profit or loss		**798.0**	841.0
Derivative financial instruments		**254.5**	178.3
Restricted bank balances		**440.1**	590.5
Cash and bank balances		**21,418.2**	27,399.6
		103,148.2	116,254.0
Assets of disposal groups held-for-sale	10	**—**	1,760.8
		103,148.2	118,014.8
Total assets		**427,571.2**	445,157.6

Condensed Consolidated Statement of Financial Position

As at 31 December 2024

	Note	(Unaudited) As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
EQUITY			
Share capital	11	**78,382.1**	78,382.1
Reserves		**94,298.2**	101,449.8
Shareholders' funds		**172,680.3**	179,831.9
Perpetual capital securities		**35,443.0**	36,280.5
Non-controlling interests		**8,522.1**	8,776.4
Total equity		**216,645.4**	224,888.8
LIABILITIES			
Non-current liabilities			
Long-term borrowings and other interest-bearing liabilities	12	**118,783.1**	114,437.8
Lease liabilities		**3,459.3**	3,701.4
Deferred tax liabilities		**7,375.8**	7,762.2
Derivative financial instruments		**341.5**	317.0
Other non-current liabilities		**94.9**	92.2
		130,054.6	126,310.6
Current liabilities			
Creditors, accrued charges and contract liabilities	13	**35,555.4**	39,658.9
Current portion of long-term borrowings and other interest-bearing liabilities	12	**25,246.5**	31,198.3
Short-term borrowings and other interest-bearing liabilities	12	**7,365.6**	10,913.8
Lease liabilities		**613.0**	701.1
Derivative financial instruments		**—**	0.3
Current tax payable		**12,090.7**	10,787.7
		80,871.2	93,260.1
Liabilities of disposal groups held-for-sale	10	**—**	698.1
		80,871.2	93,958.2
Total liabilities		**210,925.8**	220,268.8
Total equity and liabilities		**427,571.2**	445,157.6

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024 (Unaudited)

	Share capital HK$m	Retained profits HK$m	Other reserves HK$m	Shareholders' funds HK$m	Perpetual capital securities HK$m	Non-controlling interests HK$m	Total HK$m
At 1 July 2024	78,382.1	95,327.4	6,122.4	179,831.9	36,280.5	8,776.4	224,888.8
(Loss)/profit for the period	–	(6,632.8)	–	(6,632.8)	927.1	5.1	(5,700.6)
Other comprehensive income							
Net fair value changes of equity instruments as financial assets at fair value through other comprehensive income	–	–	(22.9)	(22.9)	–	–	(22.9)
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	–	–	17.1	17.1	–	–	17.1
Share of other comprehensive income of joint ventures and associated companies	–	–	35.7	35.7	–	–	35.7
Release and reclassification of reserves upon disposal of subsidiaries	–	–	(18.7)	(18.7)	–	1.1	(17.6)
Cash flow hedges	–	–	(94.5)	(94.5)	–	–	(94.5)
Translation differences	–	–	(435.5)	(435.5)	–	(64.5)	(500.0)
Other comprehensive loss for the period	–	–	(518.8)	(518.8)	–	(63.4)	(582.2)
Total comprehensive (loss)/income for the period	–	(6,632.8)	(518.8)	(7,151.6)	927.1	(58.3)	(6,282.8)
Transactions with owners							
(Distributions to)/contributions by owners							
Dividend	–	–	–	–	–	(174.0)	(174.0)
Redemption of perpetual capital securities	–	–	–	–	(846.8)	–	(846.8)
Distribution to perpetual capital security holders	–	–	–	–	(917.8)	–	(917.8)
Transfer of reserves	–	2.0	(2.0)	–	–	–	–
	–	2.0	(2.0)	–	(1,764.6)	(174.0)	(1,938.6)
Change in ownership interests in subsidiaries							
Disposal of subsidiaries	–	–	–	–	–	(22.0)	(22.0)
	–	–	–	–	–	(22.0)	(22.0)
Total transactions with owners	–	2.0	(2.0)	–	(1,764.6)	(196.0)	(1,960.6)
At 31 December 2024	78,382.1	88,696.6	5,601.6	172,680.3	35,443.0	8,522.1	216,645.4

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024 (Unaudited)

	Share capital HK$m	Retained profits HK$m	Other reserves HK$m	Shareholders' funds HK$m	Perpetual capital securities HK$m	Non-controlling interests HK$m	Total HK$m
At 1 July 2023	78,382.1	114,927.9	6,321.8	199,631.8	47,439.3	27,300.7	274,371.8
(Loss)/profit for the period	—	(7,374.4)	—	(7,374.4)	1,235.2	367.2	(5,772.0)
Other comprehensive income							
Net fair value changes of equity instruments as financial assets at fair value through other comprehensive income	—	—	(187.6)	(187.6)	—	(53.2)	(240.8)
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	—	—	2,013.0	2,013.0	—	—	2,013.0
Remeasurement of post-employment benefit obligation	—	—	0.2	0.2	—	0.1	0.3
Share of other comprehensive loss of joint ventures and associated companies	—	—	(59.6)	(59.6)	—	(11.5)	(71.1)
Net fair value changes and other net movements of debt instruments as financial assets at fair value through other comprehensive income	—	—	(155.3)	(155.3)	—	(138.6)	(293.9)
Release of reserves upon disposal of debt instruments as financial assets through other comprehensive income	—	—	(1.8)	(1.8)	—	(1.2)	(3.0)
Release and reclassification of reserves upon disposal of subsidiaries	—	—	2,122.1	2,122.1	—	(2,422.1)	(300.0)
Cash flow hedges	—	—	80.0	80.0	—	36.7	116.7
Net insurance finance expenses	—	—	(28.5)	(28.5)	—	(18.3)	(46.8)
Translation differences	—	—	1,569.5	1,569.5	—	39.9	1,609.4
Other comprehensive income/(loss) for the period	—	—	5,352.0	5,352.0	—	(2,568.2)	2,783.8
Total comprehensive (loss)/income for the period	—	(7,374.4)	5,352.0	(2,022.4)	1,235.2	(2,201.0)	(2,988.2)
Transactions with owners							
(Distributions to)/contributions by owners							
Dividend	—	(4,756.0)	—	(4,756.0)	—	(474.4)	(5,230.4)
Redemption of perpetual capital securities	—	218.3	—	218.3	(743.2)	—	(524.9)
Distribution to perpetual capital security holders	—	—	—	—	(1,235.2)	—	(1,235.2)
Transfer of reserves	—	57.8	(57.8)	—	—	—	—
	—	(4,479.9)	(57.8)	(4,537.7)	(1,978.4)	(474.4)	(6,990.5)
Change in ownership interests in subsidiaries							
Disposal of subsidiaries	—	—	—	—	(10,394.3)	(15,785.2)	(26,179.5)
Deemed disposal of interests in subsidiaries	—	(140.8)	—	(140.8)	—	140.8	—
	—	(140.8)	—	(140.8)	(10,394.3)	(15,644.4)	(26,179.5)
Total transactions with owners	—	(4,620.7)	(57.8)	(4,678.5)	(12,372.7)	(16,118.8)	(33,170.0)
At 31 December 2023	78,382.1	102,932.8	11,616.0	192,930.9	36,301.8	8,980.9	238,213.6

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2024

	(Unaudited) 2024 HK$m	2023 HK$m
Cash flows from operating activities		
Net cash from operating activities before net purchase of financial assets in relation to insurance business	**4,488.9**	13,175.6
Purchases of financial assets in relation to insurance business	**—**	(29,287.9)
Disposal of financial assets in relation to insurance business	**—**	21,668.1
Net purchase of financial assets in relation to insurance business	**—**	(7,619.8)
Net cash generated from operating activities	**4,488.9**	5,555.8
Cash flows from investing activities		
Additions of investment properties, property, plant and equipment, and intangible assets	**(1,952.2)**	(3,809.5)
Increase in investments in and advances to joint ventures	**—**	(469.0)
Decrease/(increase) in investments in and advances to associated companies	**28.9**	(107.2)
Proceeds received from disposal/partial disposal of subsidiaries (net of cash and cash equivalents)	**969.3**	6,638.5
Net settlement/(purchase) of financial assets at fair value through profit or loss ("FVPL"), financial assets at fair value through other comprehensive income ("FVOCI") and financial assets at amortised costs	**163.9**	(4,025.2)
Decrease/(increase) in short-term bank deposits maturing after more than three months	**0.2**	(2,345.2)
Proceeds received from disposal of investment properties and property, plant and equipment	**1,084.9**	160.4
Others	**458.6**	(778.2)
Net cash generated from/(used in) investing activities	**753.6**	(4,735.4)
Cash flows from financing activities		
Net decrease in borrowings and other liabilities	**(7,879.7)**	(1,299.5)
Redemption of fixed rate bonds and notes payable	**(357.7)**	(10,206.8)
Proceeds from issue of fixed rate bonds	**3,082.6**	2,137.6
Dividends paid to shareholders of the Company	**—**	(4,756.0)
Dividends paid to non-controlling shareholders	**(174.0)**	(474.4)
Distribution to holders of perpetual capital securities	**(917.8)**	(1,235.2)
Redemption of perpetual capital securities	**(846.8)**	(524.9)
Interest paid	**(3,899.0)**	(2,802.1)
Others	**(262.9)**	235.4
Net cash used in financing activities	**(11,255.3)**	(18,925.9)
Net decrease in cash and cash equivalents	**(6,012.8)**	(18,105.5)
Cash and cash equivalents at beginning of the period	**25,951.6**	52,539.3
Translation differences	**(53.4)**	291.9
Cash and cash equivalents at end of the period	**19,885.4**	34,725.7
Analysis of cash and cash equivalents:		
Cash and bank balances	**21,418.2**	37,795.5
Bank deposits — unrestricted and maturing after more than three months	**(1,532.8)**	(3,069.8)
	19,885.4	34,725.7

Notes to Condensed Accounts

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") for the six months ended 31 December 2024 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (the "Listing Rules"). The Interim Financial Statements should be read in conjunction with the 30 June 2024 annual financial statements.

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

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

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

(i) The Group has been in active dialogue with Lenders on refinancing of certain bank and other borrowings, include revisiting the financial covenants. The Directors of the Company believe that, given the Group had a net asset value of HK$216,645.4 million as at 31 December 2024 and the availability of unencumbered assets which provide additional credit enhancement for the borrowings, it is considered the Group will be able to refinance these borrowings.

(ii) The Group has been monitoring its on-going compliance with the financial covenant requirements. Based on the cash flow projections prepared by the management from time to time, management may have to apply for financial covenant waiver when needed. It is expected that the Lenders will continue to waive the financial covenant in accordance with the refinancing plans currently under discussion with the Lenders.

(iii) The Group will continue to actively arrange for the sales and pre-sale activities to respond to market changes, capture demands and generate cash inflow.

(iv) The Group will continue to actively execute its assets disposal plan for the realisation of certain assets to improve liquidity.

(v) The Group will continue to take active measures to control operating costs and capital expenditure.

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

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

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

(a) Adoption of amendments to standards and interpretation

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

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

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

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

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

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

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

2 FINANCIAL RISKS MANAGEMENT AND FAIR VALUE ESTIMATION

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk.

The Interim Financial Statements do not include all financial risks management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the financial year 2024.

There has been no significant change in the Group's financial risks management policies since the last year end.

(b) Fair value estimation

The Group's financial instruments that are measured at fair value are disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The carrying amounts of the financial instruments of the Group are as follows:

Listed investments are stated at market prices. The quoted market price used for financial assets held by the Group is the bid price at the end of the reporting period. They are included in level 1.

Unlisted investments are stated at fair values which are estimated using other prices observed in recent transactions or valuation techniques when the market price is not readily available. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. If all significant inputs required to estimate the fair value of an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of long-term financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying values of bank balances, receivables, payables and short-term borrowings approximately their fair values due to the short-term maturities of these assets and liabilities.

2 FINANCIAL RISKS MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)

(b) Fair value estimation (continued)

The carrying amounts of mortgage loans receivables, which carry interest rates with reference to bank's lending rates, approximate their fair values.

The following table presents the Group's financial assets at FVOCI, financial assets at FVPL and derivative financial instruments that are measured at fair value:

As at 31 December 2024	**Level 1 HK$m**	**Level 2 HK$m**	**Level 3 HK$m**	**Total HK$m**
Financial assets at FVOCI	**292.2**	**2.5**	**1,986.0**	**2,280.7**
Financial assets at FVPL	**492.2**	**117.9**	**5,066.3**	**5,676.4**
Derivative financial instruments				
Derivative financial assets	**—**	**827.0**	**—**	**827.0**
	784.6	**947.2**	**7,052.3**	**8,784.1**
Derivative financial instruments				
Derivative financial liabilities	**—**	**(341.5)**	**—**	**(341.5)**

As at 30 June 2024	Level 1 HK$m	Level 2 HK$m	Level 3 HK$m	Total HK$m
Financial assets at FVOCI	292.4	2.3	2,008.9	2,303.6
Financial assets at FVPL	623.6	117.9	6,385.2	7,126.7
Derivative financial instruments				
Derivative financial assets	—	580.9	—	580.9
	916.0	701.1	8,394.1	10,011.2
Derivative financial instruments				
Derivative financial liabilities	—	(317.3)	—	(317.3)

The following table presents the changes in financial assets at FVOCI and financial assets at FVPL in level 3 financial instruments for the six months ended 31 December 2024:

	Financial assets at FVOCI HK$m	**Financial assets at FVPL HK$m**
As at 1 July 2024	**2,008.9**	**6,385.2**
Additions	**—**	**365.5**
Net loss recognised in the condensed consolidated statement of comprehensive income/income statement	**(22.9)**	**(710.6)**
Disposals	**—**	**(973.8)**
As at 31 December 2024	**1,986.0**	**5,066.3**

3 REVENUES AND SEGMENT INFORMATION

Revenues recognised during the period are as follows:

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

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

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

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

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

3 REVENUES AND SEGMENT INFORMATION (CONTINUED)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
For the six months ended 31 December 2024												
Total revenues	8,377.8	2,558.9	3,874.6	712.6	1,323.1	16,847.0	–	–	–	–	–	16,847.0
Inter-segment	–	–	(16.2)	–	(42.0)	(58.2)	–	–	–	–	–	(58.2)
Revenues-external	8,377.8	2,558.9	3,858.4	712.6	1,281.1	16,788.8	–	–	–	–	–	16,788.8
Revenues from contracts with customers:												
— Recognised at a point in time	8,377.8	–	–	220.7	603.6	9,202.1	–	–	–	–	–	9,202.1
— Recognised over time	–	–	3,858.4	491.9	677.5	5,027.8	–	–	–	–	–	5,027.8
	8,377.8	–	3,858.4	712.6	1,281.1	14,229.9	–	–	–	–	–	14,229.9
Revenues from other source:												
— Rental income	–	2,558.9	–	–	–	2,558.9	–	–	–	–	–	2,558.9
	–	2,558.9	–	–	–	2,558.9	–	–	–	–	–	2,558.9
	8,377.8	2,558.9	3,858.4	712.6	1,281.1	16,788.8	–	–	–	–	–	16,788.8
Segment results	3,483.1	1,725.1	(122.6)	(105.5)	(620.0)	4,360.1	–	–	–	–	–	4,360.1
Other (losses)/gains, net	(1,540.5)	(10.6)	(15.5)	6.3	(368.6)	(1,928.9)	–	–	–	–	–	(1,928.9)
Changes in fair value of investment properties	–	(1,233.3)	–	–	–	(1,233.3)	–	–	–	–	–	(1,233.3)
	1,942.6	481.2	(138.1)	(99.2)	(988.6)	1,197.9	–	–	–	–	–	1,197.9
Unallocated items												
Corporate expenses						(466.8)					–	(466.8)
Financing income						294.2					–	294.2
Financing costs						(2,532.6)					–	(2,532.6)
						(1,507.3)					–	(1,507.3)
Share of results of												
Joint ventures	(2,114.5)	6.1	–	(61.6)	(3.0)	(2,173.0)	–	–	–	–	–	(2,173.0)
Associated companies	(44.2)	1.4	–	–	(0.6)	(43.4)	–	–	–	–	–	(43.4)
Loss before taxation						(3,723.7)					–	(3,723.7)
Taxation						(1,976.9)					–	(1,976.9)
Loss for the period						(5,700.6)					–	(5,700.6)
As at 31 December 2024												
Segment assets	103,006.5	211,393.8	18,114.3	10,369.9	16,062.5	358,947.0	–	–	–	–	–	358,947.0
Interests in joint ventures	23,373.2	6,942.8	–	2,945.8	1,921.9	35,183.7	–	–	–	–	–	35,183.7
Interests in associated companies	6,831.0	231.3	–	–	1,445.5	8,507.8	–	–	–	–	–	8,507.8
Unallocated assets						24,932.7					–	24,932.7
Total assets						427,571.2					–	427,571.2
Segment liabilities	29,168.5	3,699.7	1,383.6	617.2	4,853.6	39,722.6	–	–	–	–	–	39,722.6
Unallocated liabilities						171,203.2					–	171,203.2
Total liabilities						210,925.8					–	210,925.8
For the six months ended 31 December 2024												
Additions to non-current assets (Note b)	59.0	2,219.7	525.5	37.6	77.2	2,919.0	–	–	–	–	–	2,919.0
Depreciation and amortisation	26.6	25.9	–	292.1	294.9	639.5	–	–	–	–	–	639.5
Impairment loss and loss allowance	1,619.4	10.6	–	0.1	145.5	1,775.6	–	–	–	–	–	1,775.6

3 REVENUES AND SEGMENT INFORMATION (CONTINUED)

	Continuing operations						Discontinued operations					
	Property development HK$m	Property investment HK$m	Construction HK$m	Hotel operations HK$m	Others HK$m	Subtotal HK$m	Roads HK$m	Construction HK$m	Insurance HK$m	Others HK$m	Subtotal HK$m	Consolidated HK$m
For the six months ended 31 December 2023												
Total revenues	6,741.5	2,708.3	5,139.1	683.4	1,952.4	17,224.7	1,108.9	7,167.7	1,299.1	1,171.2	10,746.9	27,971.6
Inter-segment	—	(34.1)	(31.5)	—	(93.6)	(159.2)	—	(124.2)	—	(7.5)	(131.7)	(290.9)
Revenues-external	6,741.5	2,674.2	5,107.6	683.4	1,858.8	17,065.5	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	27,680.7
Revenues from contracts with customers:												
— Recognised at a point in time	6,741.5	—	—	295.7	971.0	8,008.2	1,108.9	—	—	612.0	1,720.9	9,729.1
— Recognised over time	—	—	5,107.6	387.7	887.8	6,383.1	—	7,043.5	82.0	551.7	7,677.2	14,060.3
	6,741.5	—	5,107.6	683.4	1,858.8	14,391.3	1,108.9	7,043.5	82.0	1,163.7	9,398.1	23,789.4
Revenues from other source:												
— Rental income	—	2,674.2	—	—	—	2,674.2	—	—	—	—	—	2,674.2
— Insurance revenue	—	—	—	—	—	—	—	—	1,217.1	—	1,217.1	1,217.1
	—	2,674.2	—	—	—	2,674.2	—	—	1,217.1	—	1,217.1	3,891.3
	6,741.5	2,674.2	5,107.6	683.4	1,858.8	17,065.5	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	27,680.7
Segment results (Note a)	3,852.0	1,720.7	(160.1)	(94.0)	(600.3)	4,718.3	501.0	332.9	2,297.3	234.8	3,366.0	8,084.3
Other (losses)/gains, net	(401.8)	—	—	—	900.5	498.7	—	—	(1,910.4)	(313.9)	(2,224.3)	(1,725.6)
Gain on transfer to investment properties	—	1,257.1	—	—	—	1,257.1	—	—	—	—	—	1,257.1
Changes in fair value of investment properties	—	(365.0)	—	—	—	(365.0)	—	—	—	(48.4)	(48.4)	(413.4)
	3,450.2	2,612.8	(160.1)	(94.0)	300.2	6,109.1	501.0	332.9	386.9	(127.5)	1,093.3	7,202.4
Unallocated items												
Corporate expenses						(380.1)					(133.6)	(513.7)
Financing income (Note a)						656.1					189.8	845.9
Financing costs (Note a)						(2,522.4)					(367.3)	(2,889.7)
						3,862.7					782.2	4,644.9
Share of results of												
Joint ventures	101.9	39.7	—	(72.9)	1.4	70.1	273.1	—	—	101.5	374.6	444.7
Associated companies	(0.8)	(17.3)	—	—	(22.6)	(40.7)	62.6	21.0	—	(44.8)	38.8	(1.9)
Profit before taxation						3,892.1					1,195.6	5,087.7
Taxation						(2,349.0)					(253.6)	(2,602.6)
Profit before loss on disposal of discontinued operations						1,543.1					942.0	2,485.1
Loss on disposal of discontinued operations						—					(8,257.1)	(8,257.1)
Profit/(loss) for the period						1,543.1					(7,315.1)	(5,772.0)
As at 30 June 2024												
Segment assets	109,601.7	212,195.5	20,344.4	8,048.6	18,109.5	368,299.7	—	—	—	—	—	368,299.7
Interests in joint ventures	25,748.3	6,601.5	—	3,018.5	2,135.6	37,503.9	—	—	—	—	—	37,503.9
Interests in associated companies	6,896.9	230.2	—	—	1,451.0	8,578.1	—	—	—	—	—	8,578.1
Unallocated assets						30,775.9					—	30,775.9
Total assets						445,157.6					—	445,157.6
Segment liabilities	31,557.7	4,610.5	1,513.7	719.4	6,450.4	44,851.7	—	—	—	—	—	44,851.7
Unallocated liabilities						175,417.1					—	175,417.1
Total liabilities						220,268.8					—	220,268.8
For the six months ended 31 December 2023												
Additions to non-current assets (Note b)	748.5	3,238.2	1,775.8	135.7	1,098.5	6,996.7	98.6	29.4	75.0	36.0	239.0	7,235.7
Depreciation and amortisation	22.8	27.2	—	217.9	500.5	768.4	512.9	37.6	92.9	103.7	747.1	1,515.5
Impairment loss and loss allowance	401.8	—	—	—	23.9	425.7	61.0	—	—	149.6	210.6	636.3

3 REVENUES AND SEGMENT INFORMATION (CONTINUED)

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

3 REVENUES AND SEGMENT INFORMATION (CONTINUED)

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

Notes:

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

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

4 OPERATING PROFIT

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

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

5 TAXATION

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

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

Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profit for the period at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 12% to 25% (2023: 12% to 28%).

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

Mainland China land appreciation tax is provided at progressive rates ranging from 30% to 60% (2023: 30% to 60%) on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

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

6 (LOSSES)/EARNINGS PER SHARE

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

	For the six months ended 31 December	
	2024	2023
	HK$m	HK$m
(Loss)/profit attributable to shareholders of the Company for calculating basic and diluted (losses)/earnings per share		
From continuing operations	**(6,632.8)**	502.0
Adjust for gain from redemption of perpetual capital securities	**—**	218.4
	(6,632.8)	720.4
From discontinued operations	**—**	(7,876.4)

	Number of shares (million) For the six months ended 31 December	
	2024	2023
Weighted average number of shares for calculating basic and diluted (losses)/earnings per share	**2,516.6**	2,516.6

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

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

For the six months ended 31 December 2024 and 2023, the Company had no outstanding share options and therefore no potentially dilutive ordinary shares in issue.

7 CAPITAL EXPENDITURE

For the six months ended 31 December 2024, the Group has acquired investment properties and property, plant and equipment of HK$1,952.2 million (2023: HK$3,727.3 million). The Group has disposed of investment properties and property, plant and equipment of net book value, excluding disposals through disposals of subsidiaries, of HK$1,039.0 million (2023: HK$200.0 million).

8 RIGHT-OF-USE ASSETS

	As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Leasehold land	**462.1**	162.1
Land use rights	**1,842.5**	1,990.1
Buildings, plant and equipment	**1,536.8**	1,708.2
	3,841.4	3,860.4

8 RIGHT-OF-USE ASSETS (CONTINUED)

Rental contracts are typically made for fixed periods range from 3 months to 19 years (30 June 2024: 3 months to 19 years) for buildings, plant and equipment and others, but may have extension options which majority of these options are exercisable only by the Group and not by the respective lessors. Lease term for leasehold land ranges from 3 years to 980 years (30 June 2024: 3 years to 980 years).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

9 TRADE DEBTORS

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

	As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Less than 30 days	**519.3**	807.4
31 to 60 days	**28.6**	30.7
Over 60 days	**568.4**	735.3
	1,116.3	1,573.4

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

10 DISPOSAL GROUPS HELD-FOR-SALE

	As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Assets of disposal groups held-for-sale		
Interests in joint ventures	**—**	18.6
Interests in associated companies	**—**	1,367.9
Debtors and prepayments	**—**	100.1
Deferred tax assets	**—**	10.5
Cash and bank balances	**—**	85.0
Financial assets at FVOCI	**—**	18.0
Other non-current assets	**—**	160.7
	—	1,760.8

	As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Liabilities of disposal groups held-for-sale	**—**	698.1

11 SHARE CAPITAL

	As at 31 December 2024 Number of shares (million)	As at 31 December 2024 HK$m	As at 30 June 2024 Number of shares (million)	As at 30 June 2024 HK$m
Issued and fully paid (Note):				
At beginning and end of the period	**2,516.6**	**78,382.1**	2,516.6	78,382.1

Note:

The shares have no par value.

12 BORROWINGS AND OTHER INTEREST-BEARING LIABILITIES

	As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Long-term borrowings and other interest-bearing liabilities		
Secured bank loans	**38,626.1**	33,346.3
Unsecured bank loans	**74,192.5**	82,854.8
Fixed rate bonds and notes payable	**26,707.1**	24,931.0
Loans from non-controlling shareholders	**4,503.9**	4,504.0
	144,029.6	145,636.1
Current portion of long-term borrowings and other interest-bearing liabilities	**(25,246.5)**	(31,198.3)
	118,783.1	114,437.8
Short-term borrowings and other interest-bearing liabilities		
Secured bank loans	**190.3**	425.0
Unsecured bank loans	**6,767.3**	10,085.0
Other unsecured loans	**5.0**	5.1
Loans from non-controlling shareholders	**403.0**	398.7
	7,365.6	10,913.8
Current portion of long-term borrowings and other interest-bearing liabilities	**25,246.5**	31,198.3
	32,612.1	42,112.1
Total borrowings and other interest-bearing liabilities	**151,395.2**	156,549.9

13 TRADE CREDITORS

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

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

14 COMMITMENTS

	As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Contracted but not provided for		
Property, plant and equipment	**98.0**	40.3
Investment properties	**5,014.4**	6,582.6
Other investments	**353.6**	778.0
	5,466.0	7,400.9
The Group's share of capital commitments of joint ventures and associated companies not included above are as follows:		
Contracted but not provided for	**2.8**	75.3

15 FINANCIAL GUARANTEE AND CONTINGENT LIABILITIES

	As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Financial guarantee contracts:		
Mortgage facilities for certain purchasers of properties	**3,081.1**	2,910.7
Guarantees for credit facilities granted to		
Joint ventures	**7,693.6**	8,378.3
Associated companies	**14.3**	224.3
	10,789.0	11,513.3

16 RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions have been entered into by the Group during the period:

	For the six months ended 31 December	
	2024 HK$m	2023 HK$m
Joint ventures and associated companies		
Provision of construction work services	**—**	21.7
Interest income	**50.8**	117.3
Rental expenses	**33.0**	38.5
Related companies		
Rental income	**163.3**	168.0
Rental expenses	**17.1**	19.1
Concessionaires commissions	**10.6**	15.0
Engineering and mechanical services	**251.0**	699.6
Management services fee expenses	**80.0**	84.9
Cleaning and landscaping expenses	**21.6**	29.4

These related party transactions were conducted in accordance with the terms as disclosed in the last annual report.

No significant transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

17 COMPARATIVE FIGURES

Certain comparative figures for the six months ended 31 December 2023 and as at 30 June 2024 have been reclassified to confirm with the presentation for the current period.

Liquidity and Capital Resources

NET DEBT

	As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Consolidated net debt	**124,630.0**	123,657.1
New World Department Store China Limited ("NWDS") (stock code: 0825) — net cash and bank balances	**(98.2)**	(119.0)
Net debt (exclude listed subsidiary)	**124,728.2**	123,776.1

The Group's debts were primarily denominated in Hong Kong dollar, United States Dollar and Renminbi. In respect of the Group's operations in Mainland China, the Group maintains an appropriate level of external borrowings in Renminbi for natural hedging. The Renminbi currency exposure of the Group is mainly derived from the translation of non-current assets and liabilities of the subsidiaries, associated companies and joint ventures in Mainland China with functional currency of Renminbi and the Renminbi deposits held for future development costs to Hong Kong Dollar. As at 31 December 2024, the translation of non-current assets and liabilities of subsidiaries, associated companies and joint ventures with functional currency other than Hong Kong Dollar to Hong Kong Dollar by using exchange rates at that day resulted a loss of HK$464.3 million is recognised in equity. Apart from this, the Group does not have any material foreign exchange exposure.

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

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

In August 2024, a US$400.0 million (equivalent to approximately HK$3,120.0 million) 8.625% guaranteed notes due 2028 were issued by a wholly-owned subsidiary of the Group and listed on the Stock Exchange at a price of 100% of the principal amount with net proceeds of US$395.2 million (equivalent to approximately HK$3,082.6 million).

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

NET DEBT (CONTINUED)

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

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

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

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

The Group has been monitoring its on-going compliance with the financial covenant requirements and will continue to actively arrange for sales and pre-sale activities and execute its assets disposal plan. The Group will respond to market changes and capture demands in order to generate cash inflow and enhance liquidity. Based on management's projections as of 31 December 2024, the Group expects projected contracted sales from property development projects and disposal of non-core assets will amount to approximately HK$26 billion for FY2025, subject to market conditions and the Group's overall business strategy. The Group will also continue to take active measures to control operating costs and capital expenditure.

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

DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

At 31 December 2024, the Group had given financial assistance and guarantees to its joint ventures and associated companies (collectively "affiliated companies") as set out below:

	As at 31 December 2024 HK$m	As at 30 June 2024 HK$m
Amounts due by affiliated companies (Note)	**25,957.2**	26,446.6
Guarantees given for affiliated companies in respect of banking and other credit facilities	**7,707.9**	8,601.4
	33,665.1	35,048.0

Note:

The advances were unsecured and were interest free except for an aggregate amount of HK$10,278.0 million (30 June 2024: HK$10,118.0 million) which carried interest ranging from 3.45% to 10% per annum (30 June 2024: 3.45% to 10% per annum). The advances had no fixed repayment terms.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of those affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 December 2024 are presented as follows:

	Combined Statement of financial position HK$m	**Group's attributable interests HK$m**
Non-current assets	**42,524.5**	**21,328.5**
Current assets	**100,926.2**	**38,328.9**
Current liabilities	**(70,684.0)**	**(26,871.6)**
Total assets less current liabilities	**72,766.7**	**32,785.8**
Non-current liabilities	**(65,194.8)**	**(29,400.0)**
Net assets	**7,571.9**	**3,385.8**

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 31 December 2024.

INTERIM DIVIDEND

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 1 August 2024, the Company as the offeror launched a tender offer (the "Offer") to purchase for cash for the following debt securities (each unconditionally and irrevocably guaranteed by the Company) which were purchased and redeemed by the Company upon settlement of the Offer on 9 August 2024 and cancelled pursuant to the terms and conditions of the respective debt securities:

Description of the debt securities	Purchase price (as a % of the respective principal amount)	Principal amount purchased and redeemed upon settlement	Total outstanding principal amount as at 31 December 2024
US$600,000,000 (equivalent to approximately HK$4,680,000,000) 4.75% guaranteed notes due 2027 issued by New World China Land Limited (stock code: 5343)	96%	US$45,855,000 (equivalent to approximately HK$357,669,000)	US$458,366,000 (equivalent to approximately HK$3,575,254,800)
US$500,000,000 (equivalent to approximately HK$3,900,000,000) 6.15% guaranteed senior perpetual capital securities issued by NWD Finance (BVI) Limited (stock code: 5312)	100%	US$108,567,000 (equivalent to approximately HK$846,822,600)	US$345,314,000 (equivalent to approximately HK$2,693,449,200)

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

MAJOR DISPOSALS

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

On 26 September 2024, the Group entered into disposal agreements (including a rights agreement) with AC Group Limited as the purchaser which is wholly owned by Dr. Cheng Chi-Kong Adrian regarding the sale of the entire issued capital of K11 Commercial Management Group Company Limited, K11 Loyalty Program Limited, K11 Gentry Club Limited, Globo Travel Agency Limited and Share for Good Company Limited (the "Target Companies") which mainly relate to the management of the properties under the "K11" brand and related businesses at an aggregate consideration of HK$209.0 million (subject to instalment arrangements). The transactions were completed in November 2024 and the Group ceased to have any interest in the Target Companies.

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

REVIEW OF INTERIM RESULTS

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

CORPORATE GOVERNANCE CODE

The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules throughout the six months ended 31 December 2024, with the exception of code provision C.1.3.

Code provision C.1.3 is in relation to guidelines for securities dealings by relevant employees. Under code provision C.1.3, the Board should establish written guidelines on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules for its relevant employees in respect of their dealings in the securities of the Company. Instead of following the Model Code strictly, the Board has established its own guidelines which are not on no less exacting terms than the Model Code. Such deviation from the CG Code is considered necessary because of the large number of employees of the Group (around 10,500) and the Group's diversified businesses. For these reasons, to strictly follow the exact guidelines of the Model Code will cause immense administrative burden to the Company in processing written notifications from the relevant employees who deal in the securities of the Company, which can be avoided under the Company's own guidelines.

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

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for securities transactions by its Directors. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 31 December 2024.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors since the date of the Company's 2024 Annual Report are set out below:

1. Mr. Ma Siu-Cheung resigned as Executive Director and the Chief Executive Officer of the Company, and ceased to be a member of the Executive Committee and the chairman and a member of the Sustainability Committee of the Company on 29 November 2024.

2. Ms. Huang Shaomei, Echo was appointed as the Chief Executive Officer of the Company with effect from 29 November 2024. She was appointed as the vice chairman and executive member of the 3rd China Charity Alliance with effect from 28 December 2024.

UPDATE ON DIRECTORS' INFORMATION (CONTINUED)

3. Ms. Cheng Chi-Man, Sonia ceased to be a member of the Hong Kong Tourism Board and chairman of its Marketing and Business Development Committee on 31 October 2024 and ceased to be a member of Human Resources Planning Commission of the Hong Kong Special Administrative Region on 31 December 2024.

4. Mr. Sitt Nam-Hoi was appointed as the chairman of the Sustainability Committee of the Company with effect from 29 November 2024.

5. Ms. Chiu Wai-Han, Jenny's job title with the Company changed from Senior Director of Human Resources to Senior Director of Corporate Services of the Company with effect from 29 November 2024.

6. Mr. Ho Gilbert Chi-Hang was appointed as an Executive Director and member of the Executive Committee of the Company with effect from 29 November 2024.

7. Mr. Lau Fu-Keung was appointed as an Executive Director and member of the Executive Committee of the Company with effect from 29 November 2024. He was appointed as a member of Career Development Advisory Board of the School of Humanities and Social Science at The Hong Kong University of Science and Technology with effect from 1 January 2025.

8. Dr. Cheng Chi-Kong, Adrian resigned as a member of the United Nations Economic and Social Commission for Asia and Pacific (ESCAP) Sustainable Business Network (ESBN) Executive Council and the chair of the ESBN Task Force on Innovation with effect from 10 October 2024.

9. Mr. Ip Yuk-Keung, Albert was appointed as the Honorary Advisor of School of Humanities and Social Science at The Hong Kong University of Science and Technology with effect from 1 December 2024 and was appointed as the Chairman of Career Development Advisory Board of the School of Humanities and Social Science at The Hong Kong University of Science and Technology with effect from 1 January 2025.

10. Mrs. Law Fan Chiu-Fun, Fanny was appointed as a member of the Audit Committee of the Company with effect from 1 November 2024.

11. Ms. Lo Wing-Sze, Anthea ceased to be a member of the Social Workers Registration Board on 15 January 2025.

12. Ms. Wong Yeung-Fong, Fonia was appointed as an independent non-executive director of Miramar Hotel and Investment Company, Limited, a listed public company in Hong Kong, with effect from 13 December 2024.

INVESTOR RELATIONS

The Group places great emphasis on maintaining clear and transparent communications with shareholders and other investors. We ensure timely disclosure of corporate information through various channels, including annual and interim reports, public announcements, press releases and sustainability reports. The Group also reaches out to overseas equity and fixed-income investors by actively participating in international investor forums and staging non-deal road shows to foster ongoing dialogues with the investment communities and to expand its reach to overseas and mainland investors. The Group has implemented more proactive initiatives to ensure sufficient corporate access by the investor communities and other stakeholders. This will enable the Group to interact with stakeholders and better understand their concerns and expectations so that long-term sustainable business strategies can be formulated accordingly.

CORPORATE SUSTAINABILITY

Through Environmental, Social and Governance ("ESG") integration, New World Group connects our business success with positive impact to people and the planet. In reference to the Group's long-term business strategy and the United Nations Sustainable Development Goals ("UN SDGs"), our sustainability strategy, Sustainability Vision 2030+ ("SV2030+"), drives the integration of sustainability considerations into core business to create economic, environmental and social value for our stakeholders. It reflects the Group's evolution from a leader in sustainability to become a sustainable business leader, by focusing on the sustainability topics most relevant to the business. Three pillars define the Group's business approach: Future Fit Places, Organisational Resilience, and Enriched Lives. We have developed targets under these pillars and progress is reported at least annually. We are taking ambitious climate action in alignment with international frameworks, including adopting recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), to manage climate risks and ensure long-term sustainable development.

The Group recognises the importance of transparency and will continue to publish a Corporate Sustainability Chapter within the Annual Report to disclose our sustainability strategy and initiatives, referencing the latest developments of the Global Reporting Initiative ("GRI") Standards, Hong Kong Stock Exchange's ESG Reporting Guide, recommendations of the TCFD, the International Sustainability Standards Board's ("ISSB") IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, the Ten Principles of the United Nations Global Compact ("UNGC") and the standard for real estate industry set by the Sustainability Accounting Standards Board ("SASB"). Supplementary information is available on the Company's website.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, around 10,500 staff were employed by entities under the Group's management. Remuneration policies are reviewed annually. Remuneration and bonuses are awarded to employees based on individual performances and are in line with market practices. Education subsidies are granted to employees who are taking job-related courses. Periodic in-house training programs are also offered. Under the share option schemes of the Company and its listed subsidiary, namely, NWDS which is not a principal subsidiary (as defined under Rule 17.14 of the Listing Rules) of the Company, share options may be granted to certain directors and employees of the Group to subscribe for shares in the Company and/or NWDS.

SHARE OPTION SCHEME

During the six months ended 31 December 2024, no share option of the Company was granted or outstanding under the share option scheme of the Company. The number of share options available for grant under the share option scheme mandate of the Company as at 1 July 2024 and 31 December 2024 is 226,834,911.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests of the Directors in shares, underlying shares and debentures of the Company or any of its associated corporations which were recorded in the register required to be kept by the Company under section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

(A) Long positions in shares

	Number of shares				Approximate % of shareholding as at 31 December 2024
	Personal interests	**Spouse interests**	**Corporate interests**	**Total**	
New World Development Company Limited					
(Ordinary shares)					
Dr. Cheng Kar-Shun, Henry	**5,168,909**	–	–	**5,168,909**	**0.21**
Dr. Cheng Chi-Kong, Adrian	**2,559,118**	–	–	**2,559,118**	**0.10**
Mr. Cheng Kar-Shing, Peter	**213,444**	**141,641**[(1)]	–	**355,085**	**0.01**
Mr. Cheng Chi-Heng	**133,444**	–	–	**133,444**	**0.01**
Ms. Cheng Chi-Man, Sonia	**825,672**	–	–	**825,672**	**0.03**
Ms. Chiu Wai-Han, Jenny	**29,899**	–	–	**29,899**	**0.00**
Mr. Lau Fu-Keung	**1,000**	–	–	**1,000**	**0.00**
New World Department Store China Limited					
(Ordinary shares of HK$0.10 each)					
Ms. Cheng Chi-Man, Sonia	**92,000**	–	–	**92,000**	**0.01**
Mr. Lau Fu-Keung	**1,000**	–	–	**1,000**	**0.00**
Sun Legend Investments Limited					
(Ordinary shares)					
Mr. Cheng Kar-Shing, Peter	–	–	**9,500,500**[(2)]	**9,500,500**	**50.00**

Notes:

(1) These shares were jointly held by Mr. Cheng Kar-Shing, Peter and his spouse.

(2) These shares were beneficially owned by a controlled corporation of Mr. Cheng Kar-Shing, Peter.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

(B) Long positions in debentures

(1) New World China Land Limited ("NWCL")

Name	Amount of debentures issued by NWCL				Approximate % to the total amount of debentures in issue as at 31 December 2024
	Personal interests HK$	Spouse interests HK$	Corporate interests HK$	Total HK$	
Mr. Doo Wai-Hoi, William	—	27,167,400(1)	—	27,167,400	0.76

Note:

(1) These debentures were issued in US$ and had been translated into HK$ using the rate of US$1.0=HK$7.8.

(2) NWD Finance (BVI) Limited ("NWD Finance")

Name	Amount of debentures issued in US$ by NWD Finance				Approximate % to the total amount of debentures in issue as at 31 December 2024
	Personal interests US$	Spouse interests US$	Corporate interests US$	Total US$	
Mr. Doo Wai-Hoi, William	—	107,875,000	10,000,000(1)	117,875,000	2.63
Mr. Cheng Kar-Shing, Peter	4,000,000	—	—	4,000,000	0.09
Mr. Ip Yuk-Keung, Albert	—	750,000(2)	—	750,000	0.02

Notes:

(1) These debentures were beneficially owned by a company which was wholly owned by Mr. Doo Wai-Hoi, William.

(2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse.

(3) NWD (MTN) Limited ("NWD (MTN)")

Name	Amount of debentures issued by NWD (MTN)				Approximate % to the total amount of debentures in issue as at 31 December 2024
	Personal interests HK$	Spouse interests HK$	Corporate interests HK$	Total HK$	
Mr. Doo Wai-Hoi, William	—	78,000,000(1)	—	78,000,000	0.33
Mr. Ip Yuk-Keung, Albert	—	3,900,000(2)	—	3,900,000	0.02

Notes:

(1) These debentures were issued in US$ and had been translated into HK$ using the rate of US$1.0=HK$7.8.

(2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse, and were issued in US$ and had been translated into HK$ using the rate of US$1.0=HK$7.8.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executive had or deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as defined in the SFO that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2024, the interests or short positions of substantial shareholders (as defined in the Listing Rules) in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in shares

	Number of shares			Approximate % of shareholding as at 31 December 2024
Name	**Beneficial interests**	**Corporate interests**	**Total**	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH")[(1)]	**—**	**1,140,728,609**	**1,140,728,609**	**45.33**
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II")[(2)]	**—**	**1,140,728,609**	**1,140,728,609**	**45.33**
Chow Tai Fook Capital Limited ("CTFC")[(3)]	**2,300,000**	**1,138,428,609**	**1,140,728,609**	**45.33**
Chow Tai Fook (Holding) Limited ("CTFHL")[(4)]	**—**	**1,138,428,609**	**1,138,428,609**	**45.24**
CTFE[(5)]	**1,035,392,823**	**103,035,786**	**1,138,428,609**	**45.24**

Notes:

(1) CYTFH holds 48.98% direct interest in CTFC and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFC.

(2) CYTFH-II holds 46.65% direct interest in CTFC and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFC.

(3) CTFC holds 81.03% direct interest in CTFHL and is accordingly deemed to have an interest in the shares deemed to be interested by CTFHL.

(4) CTFHL holds 100% direct interest in CTFE and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFE.

(5) CTFE together with its subsidiaries.

Save as disclosed above, there is no other interest recorded in the register that is required to be kept under section 336 of the SFO as at 31 December 2024.

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Dr. Cheng Kar-Shun, Henry GBM GBS *(Chairman)*
Ms. Huang Shaomei, Echo *(Chief Executive Officer)*
Ms. Cheng Chi-Man, Sonia
Mr. Sitt Nam-Hoi
Ms. Chiu Wai-Han, Jenny
Mr. Ho Gilbert Chi-Hang
Mr. Lau Fu-Keung *(Chief Financial Officer)*

Non-executive Directors
Mr. Doo Wai-Hoi, William BBS JP
(Non-executive Vice-chairman)
Dr. Cheng Chi-Kong, Adrian SBS JP
(Non-executive Vice-chairman)
Mr. Cheng Kar-Shing, Peter
Mr. Cheng Chi-Heng
Mr. Cheng Chi-Ming, Brian

Independent Non-executive Directors
Mr. Lee Luen-Wai, John BBS JP
Mr. Ip Yuk-Keung, Albert
Mr. Chan Johnson Ow
Mrs. Law Fan Chiu-Fun, Fanny GBM GBS JP
Ms. Lo Wing-Sze, Anthea BBS JP
Ms. Wong Yeung-Fong, Fonia

COMPANY SECRETARY

Mr. Wong Man-Hoi

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor

SOLICITORS

Woo, Kwan, Lee & Lo
Simmons & Simmons
Howse Williams
Kao, Lee & Yip
Dentons Hong Kong LLP

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Agricultural Bank of China
Bank of China (Hong Kong)
Bank of Communications
Bank of East Asia
China Construction Bank (Asia)
China Merchants Bank
Credit Agricole Corporate & Investment Bank
DBS Bank
Hang Seng Bank
Industrial and Commercial Bank of China (Asia)
Mizuho Bank
MUFG Bank, Ltd.
Nanyang Commercial Bank
OCBC Bank
Shanghai Pudong Development Bank
Sumitomo Mitsui Banking Corporation
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation

STOCK CODE

Hong Kong Stock Exchange 0017
Reuters 0017.HK
Bloomberg 17 HK

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