



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

Customer Focus 以客為先
Premium Brand 品牌卓越
Solid Foundations 實力雄厚



INTERIM REPORT
2024/25
中期報告

Stock Codes : 16 (HKD counter) and 80016 (RMB counter)
股份代號 : 16 (港幣櫃台) 及 80016 (人民幣櫃台)



1. ITC in Xujiahui, Shanghai
上海市徐家匯ITC
2. IFC in Central, Hong Kong
香港中環國際金融中心
3. ICC in West Kowloon, Hong Kong
香港西九龍環球貿易廣場
4. High Speed Rail West Kowloon Terminus Development,
Hong Kong
香港高鐵西九龍總站發展項目
5. Cullinan Sky in Kai Tak, Hong Kong
香港啟德天璽·天

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Board of Directors and Committees

BOARD OF DIRECTORS

Executive Directors Kwok Ping-luen, Raymond (*Chairman & Managing Director*)
Wong Chik-wing, Mike (*Deputy Managing Director*)
Lui Ting, Victor (*Deputy Managing Director*)
Kwok Kai-fai, Adam
Kwok Kai-wang, Christopher
Tung Chi-ho, Eric
Fung Yuk-lun, Allen
Fung Sau-yim, Maureen
Chan Hong-ki, Robert
Kwok Ho-lai, Edward (*Alternate Director to Kwok Ping-luen, Raymond*)

Non-Executive Directors Kwan Cheuk-yin, William
Kwok Kai-chun, Geoffrey

Independent Non-Executive Directors Yip Dicky Peter
Wong Yue-chim, Richard
Li Ka-cheung, Eric
Fung Kwok-lun, William
Leung Nai-pang, Norman
Leung Ko May-yee, Margaret
Fan Hung-ling, Henry

COMMITTEES

Executive Committee Kwok Ping-luen, Raymond
Wong Chik-wing, Mike
Lui Ting, Victor
Kwok Kai-fai, Adam
Kwok Kai-wang, Christopher
Tung Chi-ho, Eric
Fung Yuk-lun, Allen
Fung Sau-yim, Maureen
Chan Hong-ki, Robert
Yung Sheung-tat, Sandy
Li Ching-kam, Frederick
Lam Ka-keung, Henry
Lo King-wai

Audit and Risk Management Committee Li Ka-cheung, Eric*
Yip Dicky Peter
Leung Nai-pang, Norman
Wong Yue-chim, Richard

Remuneration Committee Wong Yue-chim, Richard*
Li Ka-cheung, Eric
Kwan Cheuk-yin, William
Leung Nai-pang, Norman

Nomination Committee Wong Yue-chim, Richard*
Kwan Cheuk-yin, William
Yip Dicky Peter
Leung Nai-pang, Norman

* *Committee Chairman*

Financial Highlights and Corporate Information

FINANCIAL HIGHLIGHTS

For the six months ended 31 December	2024	2023	Change (%)
Financial Highlights (HK\$ million)			
Group Revenue	39,933	27,542	+45.0
Profit attributable to the Company's shareholders			
— Reported	7,523	9,145	-17.7
— Underlying ⁽¹⁾	10,463	8,906	+17.5
Gross rental income ⁽²⁾	12,280	12,454	-1.4
Net rental income ⁽²⁾	9,004	9,326	-3.5
Financial Information per Share (HK\$)			
Basic earnings per share for profit attributable to the Company's shareholders			
— Reported	2.60	3.16	-17.7
— Underlying ⁽¹⁾	3.61	3.07	+17.5
Interim dividend	0.95	0.95	—

Notes:

(1) Underlying profit attributable to the Company's shareholders excluded the net effect of changes in the valuation of investment properties

(2) Including contributions from joint ventures and associates

CORPORATE INFORMATION

Company Secretary

Yung Sheung-tat, Sandy

Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity
Auditors

Registered Office

45th Floor, Sun Hung Kai Centre
30 Harbour Road
Hong Kong
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Share Registrar

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Solicitors

Woo Kwan Lee & Lo
Johnson Stokes & Master
Sit, Fung, Kwong & Shum

Principal Bankers

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China
(Asia) Limited
The Hongkong & Shanghai Banking
Corporation Limited
Agricultural Bank of China Limited
DBS Bank Ltd.
Bank of Communications (Hong Kong)
Limited
Oversea-Chinese Banking Corporation
Limited
MUFG Bank, Ltd
Hang Seng Bank Limited
China Construction Bank (Asia)
Corporation Limited

CHOICE OF LANGUAGE OR MEANS OF RECEIPT OF CORPORATE COMMUNICATIONS

This interim report is now available in printed form in English and in Chinese, and on the website of the Company.

If (i) shareholders, who have received or chosen to receive or are deemed to have consented to receive this interim report by electronic means, wish to receive printed copies; or (ii) shareholders for any reason have difficulty in receiving or gaining access to this interim report on the Company's website, they may obtain printed copies free of charge by sending a written request to the Company c/o the Share Registrar, Computershare Hong Kong Investor Services Limited, by post to 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or by email at shkp@computershare.com.hk.

For shareholders who wish to change their choice of language or means of receipt of the Company's future corporate communications free of charge, they may at any time notify the Company by giving reasonable notice (of not less than 7 days) in writing to the Company c/o the Share Registrar by post or by email or by completing and returning the accompanying Reply Form.

Chairman's Statement

I am pleased to present my report to the shareholders.

RESULTS

The Group's underlying profit attributable to the Company's shareholders for the six months ended 31 December 2024, excluding the effect of fair-value changes on investment properties, amounted to HK\$10,463 million, compared to HK\$8,906 million for the corresponding period last year. Underlying earnings per share were HK\$3.61, compared to HK\$3.07 for the same period last year.

Reported profit and reported earnings per share attributable to the Company's shareholders were HK\$7,523 million and HK\$2.60 respectively, compared to HK\$9,145 million and HK\$3.16 for the corresponding period last year. The reported profit for the period included a decrease in fair value of investment properties net of deferred taxation and non-controlling interests of HK\$2,034 million, compared to an increase of HK\$432 million for the same period last year.

DIVIDEND

The directors have declared an interim dividend payment of HK\$0.95 per share for the six months ended 31 December 2024, the same as the corresponding period last year. The dividend will be payable on 20 March 2025.

BUSINESS REVIEW

Development Profit and Rental Income

Development Profit

For the period under review, the Group's profit generated from property sales reached HK\$2,506 million, as compared to HK\$2,040 million during the corresponding period last year. Contracted sales during the period totalled about HK\$25,500 million in attributable terms.

Rental Income

During the period, the Group's gross rental income, including contributions from joint ventures and associates, decreased by 1% year-on-year to HK\$12,280 million, while net rental income decreased by 3% year-on-year to HK\$9,004 million.

Chairman's Statement

Property Business — Hong Kong

Land Bank

As at 31 December 2024, the Group's attributable land bank in Hong Kong amounted to about 56.9 million square feet. Of these, about 37.6 million square feet were diversified completed properties, an overwhelming majority of which were for rental and long-term investment purposes, contributing to the Group's substantial recurring income. Some 12.9 million square feet of the remainder were residential properties under development for sale, which will be adequate to meet the Group's development needs over the medium term.

During the period under review, the Group added two residential sites with a total gross floor area of about 465,000 square feet to its land bank. Details of the additions are shown in the table below.

Location	Usage	Group's Interest (%)	Attributable Gross Floor Area (square feet)
Fanling Sheung Shui Town Lot No. 307, Fanling North	Residential/Shops	100	308,000
Sha Tin Town Lot No. 623, Siu Lek Yuen, Sha Tin	Residential	100	157,000
Total			465,000

Adhering to its prudent financial discipline in land bank replenishment, the Group acquired two residential sites through public tenders subsequent to the end of the review period. In January 2025, the Group won the tender for a site comprising a total gross floor area of 194,000 square feet in Tai Wai. Boasting tranquillity in a mature community with easy access to public transport and neighbourhood facilities, the site will be developed into a residential development, providing mainly small- and medium-sized units to meet end-user demand. In February 2025, the Group also acquired a harbourfront site located at Tung Chung New Town Extension. Served by the future MTR Tung Chung East Station, the site offers panoramic sea view and design flexibility. It will be developed into a residential project with a total gross floor area of about 401,000 square feet, which together with the planned facilities and amenities in the vicinity will form a new and vibrant community. These additions have brought the Group's land bank to 57.5 million square feet.

Property Development

Driven by lower mortgage interest rates and relaxation of mortgage rules in the second half of 2024, Hong Kong's primary residential market saw solid activity despite a soft domestic economic environment and keen competition. Supported by a continued inflow of talent and students, residential rents have remained resilient, reflecting solid end-user demand for housing.

In Hong Kong, the Group achieved contracted sales of about HK\$24,800 million in attributable terms during the period. Major contributors included Cullinan Sky Phase 1 in Kai Tak, Victoria Harbour Phase 2B in North Point, The YOHO Hub II in Yuen Long and NOVO LAND Phase 3B in Tuen Mun. The remaining units from various completed properties such as St Michel in Sha Tin and Dynasty Court in Mid-levels Central continued to receive positive market response.

Chairman's Statement

Guided by its Building Homes with Heart philosophy, the Group continued to demonstrate its commitment to deliver premium quality and customer-centric developments while upholding its reputation as a trusted brand. Through its property management operations and SHKP Club, the Group maintains effective two-way communication with customers, enabling it to closely monitor market trends and understand customer expectations so as to better serve their evolving needs. Attaching great importance to blending nature and wellness elements into its projects, the Group successfully integrates green and smart technologies into the daily lives of residents to elevate its customer services and enhance convenience for residents.

Scheduled for completion in phases over a number of years, the Group's upcoming Sai Sha project demonstrates its commitment to creating vibrant communities through meticulous long-term planning, which encompasses the strengthening of transport connectivity and the incorporation of innovative, family- and pet-friendly development concepts. Surrounded by scenic mountains and the sea, the residential portion of the development is complemented by the GO PARK Sai Sha, a 1.3 million-square-foot sports-and-commercial complex. Featuring comprehensive facilities that incorporate smart technologies, the project is expected to cater to the different lifestyles of residents of all ages.

Two projects in Hong Kong with an attributable gross floor area of about 852,000 square feet were ready for handover during the period, an overwhelming majority of which were residential properties for sale. Project details are shown in the table below.

Project	Location	Usage	Group's Interest (%)	Attributable Gross Floor Area (square feet)
YOHO WEST Phase 1	1 Tin Yan Road, Tin Shui Wai	Residential/Shops	JV	748,000
Grand Jeté Phase 2	170 Castle Peak Road, Tai Lam, Tuen Mun	Residential	59.1	104,000
Total				852,000

An approximate 1.8 million square feet of attributable gross floor area are scheduled for completion in the second half of this financial year, including about 1.3 million square feet of residential premises for sale. The remaining 0.5 million square feet are retail space to be retained for rental and long-term investment.

As at 31 December 2024, the Group's contracted sales yet to be recognized in Hong Kong amounted to HK\$30,400 million, of which about HK\$20,200 million is expected to be recognized in the second half of this financial year. Most of the related sales proceeds will be received when the respective units are delivered.

Chairman's Statement

Property Investment

During the period under review, the Group's property investment portfolio in Hong Kong continued to provide a sizable and stable recurring income to the Group. Gross rental income, including contributions from joint ventures and associates, registered a modest decrease of 1% year-on-year to HK\$8,813 million while overall occupancy of the portfolio remained satisfactory.

The uncertain economic outlook and the strength of the Hong Kong dollar have affected consumer sentiments. These factors, along with changing consumption habits, have posed challenges to the local retail market. Nevertheless, driven by various mega events and favourable policies, including the resumption and expansion of the multiple-entry Individual Visit Scheme for Shenzhen residents, the foot traffic at malls has shown signs of improvement over the past few months. During the period, the rental performance of the Group's retail portfolio was resilient with overall occupancy remaining at around 93%.

Bolstering the competitive edge of the Group's malls remained a key strategy to stay at the forefront of the changing operating environment. Riding on its well-established retail network and reputation, the Group has stepped up its efforts to attract mainland and overseas brands to open their debut stores in its malls across populous districts. In addition, the Group's seasoned leasing teams regularly refined the malls' tenant mix and store layouts, enriching their offerings and diversity to meet evolving consumer preferences. Creative and interactive marketing initiatives, ranging from busking to pyrotechnics, have been rolled out periodically in collaboration with tenants to drive footfall and sales.

Adapting to the latest market trends, the Group continued to upgrade and reconfigure its properties and enhance service quality. Apart from pet- and family-friendly areas, the malls have introduced additional leisure space and recreational facilities to enrich the experiences of visitors. At New Town Plaza in Sha Tin, Chill Park, a brand new outdoor space with garden trails, was opened in September 2024. A revamp of the mall's outdoor space on the seventh floor is scheduled for completion in mid-2025, offering additional green and interactive elements.

While promotion campaigns targeting tourists have been rolled out at various malls, the Group leveraged The Point, the integrated loyalty programme for SHKP malls, to enhance shoppers' experiences for attracting tourists and retaining local customers. Spending by loyal members remained resilient in the evolving retail sector, while the successful launch of Instant Point Earn has driven members' spending and boosted sales. During the period, The Point mobile app was upgraded with a new interface for easy access to tenant promotions and latest information based on members' spending and preferences. A VIP programme has recently been launched to reward premium members with a range of exclusive privileges, including EV charging booking, extra parking hours and bonus points, and a soon-to-be-launched VIP lounge. In addition, The Point continued to leverage the Group's hotels and other business arms to enrich its member privileges and customer experience.

The office leasing market in Hong Kong remained under pressure in light of a sluggish economic outlook and weak demand. While new supply in core business districts continued to weigh on office rents, the current demand-supply imbalance is expected to improve over the medium term. Nevertheless, the Group's office portfolio maintained an average occupancy of about 90% during the period.

Known for its high green-building standards and professional property management, the Group's premium office portfolio remained competitive under the trend of flight-to-quality. The Group's grade-A offices in prime locations, such as IFC in Central and ICC in West Kowloon continued to be ideal upgrading options for financial institutions and government-related bodies. In spite of ample new supply in the district, the Millennium City office cluster in Kowloon East maintained relatively stable occupancy. To bolster the key strength of its office portfolio, the Group will continue to elevate the building quality and green-building standards through upgrades.

Chairman's Statement

Tapping the growing accommodation demand from young professionals and incoming talent, TOWNPLACE WEST KOWLOON, which offers both short- and long-stay leasing options, registered encouraging occupancy. Riding on the same trend, Vega Suites in Tseung Kwan O is upgrading part of its serviced suites in phases with target completion in early 2026. The Group will further review its existing property rental portfolio and enhance its value and rental contribution via asset enhancements and the incorporation of new-to-market concepts.

Looking ahead, the Group's recurrent income base will be further strengthened as more investment properties come on stream in the next two to three years. The first phase of the 500,000-square-foot shopping mall beneath The Millennium in Kwun Tong will open in the second quarter of 2025. Pre-leasing is progressing well. A selection of speciality restaurants and shops, including those with experiential elements, will be available in the mall upon its full opening. The new mall is expected to synergize with the Group's APM mall and the Millennium City office cluster in the vicinity. In addition, Cullinan Sky Mall, the 220,000-square-foot retail podium connected to MTR Kai Tak Station, is scheduled to open in phases beginning in the second half of 2025.

Another key project under development, the High Speed Rail West Kowloon Terminus Development, comprises grade-A offices and premium retail space atop the city's only high-speed rail station and with easy access to the Airport Express and MTR lines. The Group is dedicated to differentiating itself in the market through the incorporation of new and sustainable designs in its landmark projects. Putting this idea into practice, the Group incorporated plenty of greenery and human-centric designs that promote wellness and a comfortable working and leisure environment in the project, which was named the World's Best Real Estate Development in *Euromoney's* Real Estate Awards 2024 in recognition of its excellence. Leveraging its unrivalled transport connectivity and top-notch sustainable building features, the project's office portion International Gateway Centre (IGC) has attracted multinational financial institutions as its key tenants. Construction is progressing on schedule, with target handover starting in early 2026. The 603,000-square-foot shopping mall beneath IGC will introduce high-end retail and dining options.

In the vicinity of IGC, the Artist Square Towers Project in the West Kowloon Cultural District will provide premium office space that serves diverse industries, including cultural and creative organizations. The superstructure work of the project has begun. These two West Kowloon projects under construction are expected to complement the Group's well-established ICC upon their completion, forming a unique and green commercial hub in the Greater Bay Area.

Property Business — Mainland

Land Bank

As at 31 December 2024, the Group's total attributable land bank on the mainland stood at about 66.4 million square feet, of which about 21.2 million square feet were completed properties mostly held for rental and long-term investment purposes. A vast majority of these are premium integrated projects located in core business hubs in first-tier and leading second-tier cities, particularly favoured by a discerning clientele.

In addition, the Group held about 45.2 million square feet of properties under development on the mainland, of which over 50% will be developed into quality residential units and office space for sale. The Group will focus on developing its existing projects on the mainland while dedicating itself to enhancing quality and services to captivate the hearts of customers in a challenging market.

Chairman's Statement

Property Development

Since late September 2024, the Central Government has unveiled an array of proactive initiatives for bolstering demand from end users and upgraders while stabilizing buyer confidence in the real estate sector. Amid a benign mortgage environment, these policies including the easing of purchase restrictions and tax cuts on transactions of large homes have sparked a recovery in home sales, particularly in first-tier cities.

The Group achieved attributable contracted sales of over RMB660 million on the mainland during the period, of which key contributors included the quality residential units at Forest Park of Guangzhou South Station ICC, Park Royale in Guangzhou and a joint-venture project Oriental Bund in Foshan. In January 2025, the Group launched the first batch of the second phase of Lake Genève in Suzhou with encouraging sales response.

During the period, the Group completed a total attributable gross floor area of about 540,000 square feet on the mainland. Project details are shown in the table below.

Project	Location	Usage	Group's Interest (%)	Attributable Gross Floor Area (square feet)
Park Royale Phase 3A	Huadu, Guangzhou	Residential	100	477,000
Oriental Bund Phase 6B(i)	Chancheng, Foshan	Residential	50	63,000
Total				540,000

In the second half of the current financial year, the Group plans to complete a total gross floor area of about 1.7 million square feet in attributable terms on the mainland, including the premium riverside residences at Phase 3 of Shanghai Arch that boast stunning views of the Bund in Shanghai.

As at 31 December 2024, the Group's contracted sales yet to be recognized on the mainland reached RMB12,500 million, of which about RMB7,800 million is expected to be recognized in the second half of this financial year.

Property Investment

During the period under review, the Group's gross rental income from its rental portfolio on the mainland, including contributions from joint ventures and associates, decreased by 2% year-on-year to RMB2,847 million. The mild decrease was mainly due to a decline in turnover rent of its retail portfolio.

With stimulating domestic consumption being considered a top priority for further boosting the economy, various stimulus measures such as trade-in programmes and consumption vouchers have been introduced on the mainland. Market sentiment in the retail sector gradually improved in recent months, although domestic demand had been affected by growing outbound travel and economic headwinds in the third quarter of 2024. Shanghai IFC Mall, the Group's flagship mall in Pudong, Shanghai, maintained its market leadership through its unique positioning as a sophisticated multi-purpose destination. The mall's strategic blend of internationally acclaimed brands and expansion of all-day dining continued to attract professionals and the young generation. Leveraging its comprehensive tenant mix and attractive loyalty programme, the mall will demonstrate its resilience despite keen competition.

Chairman's Statement

To maintain its unique edge in the changing retail landscape, the Group adopted a proactive and multifaceted approach to increase the attractiveness of its malls. Replicating the success of Shanghai IFC Mall, Nanjing IFC Mall held its grand opening in July 2024, with a remarkable 30% of shops being debut stores in Nanjing. The mall continued to enrich shopper experience, strengthening its distinctive positioning as the top shopping destination in Hexi CBD, Nanjing and achieving high occupancy. As is the case with many of the Group's malls on the mainland, these two IFC malls constitute a part of integrated developments in prime locations, offering comprehensive shopping, dining and entertainment to office workers, residents and tourists.

To sharpen their edge as leading hubs for trendy brands, IAPM in Shanghai and Beijing APM continued to enhance their well-curated mix of premium brands and dining options. Pop-up stores featuring exclusive products were also introduced to meet demand for retailtainment and maintain novelty for customers. Utilizing the green outdoor space at various mall levels, Parc Central in Guangzhou organized a wide range of promotional events and experiential activities throughout the year to entice tourists and locals. Recognizing a growing interest in unique and interactive experiences, the Group's different malls introduced additional privileges such as cycling tours in Shanghai and day tours to Hong Kong to reward loyal customers and enhance customer engagement.

The fierce competition and uncertain external environment continued to dampen the office leasing market in first-tier cities. The Group's rental income from its office portfolio was unavoidably affected by reduced market rents during the period. Nonetheless, the Group has made great efforts to enhance its portfolio's attractiveness through ongoing asset enhancement, professional property management, maintaining close relationships with tenants and offering them tailored arrangements. These efforts, in addition to the portfolio's strengths such as premium building quality, high green building standards, convenient locations with great accessibility to public transportation and complementary amenities within the same complexes, helped solidify the Group's market position. During the period, occupancies of grade-A offices at the Group's Shanghai IFC, Shanghai ICC and the first two phases of ITC in Shanghai remained satisfactory while Tower A of Three ITC achieved a committed occupancy of over 70%.

In 2025, the expected full completion of the final phase of ITC in Shanghai will mark another milestone of the Group's property investment business on the mainland. Comprising a total gross floor area of over five million square feet, the remaining portion of Three ITC includes a flagship mall ITC Maison, an office skyscraper and a hotel Andaz Shanghai ITC. Set to obtain the highest rating for both LEED and WELL certifications, this mega project is poised to become a prime example of innovation and sustainable urban development in the city centre. The 370-metre-tall Tower B office skyscraper will be the tallest building in Puxi upon completion. ITC Maison, scheduled to open in phases starting in mid-2025, will not only house an extensive variety of shops including high-end retailers and renowned restaurants but also bring in innovative retail formats and creative concepts. Designed with civic plazas, multiple pedestrian bridges and an overhead glass canopy, the mall will be seamlessly connected with the different phases of ITC and its surrounding community in Xujiahui, creating a vibrant community that integrates modern shopping, dining, entertainment and social experiences.

Hangzhou IFC is an exciting integrated development under construction in Hangzhou's Qianjiang New City CBD. Comprising two adjacent riverside sites, the project has incorporated smart and green solutions that showcase the Group's commitment to innovation and sustainability. At the River West site, the superstructure of an office tower is nearing completion, with marketing already commenced. Boasting modern architectural designs and breathtaking river views, the tower is destined to be a desirable work location for businesses.

Chairman's Statement

Other Businesses

Hotels

The performance of the Hong Kong hotel industry, which had been affected by fierce competition for tourists from other travel destinations, gradually picked up in the fourth quarter of 2024 amid an increase in mega events, exhibitions and business summits. While the occupancy of the Group's hotels in Hong Kong remained at a high level throughout the period, the operating profit of the hotel business registered a decline due to increased operating costs and additional costs incurred from new hotels that commenced operations on the mainland.

The Group's hotel management has made considerable efforts to broaden its revenue base and seize new business opportunities. For example, Royal Garden strengthened its off-site catering services with menus custom-made for clients' events. The hotel also boosted its banquet and wedding business through the use of its spectacular Sky Garden. The Go Royal by SHKP loyalty programme continued to serve its members with different privileges and offerings through its collaboration with The Point. During the period, both the number of Go Royal members and their spending registered growth.

The Ritz-Carlton Shanghai, Pudong delivered encouraging performance, partly driven by the expanded visa-free policy for foreigners. The business of Andaz Nanjing Hexi at Nanjing IFC and Four Seasons Hotel Suzhou ramped up steadily, with the latter gradually establishing itself as the leader of the high-end hotel market in Suzhou. Andaz Shanghai ITC in Xujiahui, Shanghai, a premium hotel with over 250 hotel rooms that constitutes a part of the integrated project Three ITC, is expected to open by the end of 2025.

Telecommunications and Information Technology

SmarTone

During the period under review, SmarTone demonstrated resilience despite a persistently competitive operating environment and has grown in profitability and customer base. One of the key growth engines, the 5G Home Broadband, has continued to perform well.

During the period, SmarTone completed the exit of its Macau operation and has refocused the company's resources to further strengthen its business in Hong Kong and invest for the long-term. In the recent spectrum auction, SmarTone re-acquired the key 850MHz spectrum and acquired the 6/7GHz spectrum, continuing its commitment to deliver superior network quality. On a per-user basis, SmarTone has the most spectrum vis-à-vis other operators in Hong Kong.

SmarTone is firmly committed to providing a world-class network for business customers and consumers, and has become a trusted partner for mega events in Hong Kong. In October 2024, the company served as the official technology partner of The World Games Series 2024 Hong Kong held in GO PARK Sai Sha, facilitating the event's communication and global live broadcast with its 5G Advanced network. The company is acutely aware of the potential cyber threats to its networks and customers, and has invested substantial resources to ensure its network safety. In December 2024, the company received the Platinum Award in the inaugural Cyber Security Staff Awareness Recognition Scheme.

The Group is excited about SmarTone's prospects and will continue to hold the company as a long-term investment for Hong Kong's critical digital infrastructure.

Chairman's Statement

SUNeVision

SUNeVision continued to show healthy growth during the period under review. Hyperscale cloud players are increasing their deployment in Hong Kong to support their mission-critical applications, while financial institutions are also investing to upgrade their use of data centre facilities to cope with digitization in business. The recent emergence of DeepSeek signifies a new phase of artificial intelligence (AI) development. The cost of using large language models has come down drastically, which will encourage the development of more AI applications and in turn more enterprise adoption. Boasting data centres well-suited for housing AI applications due to their locations and superior infrastructure, SUNeVision is poised to benefit from the development of related AI technologies. This trend will likely further accelerate over the next two to three years.

Phase 1 of MEGA IDC, a state-of-the-art data centre in Tseung Kwan O, has opened in the first half of 2024. Developed on a greenfield site, the data centre has been equipped with first-grade infrastructure and abundant power supply that can cater to the latest customer demand. The first batch of customers has moved in while pipeline orders are building up as planned.

Given the high interest rate environment and volatile economic situation, SUNeVision continues to exercise the highest level of cost discipline towards all capital and operating expenditure in order to achieve the best return on capital deployed for shareholders.

Following SUNeVision's win of the judicial review case against the Hong Kong Science and Technology Parks Corporation (HKSTP) in 2022, HKSTP, as a statutory body, has yet to publicly disclose how it addressed illegal subletting by data centre operators comprehensively and effectively. SUNeVision demands that HKSTP act immediately and transparently in publicly disclosing its respective actions as they are essential for the long-term advancement of Hong Kong's innovation sector.

Infrastructure and Other Businesses

During the period under review, the performance of the Group's infrastructure and transport businesses in Hong Kong remained resilient. The parking and tunnel management businesses of Wilson Group have delivered stable results. Route 3 (CPS) maintained steady profit but its traffic was still well below pre-pandemic levels. The Route 3 franchise will expire in May 2025. Hong Kong Business Aviation Centre, the franchise of which has been extended to 2043, is undertaking a major revamp of the terminal and targets to soft launch in the second half of 2025. The Group is confident that the revamped facility will be considered as one of the best private jet airports in the world. The Airport Freight Forwarding Centre (AFFC) has also confirmed an extension of rights and lease until 2043. This facility too will undergo a holistic upgrade in 2025 to substantially improve its infrastructure and productivity. Despite industry-wide challenges for the container-handling business in Hong Kong, the River Trade Terminal maintained its profitability with stringent cost control.

YATA responds to the latest changes in the retail market with agility and offerings tailored to customer preferences. The company has reassigned space that had become less popular with customers, such as department store, to offerings and products that excite customers, such as fresh produce, wine and wellness. The flagship store in Sha Tin is currently undergoing a major revamp to offer a new experience to customers. The store will bring in new vendors of unique and intriguing products from Japan, as well as new eateries from Japan and other parts of Asia. The ultimate goal is for customers to discover high-quality products and eateries at YATA, enhancing their shopping experience.

Chairman's Statement

Corporate Finance

The Group's unwavering commitment to prudent financial management is essential for navigating potential economic headwinds. The implementation of robust cash flow management practices and the maintenance of stable recurring income have positioned the Group to effectively enhance its resilience against uncertainties. As of 31 December 2024, the Group's gearing ratio lowered to 17.8% while its interest coverage was maintained at a high level of 5.0 times. With ample unsecured banking facilities on standby and abundant liquidity, the Group was affirmed an A+ rating (negative outlook) by S&P and A1 rating (negative outlook) by Moody's, the highest among Hong Kong real estate companies.

The Group remains committed to increasing the use of Renminbi-denominated debts to better align its assets and liabilities denominated in Renminbi. In July 2024, the Group issued CNH700million 3-year bonds. In an effort to diversify its funding sources, the Group issued the second series of RMB2,000 million commercial mortgage-backed securities (CMBS) in August 2024 and achieved one of the lowest CMBS pricing of the year. The economic stimulus policy package launched on the mainland in the second half of 2024 has helped stabilize the property market and further eased the lending environment. The Group will continue to tap Renminbi-denominated debts at competitive interest rates to support its projects in operation and under construction. This also helps lower the Group's interest expenses.

As always, the Group has not engaged in any derivative transaction for speculative purposes. The Group has limited exposure to foreign exchange risks, with a majority of the Group's debts denominated in Hong Kong dollars. All US dollar-denominated debts have been fully swapped into Hong Kong dollars. The remainder are primarily in Renminbi, which serve as a natural hedge against the Group's assets on the mainland.

CORPORATE GOVERNANCE

By prioritizing high standards of corporate governance, the Group not only protects the interests of its stakeholders but also lays a strong foundation for sustainable growth and success. This commitment enhances the Group's credibility and resilience in a competitive marketplace.

The Board of Directors oversees the Group's business directions, development, and sustainability plans, ensuring alignment with its long-term goals. Comprising 18 members with diverse backgrounds, the Board brings a wealth of professional and business experience. The diversity of the Board not only complements the Group's strategies, governance, and business operations but also enhances its overall effectiveness and adaptability. Having the Audit and Risk Management, Remuneration, and Nomination Committees chaired by INEDs is a key component of the Group's governance framework. This enhances the Group's governance, ensuring effective strategy execution and proactive risk management. The Executive Committee plays a vital role in supporting the Board by formulating business policies, making informed decisions, and exercising delegated authority.

The recognition the Group received from leading financial publications highlights its excellence in management, corporate governance, and social responsibility. The Group won eight awards at the Real Estate Awards 2024 organised by *Euromoney*, including the highest recognition of the Best Real Estate Developer in Global, Asia Pacific, China, and Hong Kong categories. The Group was also named the Best Overall Company in Hong Kong by *FinanceAsia* in 2024.

Chairman's Statement

SUSTAINABLE DEVELOPMENT

The Group's continued commitment to Environmental, Social and Governance (ESG) performance has garnered wide industry recognition. Its notable achievements included being named a constituent of the Dow Jones Sustainability Asia Pacific Index for the second consecutive year, placing the Group among the top 20% of companies in the region for sustainability practices. For the fifth year in a row, the Group ranked among the top three companies in the Hang Seng Corporate Sustainability Index, maintaining the highest AAA rating.

Environment

The Group continues to make significant strides toward its 10-year environmental targets. Using the financial year of 2019/20 as the baseline, the Group has already achieved its goal of reducing greenhouse gas emissions for key commercial buildings by 25%, ahead of the 10-year schedule. Building on this progress, a new target has been set to reduce such emissions by 35% by 2029/30, using the same baseline year.

As a strong advocate of renewable energy, the Group together with other joint-venture partners broke ground on Hong Kong's first privately funded solar farm on a landfill. To be operated by the joint-venture entity Green Valley Landfill Limited (GVL) at the South East New Territories Landfill in Tseung Kwan O, the project will be completed in 2025 with the capacity of generating 1.2 million kWh of green electricity annually. The Group provides construction support for the project and facilitates its subsidiary SUNeVision's acquisition of CLP Power's Renewable Energy Certificates, which are fully linked to the solar power generated by the farm. This collaboration aims to create a closed-loop ESG model that contributes to a greener future.

In response to the rising adoption of electric vehicles, the Group has doubled the number of super-fast EV chargers in its malls to 80 throughout Hong Kong. This expansion enhances convenience for users and encourages the transition from petrol to electric vehicles, benefitting society by reducing the carbon emissions and promoting environmental sustainability.

Social

The Group is dedicated to enhancing community well-being. In alignment with the HKSAR Government's initiatives to foster a mega-event economy, SHKP organized and sponsored a series of events to revitalize the tourism and retail sectors. The highlights included a two-month celebration marking the 40th anniversary of New Town Plaza in Sha Tin featuring Hong Kong's first shopping mall pyrotechnic show and various outdoor events near the Group's malls, including SOHO West and V Walk in West Kowloon as well as Harbour North in North Point.

In January 2025, the Group celebrated the grand opening of GO PARK Sai Sha, a landmark spanning 1.3 million square feet designed for families, pet lovers and sports enthusiasts of all ages and interests. The complex, which showcases both popular and emerging sports, also houses entertainment, dining, and recreational facilities. Since its soft opening in mid-2024, it has partnered with different institutions and hosted various events, including the World Games Series 2024 Hong Kong and The Community Chest New Territories Walk for Millions 2025.

Chairman's Statement

The Group has actively supported the Government's Strive and Rise Programme for two consecutive terms, contributing donations and recruiting over 200 employees to serve as mentors each term. Different activities were organized for the mentees, including a visit to GO PARK Sai Sha where they explored emerging sports and had an opportunity to discover their personal interests and potential. The Group will continue its support for a third term.

Additionally, through its commitment to sports for charity, the Group continued for the seventh time its title and charity sponsorship of the Sun Hung Kai Properties Hong Kong Cyclothon. Donations raised by participants in the 2024 event, along with additional contributions from the Group, will support two charitable organizations through The Community Chest of Hong Kong, specifically for cancer-prevention services and assistance to cancer patients. The Group also sponsored the Sun Hung Kai Properties Hong Kong 10K Championships and The Community Chest Corporate Challenge to encourage public participation in running for good causes.

To promote reading and STEM education among the youth, the Group is sponsoring student visits to Hong Kong's first Base for Aerospace Science Education operated by a non-governmental organization. Furthermore, it sponsored a study tour to Shenzhen for students, with the aim of strengthening ties between the neighbouring cities.

Phase 2 of Ma Wan Park, seamlessly integrating nature, cultural heritage, and art, is being launched in stages. This new phase, featuring a campsite and an urban farm, will soon introduce art studios that offer hands-on experiences. Together with catering outlets and Instagrammable spots, these offerings will make the park an attractive destination for both locals and tourists.

To help address short-term public housing needs, the Group's Yau Pok Road site in Yuen Long, which has been lent to the Government for building 2,100 Light Public Housing units, is set to receive the first in-take of residents in the first quarter of 2025.

PROSPECTS

The global economic environment in 2025 will likely face increasing uncertainties due to intensified geopolitical tensions and unpredictable international trade policies. The lowered expectations for US rate cuts have dampened business sentiment and curbed the growth of economic activity. Nevertheless, most central banks in major economies have kick-started a rate-cutting cycle, which will be conducive to their economic recoveries.

The mainland economy is affected by a deteriorating external environment and a challenging internal market. While promoting high-standard opening up to attract foreign investments, the Central Government has stepped up its efforts to expand domestic demand and stabilize the real estate market through a series of stimulus measures and policies. Further and stronger stimulus policies could help restore consumer confidence and boost domestic consumption, favouring the recovery of the property market.

Chairman's Statement

As a multitude of variables continue to affect the global environment, Hong Kong's economic growth is expected to be relatively slow. In the face of challenges, the city has initiated changes to consolidate its traditional strengths and explore new growth areas for economic transformation. In a bid to build Hong Kong into an international hub for high-calibre talent and a thriving megacity, population policies including the New Capital Investment Entrant Scheme have been launched to proactively attract talent and capital. The reduced mortgage interest rates and solid leasing demand will help sustain the housing market.

Over the past half-century, the Group's longstanding strengths, including a strong commitment to quality and excellence, customer-centric philosophy, trusted relationships with stakeholders and flexibility in moving with the times, have helped the Group establish an excellent reputation in the market. With its solid financial position, sizeable rental income base, strong leadership and execution teams, and time-tested strategies, the Group has laid a robust foundation that enables it to navigate effectively through the evolving changes in the property market and the global economy, consolidating its market leadership.

To maintain the Group's competitive edge in a fast-evolving landscape, the Group will adhere to sound and prudent financial management practices, which include maintaining a low gearing ratio and sizeable recurring income from its rental portfolio and non-property businesses, as well as achieving high asset turnover for its property development business. Without compromising quality, the Group will abide by strict cost discipline and focus on lowering its overall construction capex in the coming few financial years.

The Group will harness the strength of its diversified property investment portfolio to maintain a stable and substantial stream of recurrent income. To enhance the competitiveness of its rental portfolio, the Group has adopted a proactive leasing approach, which includes asset enhancement initiatives and maintaining close relationships with tenants and customers to meet ever-changing consumer preferences. In alignment with the national strategy of developing new productive forces, innovative concepts and technologies are utilized to fulfil high green building standards and improve efficiency, placing the Group's properties in a leading market position as the flight-to-quality trend continues.

In the next two to three years, the completion of several new investment properties in Hong Kong will create new sources of recurrent income for the Group. The shopping mall beneath the Millennity in Kwun Tong is scheduled to open in phases from the second quarter of 2025, while Cullinan Sky Mall next to MTR Kai Tak Station is slated to open from the second half of 2025. The IGC office towers atop the High Speed Rail West Kowloon Terminus will be ready for handover starting in 2026. On the mainland, the remaining portion of Three ITC in Shanghai, encompassing an office skyscraper Tower B, a flagship mall ITC Maison and the Andaz Shanghai ITC hotel, will be completed in stages from the second half of 2025.

Chairman's Statement

For property development, the Group will leverage its strengths in developing a sustainable community which incorporates nature, green and wellness elements. The Sai Sha project exemplifies the Group's dedication to seamlessly integrating residential, sports, wellness, retail, and family- and pet-friendly components to cultivate a modern community that caters to diverse lifestyles and preferences. The Group will continue with the timely sale of new projects, unsold residential units from completed projects and selected non-core properties. In Hong Kong, the Group plans to launch YOHO WEST PARKSIDE in Tin Shui Wai very soon. Over the next 10 months, major residential projects scheduled to be put on the market will include the second phases of Cullinan Harbour and Cullinan Sky in Kai Tak, the first phase of the Sai Sha development, namely SIERRA SEA, NOVO LAND Phase 3A in Tuen Mun and the first phase of the residential project next to MTR Kwu Tung Station under construction. On the mainland, the Group plans to launch new batches of joint-venture developments, such as Lake Genève in Suzhou, Hangzhou IFC, and Oriental Bund in Foshan.

With unwavering support from the Central Government, Hong Kong will further leverage the unique advantages of 'One Country Two Systems' and embrace changes and challenges during its continuing economic transformation. Supported by solid fundamentals including a low tax regime, sound common law system, free flow of capital, well-functioning exchange-rate system and high adaptability, Hong Kong will endeavour to attract international high-calibre talent whilst reinforcing its status as an international financial, trade and transportation centre. With full confidence in the long-term prospects of the mainland and Hong Kong, the Group, upholding its belief in Building Homes with Heart, will continue to support the city's advancement by creating iconic landmarks and sustainable communities that prioritize the quality of life for all residents.

DIRECTORS AND APPRECIATION

Mr. Albert Lau Tak-yeung retired as an Executive Director of the Company by rotation at the annual general meeting of the Company held in November 2024. I thank him for his valuable contributions to the Group during his tenure of service.

I would like to take this opportunity to convey my appreciation to our staff, whose experience, hard work and dedication have been instrumental in the Group's continued success during challenging times. I would also like to express my gratitude to my fellow directors for their wise counsel, and to our shareholders and customers for their continued support.

Kwok Ping-luen, Raymond
Chairman & Managing Director

Hong Kong, 27 February 2025

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF SUN HUNG KAI PROPERTIES LIMITED

(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Sun Hung Kai Properties Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 19 to 41, which comprise the consolidated statement of financial position as at 31 December 2024 and the related consolidated income statement, consolidated statement of comprehensive income, condensed consolidated statement of cash flows and consolidated statement of changes in equity for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

DELOITTE TOUCHE TOHMATSU

Certified Public Accountants

Hong Kong

27 February 2025

Consolidated Income Statement

For the six months ended 31 December 2024
(Expressed in millions of Hong Kong dollars)

		(Unaudited) Six months ended 31 December	
		2024	2023
	Notes		
Revenue	2	39,933	27,542
Direct costs		(24,414)	(13,724)
Other net income	4	704	390
Selling and marketing expenses		(2,520)	(1,661)
Administrative expenses		(1,605)	(1,594)
Operating profit		12,098	10,953
Change in fair value of investment properties		(2,875)	13
Finance costs		(1,660)	(1,963)
Finance income		213	203
Net finance costs	5	(1,447)	(1,760)
Share of results of:			
Associates		65	162
Joint ventures		1,807	1,590
		1,872	1,752
Profit before taxation	6	9,648	10,958
Taxation	7	(1,807)	(1,485)
Profit for the period		7,841	9,473
Profit for the period attributable to:			
Company's shareholders		7,523	9,145
Non-controlling interests		318	328
		7,841	9,473
(Expressed in Hong Kong dollars)			
Earnings per share based on profit attributable to the Company's shareholders (reported earnings per share)			
Basic and diluted	8(a)	\$2.60	\$3.16
Earnings per share excluding the effect of change in fair value of investment properties net of deferred tax (underlying earnings per share)			
Basic and diluted	8(b)	\$3.61	\$3.07

Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2024
(Expressed in millions of Hong Kong dollars)

	(Unaudited)	
	Six months ended	
	31 December	
	2024	2023
Profit for the period	7,841	9,473
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of mainland subsidiaries	(864)	1,701
Cash flow hedge		
– fair value losses recognized directly through other comprehensive income	(33)	(320)
– fair value gains transferred to consolidated income statement	(16)	(28)
	(49)	(348)
Fair value gains of debt securities at fair value through other comprehensive income	1	2
Share of other comprehensive (losses)/income of associates and joint ventures	(193)	618
Items that will not be reclassified to profit or loss:		
Fair value losses of equity securities at fair value through other comprehensive income	(39)	(91)
Share of other comprehensive income of an associate	52	17
Other comprehensive (losses)/income for the period	(1,092)	1,899
Total comprehensive income for the period	6,749	11,372
Total comprehensive income for the period attributable to:		
Company's shareholders	6,440	11,002
Non-controlling interests	309	370
	6,749	11,372

Consolidated Statement of Financial Position

As at 31 December 2024
(Expressed in millions of Hong Kong dollars)

	Notes	(Unaudited) 31 December 2024	(Audited) 30 June 2024
Non-current assets			
Investment properties	10	410,527	408,424
Property, plant and equipment	11	50,249	50,190
Associates		8,055	7,954
Joint ventures		94,113	93,101
Financial investments	12	1,355	1,681
Intangible assets		3,971	4,338
Other non-current assets	13	3,475	3,743
		571,745	569,431
Current assets			
Properties for sale		202,188	214,077
Inventories		642	502
Trade and other receivables	14	21,378	17,115
Financial investments	12	730	748
Bank deposits and cash		14,430	16,221
		239,368	248,663
Current liabilities			
Bank and other borrowings		(12,827)	(10,498)
Trade and other payables	15	(32,586)	(32,412)
Deposits received on sales of properties		(12,588)	(11,226)
Current tax payable		(6,253)	(7,876)
		(64,254)	(62,012)
Net current assets			
		175,114	186,651
Total assets less current liabilities			
		746,859	756,082
Non-current liabilities			
Bank and other borrowings		(109,431)	(116,589)
Deferred tax liabilities		(23,621)	(23,905)
Other non-current liabilities		(4,363)	(4,517)
		(137,415)	(145,011)
NET ASSETS			
		609,444	611,071
CAPITAL AND RESERVES			
Share capital	16	70,703	70,703
Reserves		534,343	536,014
Shareholders' equity			
		605,046	606,717
Non-controlling interests			
		4,398	4,354
TOTAL EQUITY			
		609,444	611,071

Directors:

Kwok Ping-luen, Raymond
Lui Ting, Victor

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2024
(Expressed in millions of Hong Kong dollars)

	(Unaudited) Six months ended 31 December	
	2024	2023
Operating activities		
Operating cash inflow	14,712	12,491
Changes in working capital	4,329	(8,044)
Cash generated from operations	19,041	4,447
Interest expenses and other finance costs paid	(2,527)	(2,881)
Bank interest received	219	205
Interest received from investments	20	33
Dividends received from equity securities	51	34
Dividends received from associates and joint ventures	1,016	871
Tax paid		
– Hong Kong	(2,856)	(3,084)
– Outside Hong Kong	(619)	(597)
Net cash from/(used in) operating activities	14,345	(972)
Net cash used in investing activities		
– additions to investment properties	(2,580)	(2,785)
– others	(34)	(2,414)
	(2,614)	(5,199)
Net cash used in financing activities		
– net (repayment)/drawdown of bank and other borrowings	(4,532)	10,309
– (increase)/decrease in bank deposits maturing after more than three months	(20)	530
– principal elements of lease payments	(516)	(529)
– payment for repurchase of shares by a subsidiary	(1)	(12)
– dividends paid to Company's shareholders	(8,114)	(10,722)
– dividends paid to non-controlling interests	(266)	(360)
– others	(21)	(211)
	(13,470)	(995)
Decrease in cash and cash equivalents	(1,739)	(7,166)
Cash and cash equivalents at beginning of period	16,034	14,277
Effect of foreign exchange rates changes	(69)	345
Cash and cash equivalents at end of period	14,226	7,456
Analysis of the balance of cash and cash equivalents at end of period		
Bank deposits and cash	14,430	7,931
Less: Bank deposits maturing after more than three months	(159)	(427)
Pledged bank deposits	(45)	(48)
	14,226	7,456

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024
(Expressed in millions of Hong Kong dollars)

	Unaudited							
	Attributable to Company's shareholders							
	Share capital	Capital reserves	Investment revaluation reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total
At 1 July 2023	70,703	1,176	600	(9,355)	538,931	602,055	4,741	606,796
Profit for the period	–	–	–	–	9,145	9,145	328	9,473
Exchange difference on translation of mainland subsidiaries	–	–	–	1,660	–	1,660	41	1,701
Fair value losses on cash flow hedge	–	(348)	–	–	–	(348)	–	(348)
Fair value gains on debt securities at fair value through other comprehensive income	–	–	2	–	–	2	–	2
Fair value losses on equity securities at fair value through other comprehensive income	–	–	(92)	–	–	(92)	1	(91)
Transfer to retained profits upon disposal of equity securities	–	–	(1)	–	1	–	–	–
Share of other comprehensive income of associates and joint ventures	–	–	73	549	13	635	–	635
Other comprehensive (losses)/income for the period	–	(348)	(18)	2,209	14	1,857	42	1,899
Total comprehensive (losses)/income for the period	–	(348)	(18)	2,209	9,159	11,002	370	11,372
Recognition of equity-settled share-based payments	–	–	–	–	–	–	4	4
Lapse of share options of a subsidiary	–	–	–	–	6	6	(6)	–
Dividend paid (2023 final dividend HK\$3.70 per share)	–	–	–	–	(10,722)	(10,722)	–	(10,722)
Adjustments relating to changes in interests in subsidiaries	–	(11)	–	–	–	(11)	(21)	(32)
Capital reduction of a subsidiary	–	–	–	–	–	–	(180)	(180)
Dividends to non-controlling interests	–	–	–	–	–	–	(360)	(360)
At 31 December 2023	70,703	817	582	(7,146)	537,374	602,330	4,548	606,878

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024
(Expressed in millions of Hong Kong dollars)

	Unaudited							Total
	Attributable to Company's shareholders						Non-controlling interests	
	Share capital	Investment Capital reserves	revaluation reserve	Exchange reserve	Retained profits	Total		
At 1 July 2024	70,703	916	416	(9,853)	544,535	606,717	4,354	611,071
Profit for the period	-	-	-	-	7,523	7,523	318	7,841
Exchange difference on translation of mainland subsidiaries	-	-	-	(855)	-	(855)	(9)	(864)
Fair value losses on cash flow hedge	-	(49)	-	-	-	(49)	-	(49)
Fair value gains on debt securities at fair value through other comprehensive income	-	-	1	-	-	1	-	1
Fair value losses on equity securities at fair value through other comprehensive income	-	-	(39)	-	-	(39)	-	(39)
Share of other comprehensive income/ (losses) of associates and joint ventures	-	-	98	(283)	44	(141)	-	(141)
Other comprehensive (losses)/income for the period	-	(49)	60	(1,138)	44	(1,083)	(9)	(1,092)
Total comprehensive (losses)/income for the period	-	(49)	60	(1,138)	7,567	6,440	309	6,749
Recognition of equity-settled share-based payments	-	-	-	-	-	-	3	3
Lapse of share options of a subsidiary	-	-	-	-	1	1	(1)	-
Dividend paid (2024 final dividend HK\$2.80 per share)	-	-	-	-	(8,114)	(8,114)	-	(8,114)
Forfeiture of unclaimed dividends	-	-	-	-	2	2	-	2
Adjustments relating to changes in interests in subsidiaries	-	-	-	-	-	-	(1)	(1)
Dividends to non-controlling interests	-	-	-	-	-	-	(266)	(266)
At 31 December 2024	70,703	867	476	(10,991)	543,991	605,046	4,398	609,444

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34, Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 30 June 2024 included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 30 June 2024 to the Registrar of Companies and the Company's auditor has reported on those consolidated financial statements. 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 section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The accounting policies applied in the preparation of these interim financial statements are consistent with those applied in the consolidated financial statements for the year ended 30 June 2024. The Group has adopted a number of amendments to Hong Kong Financial Reporting Standards that are effective for the first time for this interim period. None of these amendments had a material impact on the Group's financial statements.

The Group has not applied any new standard or amendment that is not effective for the current accounting period.

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

2. SEGMENT INFORMATION

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

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

For the six months ended 31 December 2024

	The Company and its subsidiaries		Associates and joint ventures		Combined revenue	Consolidated results
	Revenue	Results	Share of revenue	Share of results		
Property development						
Hong Kong	16,031	2,325	–	–	16,031	2,325
Mainland	330	86	287	95	617	181
	16,361	2,411	287	95	16,648	2,506
Property rental						
Hong Kong	7,485	5,319	1,328	1,020	8,813	6,339
Mainland	2,508	1,970	581	407	3,089	2,377
Singapore	–	–	378	288	378	288
	9,993	7,289	2,287	1,715	12,280	9,004
Hotel operations	2,278	313	420	64	2,698	377
Telecommunications	3,492	420	–	–	3,492	420
Transport infrastructure and logistics	2,280	615	2,070	251	4,350	866
Data centre operations	1,470	745	–	–	1,470	745
Other businesses	4,059	544	55	4	4,114	548
Segment total	39,933	12,337	5,119	2,129	45,052	14,466
Other net income/(loss)		704		(141)		563
Unallocated administrative expenses		(943)		–		(943)
Operating profit		12,098		1,988		14,086
Change in fair value of investment properties						
Hong Kong		(2,538)		(205)		(2,743)
Mainland		(337)		64		(273)
Singapore		–		774		774
		(2,875)		633		(2,242)
Net finance costs		(1,447)		(376)		(1,823)
Profit before taxation		7,776		2,245		10,021
Taxation						
– Group		(1,807)		–		(1,807)
– Associates		–		(25)		(25)
– Joint ventures		–		(348)		(348)
Profit for the period		5,969		1,872		7,841

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

2. SEGMENT INFORMATION (cont'd)

For the six months ended 31 December 2023

	The Company and its subsidiaries		Associates and joint ventures		Combined revenue	Consolidated results
	Revenue	Results	Share of revenue	Share of results		
Property development						
Hong Kong	3,612	1,235	–	–	3,612	1,235
Mainland	256	81	1,338	724	1,594	805
	3,868	1,316	1,338	724	5,206	2,040
Property rental						
Hong Kong	7,552	5,499	1,389	1,075	8,941	6,574
Mainland	2,569	2,076	570	397	3,139	2,473
Singapore	–	–	374	279	374	279
	10,121	7,575	2,333	1,751	12,454	9,326
Hotel operations	2,317	359	440	71	2,757	430
Telecommunications	3,390	361	–	–	3,390	361
Transport infrastructure and logistics	2,318	672	2,024	275	4,342	947
Data centre operations	1,290	616	–	–	1,290	616
Other businesses	4,238	599	253	29	4,491	628
Segment total	27,542	11,498	6,388	2,850	33,930	14,348
Other net income/(loss)		390		(83)		307
Unallocated administrative expenses		(935)		–		(935)
Operating profit		10,953		2,767		13,720
Change in fair value of investment properties						
Hong Kong		526		32		558
Mainland		(513)		(198)		(711)
Singapore		–		262		262
		13		96		109
Net finance costs		(1,760)		(381)		(2,141)
Profit before taxation		9,206		2,482		11,688
Taxation						
– Group		(1,485)		–		(1,485)
– Associates		–		(22)		(22)
– Joint ventures		–		(708)		(708)
Profit for the period		7,721		1,752		9,473

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

2. SEGMENT INFORMATION (cont'd)

Results from property development include selling and marketing expenses of HK\$341 million (2023: HK\$290 million) and HK\$106 million (2023: HK\$83 million) relating to the pre-sale of property projects under construction in Hong Kong and mainland, respectively.

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

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

The following tables present the Group's revenue from contracts with customers disaggregated into major business segments, primary geographical markets and according to the timing of revenue recognition, including a reconciliation of the disaggregated revenue with the amounts disclosed in the segment information.

For the six months ended 31 December 2024

	Revenue from contracts with customers			Revenue from other sources	Total
	recognized at a point in time	recognized over time	Subtotal		
(i) By segments					
Property development	16,361	–	16,361	–	16,361
Property rental	–	1,086	1,086	8,907	9,993
Hotel operations	866	1,412	2,278	–	2,278
Telecommunications	1,188	2,304	3,492	–	3,492
Transport infrastructure and logistics	52	2,081	2,133	147	2,280
Data centre operations	–	1,470	1,470	–	1,470
Property management	95	2,645	2,740	–	2,740
Department store operations	933	–	933	–	933
Financial services and others	–	21	21	365	386
	19,495	11,019	30,514	9,419	39,933
(ii) Geographical markets					
Hong Kong	19,015	10,699	29,714	6,913	36,627
Mainland	480	259	739	2,506	3,245
Others	–	61	61	–	61
	19,495	11,019	30,514	9,419	39,933

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

3. REVENUE FROM CONTRACTS WITH CUSTOMERS (cont'd)

(a) Disaggregation of revenue from contracts with customers (cont'd)

For the six months ended 31 December 2023

	Revenue from contracts with customers			Revenue from other sources	Total
	recognized at a point in time	recognized over time	Subtotal		
(i) By segments					
Property development	3,868	–	3,868	–	3,868
Property rental	–	1,070	1,070	9,051	10,121
Hotel operations	935	1,382	2,317	–	2,317
Telecommunications	1,087	2,303	3,390	–	3,390
Transport infrastructure and logistics	64	2,071	2,135	183	2,318
Data centre operations	–	1,290	1,290	–	1,290
Property management	99	2,723	2,822	–	2,822
Department store operations	1,045	–	1,045	–	1,045
Financial services and others	–	24	24	347	371
	7,098	10,863	17,961	9,581	27,542
(ii) Geographical markets					
Hong Kong	6,708	10,646	17,354	7,015	24,369
Mainland	379	196	575	2,566	3,141
Others	11	21	32	–	32
	7,098	10,863	17,961	9,581	27,542

Revenue from other sources includes rental income and income from rendering of financial services.

(b) Revenue recognized in relation to contract liabilities

Contract liabilities primarily relate to the Group's unfulfilled performance obligations to transfer goods or services to customers for which consideration has been received at the reporting date. The contract liability is recognized in revenue in the period when performance obligations are fulfilled.

During the six months ended 31 December 2024, the Group recognized revenue of HK\$5,859 million (2023: HK\$513 million) from sales of properties that were included in contract liabilities at the beginning of the period.

(c) Expected revenue from remaining performance obligations in contracts with customers

As of 31 December 2024, the aggregate amount of transaction price allocated to the remaining performance obligations under the Group's existing contracts of sales of development properties was HK\$36,496 million (30 June 2024: HK\$30,860 million). This represents the aggregate amount of revenue expected to be recognized by the Group in the future, of which approximately 73% is expected to be recognized as revenue in the second half of the current financial year and 20% in the next financial year.

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

4. OTHER NET INCOME

		Six months ended 31 December	
	Notes	2024	2023
Gain on land resumption	(a)	1,122	–
Profit on sale of investment properties	(b)	249	245
Provision for properties under development for sale	(c)	(1,084)	–
Others		417	145
		704	390

- (a) During the period, the Group recorded a HK\$1,122 million gain from land resumption by the Government, resulting mainly from the resumption of certain land lots held by the Group in Hung Shui Kiu/Ha Tsuen New Development Area.
- (b) Profit on sale of investment properties was mostly derived from the disposal of 25 units in Tower 2 and 3 of Dynasty Court. Underlying profit including the fair value gains realized amounted to HK\$1,152 million.
- (c) The HK\$1,084 million impairment provision was primarily attributed to the Cullinan Sky residential project, calculated based on estimated sales proceeds, minus the costs required to complete and sell the project, excluding previously expensed selling and marketing costs.

5. NET FINANCE COSTS

		Six months ended 31 December	
		2024	2023
Interest and other finance costs on bank and other borrowings		2,578	2,996
Notional non-cash interest accretion		31	34
Finance costs on lease liabilities		44	42
Less: Amount capitalized		(993)	(1,109)
		1,660	1,963
Interest income on bank deposits		(213)	(203)
		1,447	1,760

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

6. PROFIT BEFORE TAXATION

	Six months ended 31 December	
	2024	2023
Profit before taxation is arrived at after charging:		
Cost of properties sold	12,428	1,846
Cost of other inventories sold	1,691	1,598
Depreciation of property, plant and equipment	1,528	1,529
Amortization of		
Intangible assets (included in direct costs)	368	368
Contract acquisition costs	732	187
Impairment loss on goodwill	–	4
Credit loss allowance on financial assets and contract assets	88	40
Lease expenses		
Short-term and low-value assets leases	77	72
Variable lease payments	17	18
Staff costs (including directors' emoluments and retirement schemes contributions)	5,287	5,152
Share-based payments	3	4
Loss on disposal of financial investments at fair value through profit or loss	4	6
Fair value losses on financial investments at fair value through profit or loss	45	54
Loss on disposal of property, plant and equipment	50	–
and crediting:		
Dividend income from investments	51	34
Interest income from investments	17	36

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

7. TAXATION

	Six months ended	
	31 December	
	2024	2023
Current tax expenses		
Hong Kong profits tax	1,210	897
(Over)/under provision in prior years	(3)	4
	1,207	901
Tax outside Hong Kong	671	609
Total current tax	1,878	1,510
Deferred tax credit		
Change in fair value of investment properties	(198)	(280)
Other origination and reversal of temporary differences	127	255
Total deferred tax	(71)	(25)
Total income tax expenses	1,807	1,485

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

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

8. EARNINGS PER SHARE

(a) Reported earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit for the period attributable to the Company's shareholders of HK\$7,523 million (2023: HK\$9,145 million).

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

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

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the underlying profit for the period attributable to the Company's shareholders of HK\$10,463 million (2023: HK\$8,906 million), which excluded the net effect of change in the valuation of investment properties. A reconciliation of profit is as follows:

	Six months ended 31 December	
	2024	2023
Profit attributable to the Company's shareholders as shown in the consolidated income statement	7,523	9,145
Decrease/(increase) in fair value of investment properties		
Subsidiaries	2,875	(13)
Associates	64	(56)
Joint ventures	(697)	(40)
	2,242	(109)
Effect of corresponding deferred tax expenses		
Subsidiaries	(198)	(280)
Joint ventures	5	(37)
Non-controlling interests	(15)	(6)
Unrealized fair value losses/(gains) of investment properties net of deferred tax	2,034	(432)
Fair value gains of investment properties net of deferred tax realized on disposal	906	193
Net effect of change in fair value of investment properties	2,940	(239)
Underlying profit attributable to the Company's shareholders	10,463	8,906

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

9. DIVIDENDS

- (a) Interim dividend payable to equity shareholders of the Company declared after the interim period

	Six months ended 31 December	
	2024	2023
Interim dividend declared after the interim period of HK\$0.95 (2023: HK\$0.95) per share	2,753	2,753

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

- (b) Final dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

	Six months ended 31 December	
	2024	2023
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK\$2.80 (2023: HK\$3.70) per share	8,114	10,722

10. INVESTMENT PROPERTIES

- (a) Movement during the period

	Completed	Under development	Total
Valuation			
At 1 July 2024	349,214	59,210	408,424
Additions	597	4,897	5,494
Transfer upon completion	13	(13)	–
Disposals	(1,154)	–	(1,154)
Transfer from properties for sale	1,859	–	1,859
Transfer from property, plant and equipment	63	–	63
Exchange difference	(870)	(414)	(1,284)
Decrease in fair value	(1,022)	(1,853)	(2,875)
At 31 December 2024	348,700	61,827	410,527

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

10. INVESTMENT PROPERTIES (cont'd)

- (b) The Group's investment properties were valued at their fair values at 31 December 2024 and 30 June 2024 by Knight Frank Petty Limited, an independent firm of professional qualified valuers, on a market value basis, in accordance with Valuation Standards on Properties issued by Hong Kong Institute of Surveyors.

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

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

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

	Fair value		Weighted average capitalization rate	
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Completed				
Hong Kong	275,134	274,585	5.1%	5.1%
Mainland	73,566	74,629	6.6%	6.6%
	348,700	349,214		
	Fair value (residual method)		Capitalization rate	
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Under development				
Hong Kong	27,517	25,578	3.5% - 5.5%	3.5% - 5.5%
Mainland	34,310	33,632	5.0% - 8.8%	5.0% - 8.8%
	61,827	59,210		

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2024, additions to property, plant and equipment amounted to HK\$1,766 million, of which HK\$390 million are additions to right-of-use assets. Net book value of property, plant and equipment disposed of during the period amounted to HK\$52 million.

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

12. FINANCIAL INVESTMENTS

31 December 2024				
	Measured at FVTPL	Measured at FVOCI	Measured at amortized cost	Total
Non-current assets				
Debt securities	–	181	96	277
Equity securities	405	673	–	1,078
	405	854	96	1,355
Current assets				
Debt securities	–	46	–	46
Equity securities	684	–	–	684
	684	46	–	730
30 June 2024				
	Measured at FVTPL	Measured at FVOCI	Measured at amortized cost	Total
Non-current assets				
Debt securities	13	157	360	530
Equity securities	440	711	–	1,151
	453	868	360	1,681
Current assets				
Debt securities	–	–	74	74
Equity securities	674	–	–	674
	674	–	74	748

13. OTHER NON-CURRENT ASSETS

	31 December 2024	30 June 2024
Mortgage loan receivables	2,681	2,844
Other loan receivables	1,095	1,086
Total loans receivables	3,776	3,930
Less: Amount due within one year included under trade and other receivables	(350)	(265)
	3,426	3,665
Derivative financial instruments	49	78
	3,475	3,743

Mortgage loan receivables are secured by first or second mortgages on properties and repayable by monthly instalments with various tenors up to 30 years at the end of the reporting period and carry interest at rates with reference to banks' lending rates. The balance includes first mortgage loans of HK\$1,912 million (30 June 2024: HK\$1,946 million). The Group recognizes expected credit loss for all loans receivables based on its assessment of changes in credit risk on a collective basis, with reference to both historical loss experience and forward-looking information. Changes in the loss allowance are recognized in profit or loss.

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

14. TRADE AND OTHER RECEIVABLES

	Notes	31 December 2024	30 June 2024
Trade receivables	(a)	3,959	3,645
Other account receivables, deposits and prepayments	(b)	16,258	12,255
Deposits for acquisition of properties		253	247
Contract assets		549	703
Short-term loans		350	265
Derivative financial instruments		9	–
		21,378	17,115

(a) At 31 December 2024, 64% of trade receivables are aged less than 30 days, 14% between 31 to 60 days, 8% between 61 to 90 days and 14% more than 90 days (30 June 2024: 63%, 11%, 7% and 19% respectively).

(b) The balance includes contract acquisition costs of HK\$219 million (30 June 2024: HK\$217 million) primarily related to incremental commission costs incurred to obtain property sales and telecommunication services contracts with customers. There was no impairment loss in relation to the cost capitalized.

15. TRADE AND OTHER PAYABLES

	31 December 2024	30 June 2024
Trade payables	2,953	3,070
Other payables and accrued expenses	26,527	26,076
Contract liabilities	1,126	1,179
Amounts due to non-controlling interests	1,190	1,213
Lease liabilities	790	874
	32,586	32,412

At 31 December 2024, 61% of trade payables are aged less than 30 days, 10% between 31 to 60 days, 3% between 61 to 90 days, and 26% more than 90 days (30 June 2024: 57%, 9%, 5% and 29% respectively).

16. SHARE CAPITAL

	Number of shares in million	Amount
Issued and fully paid:		
Ordinary shares		
At 30 June 2024 and 31 December 2024	2,898	70,703

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

17. RELATED PARTY TRANSACTIONS

In the normal course of business, the Group undertook a variety of transactions with certain of its associates and joint ventures. The most significant transactions between the Group and these related parties which were carried out on commercial terms are summarized as follows:

	Associates		Joint ventures	
	Six months ended 31 December		Six months ended 31 December	
	2024	2023	2024	2023
Interest income	–	–	48	47
Cash rental paid	1	–	32	29
Other revenue from services rendered	97	132	1,587	773
Purchase of goods and services	–	–	143	332

18. CONTINGENT LIABILITIES AND COMMITMENTS

The Group had contingent liabilities and commitments, so far as not provided for in the condensed consolidated financial statements, as follows:

	31 December 2024	30 June 2024
(a) Capital commitments in respect of investment properties and property, plant and equipment		
Contracted but not provided for	3,054	3,533
Authorized but not contracted for	11,552	12,164
(b) The Group's share of capital commitments of joint ventures		
Contracted but not provided for	1,879	2,229
Authorized but not contracted for	2,608	3,309
(c) Guarantees for bank borrowings of joint ventures and other guarantees in the aggregate amount of HK\$1,901 million (30 June 2024: HK\$1,907 million).		

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

The following tables present the carrying value of the Group's financial instruments that are measured at fair value at the end of the reporting period, categorized into the three-level fair value hierarchy defined as follows:

Level 1	Fair values measured at unadjusted quoted prices in active markets for identifiable assets or liabilities at the measurement date. This level includes all listed debt securities and listed equity securities, and certain unlisted debt securities that are measured at quoted prices in active markets.
Level 2	Fair values measured using inputs other than quoted prices where those inputs are based on observable market data and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
Level 3	Fair values measured using significant unobservable inputs. This level includes all unlisted equity securities, except for certain unlisted equity securities which are classified as Level 2 as they are measured using inputs that are derived from or corroborated by observable market data.

As at 31 December 2024

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Equity securities	684	–	405	1,089
Financial assets at FVOCI				
Debt securities	227	–	–	227
Equity securities	352	6	315	673
Derivative financial instruments				
Cross currency interest rate swaps	–	49	–	49
Forward foreign exchange contracts	–	9	–	9
	1,263	64	720	2,047
Financial liabilities				
Bond and notes subject to fair value hedges	–	1,038	–	1,038
Derivative financial instruments				
Cross currency interest rate swaps	–	378	–	378
Interest rate swaps	–	1	–	1
	–	1,417	–	1,417

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

19. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(a) Financial instruments carried at fair value (cont'd)

As at 30 June 2024

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Debt securities	13	–	–	13
Equity securities	674	–	440	1,114
Financial assets at FVOCI				
Debt securities	157	–	–	157
Equity securities	389	7	315	711
Derivative financial instruments				
Cross currency interest rate swaps	–	71	–	71
Forward foreign exchange contracts	–	7	–	7
	1,233	85	755	2,073
Financial liabilities				
Bond and notes subject to fair value hedges				
	–	1,030	–	1,030
Derivative financial instruments				
Cross currency interest rate swaps	–	354	–	354
Interest rate swaps	–	5	–	5
	–	1,389	–	1,389

There were no transfer amongst Level 1, Level 2 and Level 3 in the fair value hierarchy and no change in valuation techniques used during the period.

(i) Valuation techniques and inputs used in Level 2 fair value measurement

The fair values of cross currency interest rate swap contracts and interest rate swap contracts in Level 2 are calculated as the present value of the estimated future cash flows based on the terms and maturity of each contract, taking into account the current interest rates and the current creditworthiness of the swap counterparties.

The fair value of forward foreign exchange contracts in Level 2 is determined by using the forward exchange rates at the end of the reporting period quoted from financial institutions.

The fair value of bonds and notes subject to fair value hedges is determined based on cash flows discounted using current market interest rates for similar financial instruments.

Notes to the Condensed Consolidated Financial Statements

(Expressed in millions of Hong Kong dollars)

19. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(a) Financial instruments carried at fair value (cont'd)

(ii) Valuation techniques and inputs used in Level 3 fair value measurement

The fair value of unlisted equity securities in Level 3 is determined by reference to the net asset value of the investees, or by using discounted cash flow models or market approach with reference to multiples of comparable listed companies, adjusted for a discount for lack of marketability.

The movement during the period in the balance of Level 3 fair value measurement is as follows:

	Financial assets measured at		
	FVTPL	FVOCI	Total
Unlisted equity securities			
At 1 July 2024	440	315	755
Purchases	15	–	15
Sales	(4)	–	(4)
Change in fair value recognized in profit or loss	(46)	–	(46)
At 31 December 2024	405	315	720

(b) Fair values of financial assets and liabilities carried at cost or amortized cost

The following table presents the carrying amounts of the Group's financial instruments measured at cost or amortized cost which were different from their fair values at the end of the reporting period.

	31 December 2024		30 June 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Debt securities	96	134	434	439
Long-term borrowings	108,393	105,953	115,559	112,733

The fair value of debt securities is measured at quoted market prices. The fair value of long-term borrowings is estimated by discounting their future cash flows using the market interest rates prevailing at the end of the reporting period.

All other financial instruments measured at cost or amortized cost are typically those that are short-term in nature or carry variable interest rates and reprice to current market rate changes. Accordingly, their carrying amounts approximate their fair values.

Financial Review

REVIEW OF RESULT FOR THE FIRST HALF OF FY2024/25

Underlying profit attributable to the Company's shareholders, excluding the fair value changes on investment properties and including the fair value gains realized on sale of investment properties for the six months ended 31 December 2024 was HK\$10,463 million, increased by 18% or HK\$1,557 million compared with HK\$8,906 million for the same period last year. The profit increase was primarily driven by higher recognized profits from property development, lower finance costs, and gains from the disposal of investment properties and land resumption, which was partly offset by a slight decline in property rental income and impairment provision for development properties.

Reported profit attributable to shareholders was HK\$7,523 million, representing a decrease of HK\$1,622 million or 18% compared with HK\$9,145 million for the same period last year.

	Six months ended 31 December	
	2024 HK\$ Million	2023 HK\$ Million
Reported profit attributable to Company's shareholders	7,523	9,145
Adjustments in respect of investment properties		
Net fair value loss/(gain) for the period	2,034	(432)
Fair value gains realized on disposal during the period	906	193
Net effect	2,940	(239)
Underlying profit attributable to Company's shareholders	10,463	8,906

Total revenue of the Group's business segments (including share of joint ventures and associates) for the six months ended 31 December 2024 was HK\$45,052 million, representing a 33% increase over the corresponding period last year, primarily due to higher revenue from property development in Hong Kong. Segment operating profit was HK\$14,466 million (2023: HK\$14,348 million).

Revenue and Operating profit by segment for the six months ended 31 December (including share of joint ventures and associates)

	Revenue		Operating profit	
	2024 HK\$ Million	2023 HK\$ Million	2024 HK\$ Million	2023 HK\$ Million
Property development				
Hong Kong	16,031	3,612	2,325	1,235
Mainland	617	1,594	181	805
	16,648	5,206	2,506	2,040
Property rental				
Hong Kong	8,813	8,941	6,339	6,574
Mainland	3,089	3,139	2,377	2,473
Singapore	378	374	288	279
	12,280	12,454	9,004	9,326
Hotel operations	2,698	2,757	377	430
Telecommunications	3,492	3,390	420	361
Transport infrastructure and logistics	4,350	4,342	866	947
Data centre operations	1,470	1,290	745	616
Other businesses	4,114	4,491	548	628
Segment total	45,052	33,930	14,466	14,348

Financial Review

Revenue from property development (including share of joint ventures) in Hong Kong for the six months ended 31 December 2024 was HK\$16,031 million, compared to HK\$3,612 million for the corresponding period last year, and was mainly derived from sales of residential units in YOHO WEST Phase 1, The YOHO Hub II, St. Barths and Grand Jeté Phase 2. Development profit increased by 88% to HK\$2,325 million. Profit margin was 15% compared to 34% for the same period last year.

Revenue from property development (including share of joint ventures) on the mainland was HK\$617 million, compared to HK\$1,594 million for the same period last year. The decrease was mainly due to lower sales volume of residential units. Development profit decreased to HK\$181 million. The contributions were mainly attributable to sales of residential units in Park Royale, Oriental Bund, The Woodland and Grand Waterfront.

As at 31 December 2024, contracted sales of properties (including investment properties) attributable to the Group (including share of joint ventures) not yet recognized amounted to HK\$43.6 billion, comprising HK\$30.4 billion in Hong Kong, of which about HK\$20.2 billion is expected to be recognized in the second half of the current financial year and HK\$7.5 billion in the next financial year, and HK\$13.2 billion on the mainland, of which HK\$8.3 billion will be booked in the second half of the current financial year and HK\$2.3 billion in the next financial year.

Rental revenue of property investment in Hong Kong, including share of joint ventures and associates, decreased by 1% to HK\$8,813 million. Net rental income decreased by 4% to HK\$6,339 million. The decrease was mainly due to decreased contributions from the office segment. The office portfolio recorded a revenue drop of 5% to HK\$2,847 million due to negative rental reversions. Revenue of the retail portfolio decreased by 1% to HK\$4,593 million, mainly due to reduced turnover rents. Revenue of the Group's residential and serviced apartment portfolio grew by 15% year-on-year, driven mostly by increase in rent rates and full year contribution from TOWNPLACE WEST KOWLOON.

Rental revenue and net rental income of the mainland portfolio, including share of joint ventures, decreased by 2% and 4% in Hong Kong dollar terms to HK\$3,089 million and HK\$2,377 million, respectively. In Renminbi ("RMB") terms, rental revenue decreased by 2% to RMB2,847 million (2023: RMB2,896 million), mainly due to a decline in turnover rents of the retail portfolio.

Hotel segment (including share of joint ventures) revenue decreased by 2% year-on-year to HK\$2,698 million, primarily due to a decline in food and beverages sales. Room sales remained stable, supported by an improved occupancy. Operating profit decreased by 12% to HK\$377 million due to increased operating costs and additional costs incurred from new hotels that commenced operations on the mainland. An average occupancy rate of 90% was achieved for the Group's hotels in Hong Kong during the period, up from 84% last year.

SmarTone's revenue and operating profit increased by 3% and 16% to HK\$3,492 million and HK\$420 million, respectively, driven by the growth in roaming and 5G Home Broadband services.

The Group's transport infrastructure and logistics segment (including share of joint ventures and associates) remained resilient, with revenue holding steady at HK\$4,350 million, unchanged from the previous year. Operating profit was HK\$866 million. The business aviation centre operations, toll road and franchised bus services all showed stable performance.

SUNeVision's revenue increased by 14% to HK\$1,470 million and operating profit increased by 21% to HK\$745 million, driven by an increase in contract prices and contribution from new data centre MEGA IDC Phase 1.

The Group's other businesses (including share of joint ventures and associates), which include mainly property management, department store operations and financial services, reported a 8% drop in revenue to HK\$4,114 million and a 13% drop on operating profit to HK\$548 million. YATA is currently undergoing a store revamp, which temporarily impacted its operations.

Financial Review

Other Net Income

Other net income (including share of joint ventures and associates) amounted to HK\$563 million (2023: HK\$307 million). This included a HK\$1,122 million gain from land resumption by the Government and a reported profit of HK\$249 million from the sale of investment properties, partly offset by an impairment provision of HK\$1,084 million related to development properties.

The land resumption included around 2.5 million square feet in Hung Shui Kiu/Ha Tsuen New Development Area owned by the Group, with a total cash compensation of approximately HK\$3,000 million.

The reported profit of HK\$249 million on sale of investment properties (calculated on the basis of net sales proceeds over fair value) was mainly derived from the disposal of 25 units in Tower 2 and 3 of Dynasty Court. The Group realized net proceeds of HK\$1,459 million from these disposals, contributing HK\$1,152 million to the Group's underlying profit (calculated on the basis of net sales proceeds over costs). In the second half of the financial year, another 26 units in Tower 3 of Dynasty Court, with a total purchase consideration of approximately HK\$1,300 million, are scheduled for handover.

The HK\$1,084 million impairment provision was primarily attributed to the Cullinan Sky residential project. This provision was based on estimated sales proceeds, minus the costs required to complete and sell the project, excluding previously expensed selling and marketing costs. Cullinan Sky consists of 1,490 units in two phases, covering a total gross floor area of approximately 1.06 million square feet. In the first phase, 887 out of 906 units were pre-sold, generating contracted sales of approximately HK\$11,100 million.

Fair Value Change of Investment Properties

Investment properties were carried at fair values based on independent valuation as at 31 December 2024. These consist of completed investment properties and investment properties under development.

The Group (including share of joint ventures and associates) recorded a decrease of HK\$2,743 million (2023: increase of HK\$558 million) in the fair value of investment properties in Hong Kong and HK\$273 million (2023: HK\$711 million) in the mainland, and shared an increase of HK\$774 million (2023: HK\$262 million) in the fair value of ION Orchard mall in Singapore. Net fair value loss attributable to the Company's shareholders, after related deferred taxation and non-controlling interests, was HK\$2,034 million (2023: gain of HK\$432 million).

Finance Costs and Interest Cover

For the six months ended 31 December 2024, the Group's net finance costs including capitalized interest decreased by HK\$429 million to HK\$2,440 million, reflecting lower average effective cost of borrowings. Net finance costs charged to the income statement (after interest capitalized) decreased by HK\$313 million to HK\$1,447 million.

Interest cover for the period was 5.0 times (2023: 3.8 times), measured by the ratio of operating profit to total net interest expenses including those capitalized.

The average effective interest rate of the Group's borrowings for the six months ended 31 December 2024 is analyzed as follows:

	Six months ended	
	31 December	
	2024	2023
Fixed rate	2.8%	2.7%
Floating rate	4.6%	5.3%
Weighted average interest rate	4.0%	4.5%

Financial Review

FINANCIAL MANAGEMENT

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

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

Gearing Ratio

The Group's balance sheet remains strong. Shareholders' equity was HK\$605.0 billion or HK\$208.8 per share as at 31 December 2024 compared with HK\$606.7 billion as at 30 June 2024. The marginal decrease was primarily driven by HK\$8.1 billion of dividends paid, offset by HK\$6.4 billion in profits and other reserves movements generated during the period.

As at 31 December 2024, the Group's net debt amounted to HK\$107,828 million (30 June 2024: HK\$110,866 million). Gearing ratio as at 31 December 2024, calculated on the basis of net debt to shareholders' equity of the Company, was 17.8% (30 June 2024: 18.3%). The decrease in net debt since 30 June 2024 was primarily driven by cash inflows from property sales and lower construction spending during the period.

Debt Maturity Profile and Composition

As at 31 December 2024, the Group's gross borrowings totalled HK\$122,258 million, of which 67% were bank loans and 33% were notes and bonds, which are repayable on various dates up to June 2033. 72% of the Group's gross borrowings were raised through its wholly-owned finance subsidiaries and the remaining 28% through operating subsidiaries.

The Group's debt maturity profile was well-staggered with around 72% of the borrowings repayable after two years. The average tenure of the entire debt portfolio was 3.3 years as at 31 December 2024 (30 June 2024: 3.3 years).

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

	At 31 December 2024		At 30 June 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Repayable:				
Within one year	12,827	11%	10,498	8%
After one year but within two years	21,155	17%	20,052	16%
After two years but within five years	66,233	54%	74,816	59%
After five years	22,043	18%	21,721	17%
Total bank and other borrowings	122,258	100%	127,087	100%
Bank deposits and cash	14,430		16,221	
Net debt	107,828		110,866	

Financial Review

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

(i) By currency (after currency swap)

	At 31 December 2024		At 30 June 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Hong Kong dollar	92,707	76%	99,867	79%
RMB	27,820	23%	25,527	20%
British pound	1,731	1%	1,693	1%
Total borrowings	122,258	100%	127,087	100%

When financing operations outside Hong Kong, the Group will borrow on the same currency as the underlying assets or when feasible, hedge through cross currency swaps for exchange risk exposure. At 31 December 2024, about 23% of the Group's total borrowings were denominated in RMB to act as natural hedges of net investments in the mainland.

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

	At 31 December 2024		At 30 June 2024	
	HK\$ Million	% of Total	HK\$ Million	% of Total
Fixed	41,117	34%	39,660	31%
Floating				
– Hong Kong dollar	62,197	51%	67,007	53%
– RMB	17,213	14%	18,727	15%
– British pound	1,731	1%	1,693	1%
Total borrowings	122,258	100%	127,087	100%

Financial Resources

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

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

Financial Review

Foreign Exchange Rate Risk Management

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

The Group is exposed to currency translation risk mainly arising from translating the financial statements of subsidiaries and joint ventures operating in the mainland. The Group has not entered into foreign currency derivatives to hedge the translation risk exposure of its net investments in mainland and maintained an appropriate level of RMB-denominated financial resources for capital requirements. Land acquisition costs for the mainland projects are principally financed by capital injection funded by the Group's equity and internally generated funds. On-going business operations in the mainland are financed through internal resources and borrowings in RMB. As at 31 December 2024, approximately 17% of the Group's net assets were denominated in RMB. Compared with 30 June 2024, RMB depreciated against Hong Kong dollar by about 1%. The translation of these RMB assets into Hong Kong dollar at the exchange rate as of 31 December 2024 resulted in a translation loss of approximately HK\$1.1 billion (2023: gain of HK\$2.1 billion), recognized in the exchange reserve.

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

Derivative Instruments

As at 31 December 2024, the Group has entered into certain interest rate swaps, cross currency interest rate swaps and forward foreign exchange contracts in the aggregate notional amount of HK\$16,388 million to manage its interest rate risk and currency risk exposures. The use of derivative instruments is strictly controlled and solely for hedging the Group's underlying financial exposures for its core business operations. It is the Group's policy not to enter into derivative and structured product transactions for speculative purposes.

Bank Deposits and Cash

As at 31 December 2024, the Group's bank deposits and cash amounted to HK\$14,430 million, of which 71% were denominated in Hong Kong dollar, 23% in RMB, and the remaining 6% mostly in US dollar. The RMB deposits were mostly held by the mainland subsidiaries for meeting the funding needs of their mainland projects.

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

CHARGES OF ASSETS

As at 31 December 2024, certain bank deposits of the Group's subsidiaries in the aggregate amount of HK\$45 million were pledged for securing guarantees issued by the banks. Additionally, certain assets of the Group's subsidiaries with an aggregate carrying value of HK\$16,616 million have been charged as security for bank borrowings. Except for the aforementioned charges, all the Group's assets are free from any encumbrances.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had contingent liabilities in respect of guarantees for bank borrowings of certain joint ventures and other guarantees in the aggregate amount of HK\$1,901 million (30 June 2024: HK\$1,907 million).

Other Information

DIRECTORS

The list of Directors of the Company is set out on page 2 of this report. The particulars of the Directors and their changes are set out as follows:

Kwok Ping-luen, Raymond

Hon LLD, Hon DBA, MBA, MA (Cantab), JP
Chairman & Managing Director (Age: 71)

Mr. Kwok has been Chairman of the Company since December 2011. Prior to the appointment as Chairman of the Company, Mr. Kwok had acted as Vice Chairman of the Company for 21 years. He is also the Managing Director and a member of the Executive Committee of the Company as well as a director of certain subsidiaries of the Company. He has been with the Group for 46 years. Mr. Kwok holds a Master of Arts degree in Law from Cambridge University, a Master's degree in Business Administration from Harvard University, an Honorary Doctorate degree in Business Administration from Hong Kong Metropolitan University and an Honorary Doctorate degree in Laws from The Chinese University of Hong Kong. Mr. Kwok is the chairman and an executive director of SUNeVision Holdings Ltd. He is also the chairman and a non-executive director of SmarTone Telecommunications Holdings Limited, and a non-executive director of Transport International Holdings Limited and Wing Tai Properties Limited.

In civic activities, Mr. Kwok is a director of The Real Estate Developers Association of Hong Kong.

Mr. Kwok is a son of Madam Kwong Siu-hing, who is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Kwok is the father of Messrs. Kwok Kai-wang, Christopher and Kwok Ho-lai, Edward. He is also an uncle of Messrs. Kwok Kai-fai, Adam and Kwok Kai-chun, Geoffrey.

For the year ended 30 June 2024, Mr. Kwok is entitled to receive a fee of HK\$320,000 for being the Chairman of the Company. He is also entitled to receive other emoluments in the total sum of approximately HK\$3.77 million, including fees of HK\$60,000 and HK\$180,000 for being the chairman of SUNeVision Holdings Ltd. and SmarTone Telecommunications Holdings Limited respectively.

Wong Chik-wing, Mike

MSc(IRE), FHKIS, RPS (BS), JP
Deputy Managing Director (Age: 69)

Mr. Wong has been a Deputy Managing Director of the Company since July 2012. He joined the Group in 1981 and has been an Executive Director of the Company since January 1996. He is also a member of the Executive Committee of the Company and a director of certain subsidiaries of the Company. Mr. Wong graduated from The Hong Kong Polytechnic University with distinction and holds a Master's degree in International Real Estate. He is a fellow of The Hong Kong Institute of Surveyors and a registered professional surveyor. Mr. Wong is a director of The Real Estate Developers Association of Hong Kong. He is also an Adjunct Professor of both The University of Hong Kong (Department of Real Estate and Construction) and The Hong Kong Polytechnic University (Department of Building and Real Estate). He is currently responsible for planning and development, and project management matters of the Group's development projects.

For the year ended 30 June 2024, Mr. Wong is entitled to receive a fee of HK\$300,000 for being a Director of the Company and other emoluments of approximately HK\$29.78 million.

Other Information

Lui Ting, Victor

BBA

Deputy Managing Director (Age: 70)

Mr. Lui has been an Executive Director and a Deputy Managing Director of the Company since April and July 2012 respectively. He is also a member of the Executive Committee of the Company and a director of certain subsidiaries of the Company. He joined the Group in 1977 and is currently responsible for the sales and marketing of a number of large residential developments as well as acquisition and disposal of non-core property investment projects of the Group. He holds a Bachelor of Business Administration degree from The Chinese University of Hong Kong.

For the year ended 30 June 2024, Mr. Lui is entitled to receive a fee of HK\$300,000 for being a Director of the Company and other emoluments of approximately HK\$30.03 million.

Yip Dicky Peter

MBA, BBS, MBE, JP

Independent Non-Executive Director (Age: 78)

Mr. Yip has been an Independent Non-Executive Director of the Company since September 2004. He is also a member of both the Audit and Risk Management Committee and the Nomination Committee of the Company. He joined The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) in Hong Kong in 1965 with working experiences in London, China and San Francisco. From January 2003 to April 2005, Mr. Yip was appointed chief executive China business, based in Shanghai; meanwhile, he was also a director of Bank of Shanghai, Ping An Insurance and Ping An Bank on the mainland. Mr. Yip became a general manager of HSBC in April 2005 until his retirement from HSBC in June 2012. He was an independent non-executive director of Ping An Insurance (Group) Company of China, Ltd. and DBS Bank in Hong Kong and on the mainland, the founding chairman of Ping An OneConnect Bank (Hong Kong) Limited (now known as PAO Bank Limited), and an independent director of S.F. Holding Co., Ltd. Mr. Yip was the chief representative for the Asia-Pacific Region of Institute of International Finance from July 2012 to July 2015.

Mr. Yip is an elected associated member of the Chartered Institute of Bankers, London. He was educated in Hong Kong with an MBA from The University of Hong Kong. Mr. Yip received the Ten Outstanding Young Persons of Hong Kong in 1984 for his contributions to the banking industry and the community in Hong Kong. Mr. Yip was awarded the MBE by the British Government in 1984. In 1999, he was appointed Unofficial Justice of the Peace in Hong Kong. In 2000, he was awarded the Bronze Bauhinia Star by the Hong Kong Special Administrative Region Government. He also served two terms since June 2008 as a member of Shanghai Committee of the Chinese People’s Political Consultative Conference.

Mr. Yip is active in community and youth activities in Hong Kong and is a member of a number of service organizations such as Hong Kong Committee for United Nations Children Fund, the 8th National Council of Red Cross Society of China, Hong Kong Housing Society and Hong Kong Air Cadet Corps.

For the year ended 30 June 2024, Mr. Yip is entitled to receive fees of HK\$300,000 for being a Director of the Company, HK\$280,000 for being a member of the Audit and Risk Management Committee of the Company and HK\$60,000 for being a member of the Nomination Committee of the Company.

Other Information

Professor Wong Yue-chim, Richard

SBS, JP

Independent Non-Executive Director (Age: 72)

Professor Wong has been an Independent Non-Executive Director of the Company since May 2005. He is the Chairman of both the Nomination Committee and the Remuneration Committee, and a member of the Audit and Risk Management Committee of the Company. Professor Wong studied Economics at The University of Chicago and graduated with a Doctorate in Philosophy. He is Professor of Economics at The University of Hong Kong. Professor Wong was awarded the Silver Bauhinia Star in 1999 by the Government of the Hong Kong Special Administrative Region for his contributions in education, housing, industry and technology development. In addition, he was appointed Justice of the Peace in July 2000.

Professor Wong serves as an independent non-executive director of Great Eagle Holdings Limited and Pacific Century Premium Developments Limited.

For the year ended 30 June 2024, Professor Wong is entitled to receive fees of HK\$300,000 for being a Director of the Company, HK\$280,000 for being a member of the Audit and Risk Management Committee of the Company, and HK\$70,000 for being the Chairman of each of the Nomination Committee and the Remuneration Committee of the Company.

Dr. Li Ka-cheung, Eric

LLD, DSocSc., HonDSocSc (EdUHK), B.A., GBS, OBE, JP

Independent Non-Executive Director (Age: 71)

Dr. Li was appointed as a Non-Executive Director of the Company in May 2005. He is currently an Independent Non-Executive Director, the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee of the Company. He is also an independent non-executive director and the chairman of the audit committee and the remuneration committee of SmarTone Telecommunications Holdings Limited.

Dr. Li is the honorary chairman of Shinewing (HK) CPA Limited. He is also an independent non-executive director of Transport International Holdings Limited, Wong's International Holdings Limited and China Resources Beer (Holdings) Company Limited.

Dr. Li was a member of the 10th to 13th National Committee of the Chinese People's Political Consultative Conference. He was also a former member of the Legislative Council of Hong Kong, the chairman of its Public Accounts Committee, a past president of the Hong Kong Institute of Certified Public Accountants and a former convenor-cum-member of the Financial Reporting Review Panel.

For the year ended 30 June 2024, Dr. Li is entitled to receive fees of HK\$300,000 for being a Director of the Company, HK\$320,000 for being the Chairman of the Audit and Risk Management Committee of the Company and HK\$60,000 for being a member of the Remuneration Committee of the Company. He is also entitled to receive other emoluments in the total sum of HK\$288,000 for being a director and the chairman of the audit committee and the remuneration committee of SmarTone Telecommunications Holdings Limited.

Other Information

Dr. Fung Kwok-lun, William

SBS, OBE, JP

Independent Non-Executive Director (Age: 76)

Dr. Fung has been an Independent Non-Executive Director of the Company since February 2010. He graduated from Princeton University with a Bachelor of Science degree in Engineering and also holds an MBA degree from the Harvard Graduate School of Business. He was conferred the degrees of Doctor of Business Administration, *honoris causa*, by The Hong Kong University of Science and Technology, by The Hong Kong Polytechnic University and by Hong Kong Baptist University and degree of Doctor of Letters, *honoris causa*, by Wawasan Open University of Malaysia.

Dr. Fung is the chairman and a non-executive director of Convenience Retail Asia Limited, which is within the Fung Group. He is also an independent non-executive director of VTech Holdings Limited and The Hongkong and Shanghai Hotels, Limited. Formerly, he was the group non-executive chairman of Li & Fung Limited until October 2020.

Dr. Fung has held key positions in major trade associations. He is the past chairman of the Hong Kong General Chamber of Commerce (1994–1996), the Hong Kong Exporters' Association (1989–1991) and the Hong Kong Committee for Pacific Economic Cooperation (1993–2002). He was a Hong Kong Special Administrative Region delegate to the Chinese People's Political Consultative Conference (1998–2003). He has been awarded the Silver Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2008.

For the year ended 30 June 2024, Dr. Fung is entitled to receive a fee of HK\$300,000 for being a Director of the Company.

Dr. Leung Nai-pang, Norman

LLD, GBS, JP

Independent Non-Executive Director (Age: 84)

Dr. Leung has been an Independent Non-Executive Director of the Company since July 2012. He is also a member of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee of the Company. Dr. Leung is the chairman and an independent non-executive director of Transport International Holdings Limited.

Dr. Leung has been active in public service for 40 years and he served as Commissioner of the Civil Aid Service from 1993 to 2007, chairman of the Broadcasting Authority from 1997 to 2002, council chairman of City University of Hong Kong from 1997 to 2003, Pro-Chancellor of City University of Hong Kong from 2005 to 2016, and council chairman of The Chinese University of Hong Kong from 2016 to 2022.

For the year ended 30 June 2024, Dr. Leung is entitled to receive fees of HK\$300,000 for being a Director of the Company, HK\$280,000 for being a member of the Audit and Risk Management Committee of the Company, and HK\$60,000 for being a member of each of the Nomination Committee and the Remuneration Committee of the Company.

Other Information

Leung Ko May-yee, Margaret

SBS, JP

Independent Non-Executive Director (Age: 72)

Mrs. Leung has been an Independent Non-Executive Director of the Company since March 2013. She holds a Bachelor's degree in Economics, Accounting and Business Administration from The University of Hong Kong. She was the vice-chairman and the chief executive of Hang Seng Bank Limited, the chairman of Hang Seng Bank (China) Limited, a director of various subsidiaries of Hang Seng Bank Limited, a director of The Hongkong and Shanghai Banking Corporation Limited and the Group General Manager of HSBC Holdings plc prior to her retirement from the HSBC group in June 2012.

Mrs. Leung is currently an independent non-executive director of First Pacific Company Limited, Agricultural Bank of China Limited and China Mobile Limited. In addition, she was an independent non-executive director of Swire Pacific Limited, Hutchison Whampoa Limited, China Construction Bank Corporation, QBE Insurance Group Limited, Hong Kong Exchanges and Clearing Limited and Li & Fung Limited as well as the deputy chairman, managing director and chief executive of Chong Hing Bank Limited.

Mrs. Leung is a non-official member of the Executive Council, the chairman of the Advisory Committee on Arts Development of the Culture, Sports and Tourism Bureau, and a member of the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials and the Culture Commission of the Government of the Hong Kong Special Administrative Region. She is also a non-ex officio member of The Law Reform Commission of Hong Kong, an Honorary Steward of The Hong Kong Jockey Club, and a council member, the treasurer and the chairman of the finance committee and a member of the human resources policy committee of The University of Hong Kong. Mrs. Leung was the chairman of the board of governors of Hang Seng Management College and Hang Seng School of Commerce, a court member of Hong Kong Baptist University, and a member of the advisory board and the chairman of the investment committee of the Hong Kong Export Credit Insurance Corporation from 2005 to 2010. She was also a member of the Greater Pearl River Delta Business Council, the advisory committee of the Securities and Futures Commission, the Banking Review Tribunal, the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Hong Kong Special Administrative Region, and the Public Service Commission, the chairman of the executive committee of The Community Chest of Hong Kong, and a member of the board of directors and the finance committee of the Hospital Authority.

For the year ended 30 June 2024, Mrs. Leung is entitled to receive a fee of HK\$300,000 for being a Director of the Company.

Fan Hung-ling, Henry

SBS, JP

Independent Non-Executive Director (Age: 76)

Mr. Fan has been an Independent Non-Executive Director of the Company since March 2018. He graduated from The University of Hong Kong with an honours degree in Economics and Business Management and also holds a Bachelor of Laws degree from University of Beijing. He is a Barrister-at-Law in Hong Kong, and in England and Wales as well as an Attorney-at-Law in the State of California, U.S.A.

Mr. Fan has over 30 years of experience in business management. He was a director and then managing director of CITIC Pacific Limited (now known as CITIC Limited) from 1990 and 1992 respectively to 2009. In addition, Mr. Fan was a deputy chairman of Cathay Pacific Airways Limited from 1997 to 2009 and an independent non-executive director of Hong Kong Exchanges and Clearing Limited from 2003 to 2009. He is currently an independent non-executive director of HKR International Limited. Mr. Fan is also the managing director of Hong Kong Glory Limited, a family investment company.

Other Information

Mr. Fan has a long record of public service in Hong Kong. He is the chairman of the Hospital Authority and the board of directors of West Kowloon Cultural District Foundation Limited. Mr. Fan was a non-official member of the Executive Council of the Hong Kong Special Administrative Region, a member of the Chief Executive's Council of Advisers on Innovation and Strategic Development, the chairman of the Mandatory Provident Fund Schemes Authority, a non-executive director of the Securities and Futures Commission, and a member of the board of directors of the West Kowloon Cultural District Authority.

For the year ended 30 June 2024, Mr. Fan is entitled to receive a fee of HK\$300,000 for being a Director of the Company.

Kwan Cheuk-yin, William

LLB

Non-Executive Director (Age: 90)

Mr. Kwan has been a Non-Executive Director of the Company since July 1999 and is a member of both the Nomination Committee and the Remuneration Committee of the Company. Mr. Kwan was the managing partner of Woo Kwan Lee & Lo, Solicitors and had over 62 years of experience in legal practice. He retired as such on 31 March 2021 and thereafter he was appointed a consultant of the firm. He is a former director and advisor and currently a voting member of the Tung Wah Group of Hospitals. He is a vice president of Scout Association of Hong Kong, a vice chairman of the Scout Performing Arts Committee, a chairman of Air Activities Committee, an adviser of Air Activities Development Fund Committee, a chairman of Scout Association of Hong Kong Leadership Training Institute Foundation Management Committee, a member of Programme Committee of Scout Association of Hong Kong and a vice chairman of World Scout Foundation Baden-Powell Fellowship Hong Kong Chapter. Mr. Kwan is a past member of the Stamp Advisory Committee and was a committee member of the Hong Kong Philatelic Society up to 31 March 2021 and thereafter was appointed honorary life president of the Hong Kong Philatelic Society. He is an honorary member of the Federation of Inter-Asia Philately (FIAP), president of FIAP Grand Prix Club, formerly vice president of FIAP and winner of two Grand Prix International at FIP Exhibitions. He is also a president of the Hong Kong Branch of the King's College London Association, a permanent advisor of Wah Yan (Hong Kong) Past Students Association and a chairman of Wah Yan Dramatic Society. Mr. Kwan is a committee member and legal advisor of South China Athletic Association and former vice manager of its Football Section as well as manager of its Ten Pin Bowling Section and an honorary legal advisor of the Hong Kong Society for Reproductive Society.

Mr. Kwan was commissioner general and vice chairman of the Organizing Committees of the Hong Kong 1994, 1997, 2001 and 2004 International Stamp Exhibitions and was commissioner general and chairman of the Organizing Committees of the Hong Kong 2009 and 2015 International Stamp Exhibitions. He served on the Hong Kong Golf Club General Committee on several occasions in various capacities. He graduated from King's College, London University and is a fellow of King's College London, the Institute of Arbitrators and the Royal Philatelic Society, London.

For the year ended 30 June 2024, Mr. Kwan is entitled to receive fees of HK\$300,000 for being a Director of the Company, and HK\$60,000 for being a member of each of the Nomination Committee and the Remuneration Committee of the Company.

Other Information

Kwok Kai-chun, Geoffrey

BA

Non-Executive Director (Age: 39)

Mr. Kwok has been a Non-Executive Director of the Company since December 2018. He holds a Bachelor of Arts degree in Economics from Yale University. Mr. Kwok joined the Group in May 2008 and has participated in managing the hotels and serviced apartments of the Group in Hong Kong and on the mainland. He is a director of a subsidiary in the hotel division of the Group. Prior to joining the Group, he worked in an international investment bank. He is also a director of Empire Group Holdings Limited.

Mr. Kwok is a nephew of Mr. Kwok Ping-luen, Raymond. He is also a grandson of Madam Kwong Siu-hing, who is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Kwok is a cousin of Messrs. Kwok Kai-fai, Adam, Kwok Kai-wang, Christopher and Kwok Ho-lai, Edward.

For the year ended 30 June 2024, Mr. Kwok is entitled to receive a fee of HK\$300,000 for being a Director of the Company.

Kwok Kai-fai, Adam

MBA, BSc, SBS

Executive Director (Age: 41)

Mr. Kwok has been an Executive Director of the Company since December 2014. He is also a member of the Executive Committee of the Company and a director of certain subsidiaries of the Company. Mr. Kwok holds a Bachelor of Science degree in Management Science and Engineering from Stanford University and a Master's degree in Business Administration from Harvard Business School. He worked in an international investment bank prior to joining the Group in November 2008, and has substantial experience in corporate finance. He is currently responsible for the planning, development and management of residential and commercial projects of the Group in Hong Kong and on the mainland. Since April 2013, he has taken up the overall responsibilities for the property business in Southern China. Mr. Kwok is also an independent non-executive director of The Bank of East Asia (China) Limited.

Mr. Kwok is a member of the 14th National Committee of the Chinese People's Political Consultative Conference and a standing committee member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference. He is also a vice-president of The Real Estate Developers Association of Hong Kong, a member of the Economic Advancement Expert Group of the Chief Executive's Policy Unit of the Government of the Hong Kong Special Administrative Region, a member of the International Advisory Council of the Faculty of Business and Economics of The University of Hong Kong, an advisor of Our Hong Kong Foundation and a president of Hong Kong United Youth Association. In addition, Mr. Kwok is a founder and executive chairman of Hong Kong Guangdong Youth Association, a standing committee member of All-China Youth Federation and a vice-chairman of Greater Bay Area Homeland Youth Community Foundation. He was awarded the Silver Bauhinia Star in 2022 by the Government of the Hong Kong Special Administrative Region.

Mr. Kwok is a nephew of Mr. Kwok Ping-luen, Raymond. He is also a grandson of Madam Kwong Siu-hing, who is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Kwok is a cousin of Messrs. Kwok Kai-wang, Christopher, Kwok Kai-chun, Geoffrey and Kwok Ho-lai, Edward.

For the year ended 30 June 2024, Mr. Kwok is entitled to receive a fee of HK\$300,000 for being a Director of the Company and other emoluments of approximately HK\$9.81 million.

Other Information

Kwok Kai-wang, Christopher

MBA, BSc, JP

Executive Director (Age: 38)

Mr. Kwok has been an Executive Director of the Company since April 2016. He is also a member of the Executive Committee of the Company and a director of certain subsidiaries of the Company. Mr. Kwok holds a Bachelor of Science degree in Chemistry from Harvard University and a Master's degree in Business Administration from Stanford Graduate School of Business. He joined the Group in 2011 and is primarily responsible for the leasing of residential, retail and commercial properties of the Group in Hong Kong and on the mainland. Besides, he assumes the overall responsibilities for the property business of the Group in Northern China. Mr. Kwok also assists the Chairman of the Company in all other non-property businesses of the Group in which he is a non-executive director of SUNeVision Holdings Ltd. Mr. Kwok is also a non-executive director of Transport International Holdings Limited.

In addition, Mr. Kwok is a member of the General Committee of the Employers' Federation of Hong Kong, a governor of Our Hong Kong Foundation Limited and a member of its Development Committee as well as a council member of Hong Kong Chronicles Institute Limited. He is also a member of the Beijing Municipal Committee of the Chinese People's Political Consultative Conference, a vice-chairman of Greater Bay Area Homeland Youth Community Foundation, and a member of the Museum Advisory Committee and its History Sub-committee of the Leisure and Cultural Services Department of the Government of the Hong Kong Special Administrative Region.

Mr. Kwok is a son of Mr. Kwok Ping-luen, Raymond. He is also a grandson of Madam Kwong Siu-hing, who is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Kwok is a cousin of Messrs. Kwok Kai-fai, Adam and Kwok Kai-chun, Geoffrey, and the younger brother of Mr. Kwok Ho-lai, Edward.

For the year ended 30 June 2024, Mr. Kwok is entitled to receive a fee of HK\$300,000 for being a Director of the Company. He is also entitled to receive other emoluments in the total sum of approximately HK\$9.15 million, including a fee of HK\$45,000 for being a director of SUNeVision Holdings Ltd.

Tung Chi-ho, Eric

BA(AS)Hons, BArch, HKIA, Registered Architect, Authorised Person (List of Architects)

Executive Director (Age: 65)

Mr. Tung has been an Executive Director of the Company since December 2013. He is also a member of the Executive Committee of the Company and a director of certain subsidiaries of the Company. Mr. Tung holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from The University of Hong Kong. He is a member of The Hong Kong Institute of Architects and a Registered Architect. Mr. Tung joined the Group in 1987 and has progressed through the ranks with increasing project management, sales and marketing responsibilities for a number of signature projects of the Group in Hong Kong and Singapore and on the mainland. He is also an executive director of SUNeVision Holdings Ltd.

For the year ended 30 June 2024, Mr. Tung is entitled to receive a fee of HK\$300,000 for being a Director of the Company. He is also entitled to receive other emoluments in the total sum of approximately HK\$23.77 million, including a fee of HK\$45,000 for being a director of SUNeVision Holdings Ltd.

Other Information

Fung Yuk-lun, Allen

BA, Ph.D.

Executive Director (Age: 56)

Mr. Fung has been an Executive Director of the Company since December 2013. He is also a member of the Executive Committee of the Company, the chief executive officer of the Group's non-property related portfolio investments, and a director of certain subsidiaries of the Company. Mr. Fung obtained an undergraduate degree (Modern History) from Oxford University and holds a doctoral degree in History and East Asian Languages from Harvard University. He was a recipient of a Guggenheim Fellowship in 1996. Mr. Fung was a Teaching Fellow at Harvard University in 1993–1994 and a visiting Assistant Professor of History at Brown University in 1996–1997. Mr. Fung is a vice chairman and an executive director of SUNeVision Holdings Ltd. as well as a deputy chairman and an executive director of SmarTone Telecommunications Holdings Limited. He is also a non-executive director of Transport International Holdings Limited.

Mr. Fung joined McKinsey & Company ("McKinsey"), a global management consulting company, in 1997. He primarily served clients on the mainland and in Hong Kong, and also served institutions in Europe and Southeast Asia. Mr. Fung was the co-leader of the infrastructure practice for McKinsey. He was the managing partner of McKinsey Hong Kong from 2004 to 2010. In 2011, he became a director of McKinsey globally, being the first Hong Kong Chinese to become a director in McKinsey's history. He was also the head of recruiting for the Asia region in McKinsey.

Mr. Fung is a member of the General Committee of the Hong Kong General Chamber of Commerce, the vice president of The Hong Kong Federation of Youth Groups and a board member of the Hong Kong Tourism Board. He has also been elected a professor of practice of The Hong Kong Management Association and a member of its Executive Committee.

For the year ended 30 June 2024, Mr. Fung is entitled to receive a fee of HK\$300,000 for being a Director of the Company. He is also entitled to receive other emoluments in the total sum of approximately HK\$23.50 million, including fees of HK\$52,500 and HK\$162,000 for being a vice chairman and a director of SUNeVision Holdings Ltd. as well as a deputy chairman and a director of SmarTone Telecommunications Holdings Limited respectively.

Fung Sau-yim, Maureen

BSc(Hons) Est. Mgt., MHousMan (Distinction), MBA, FHKIS, FRICS, RPS (GP), CIREA, FISCM

Executive Director (Age: 62)

Ms. Fung has been an Executive Director of the Company since August 2022. She is also a member of the Executive Committee of the Company and a director of certain subsidiaries of the Company. Ms. Fung holds a Bachelor of Science degree in Estate Management from University of Reading, United Kingdom, an MBA degree from Northeast Louisiana University, United States and a Master's degree of Housing Management with distinction from The University of Hong Kong. She was elected as distinguished alumni of the Centre of Urban Studies and Urban Planning of The University of Hong Kong (1980–2010). She is a fellow member of The Hong Kong Institute of Surveyors and The Royal Institution of Chartered Surveyors, a registered professional surveyor and a China Real Estate Appraiser. She is also the founding chairman of the Institute of Shopping Centre Management in Hong Kong.

Ms. Fung joined the Group in 1991 and has progressed through the ranks. She is responsible for strategic planning, development and management of various key shopping malls of the Group in Hong Kong, Shanghai, Nanjing, Beijing and Hangzhou.

Other Information

Ms. Fung is a board member of Ocean Park Corporation as well as a member of the Aviation Development and Three-runway System Advisory Committee. She is also a member of the Tourism Strategy Group under the Tourism Commission and the Advisory Committee on Arts Development both of the Culture, Sports and Tourism Bureau. Ms. Fung was granted Hong Kong ten outstanding woman volunteer award by Radio Television Hong Kong and Hong Kong Young Women's Christian Association, the Secretary of Home Affairs Certificate of Commendation and the Chief Executive's Commendation for Community Service.

For the year ended 30 June 2024, Ms. Fung is entitled to receive a fee of HK\$300,000 for being a Director of the Company and other emoluments of approximately HK\$24.91 million.

Chan Hong-ki, Robert

BSc(BS), MHKIS, MRICS, RPS(BS), AP(Surveyor)

Executive Director (Age: 60)

Mr. Chan has been an Executive Director of the Company since August 2022. He is also a member of the Executive Committee of the Company and a director of certain subsidiaries of the Company. Mr. Chan graduated from The Hong Kong Polytechnic University and holds a Bachelor's degree from University of Greenwich. He is a member of The Hong Kong Institute of Surveyors and The Royal Institution of Chartered Surveyors and a registered professional surveyor. He is also an Authorised Person under the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong).

Mr. Chan joined the Group in 1993 and has progressed through the ranks. He is a project director for various key residential, commercial, industrial and mixed developments of the Group in Hong Kong, Hangzhou and Guangzhou, and is also responsible for design aspects including architectural, structural, electrical and mechanical, landscape and interior design of various development projects of the Group. In addition, he has been involved in conducting feasibility studies on most of the new tender sites. He is also a non-executive director of SUNeVision Holdings Ltd. and a director of BEAM Society Limited.

For the year ended 30 June 2024, Mr. Chan is entitled to receive a fee of HK\$300,000 for being a Director of the Company. He is also entitled to receive other emoluments in the total sum of approximately HK\$18.80 million, including a fee of HK\$45,000 for being a director of SUNeVision Holdings Ltd.

Kwok Ho-lai, Edward

EMBA, BA

Alternate Director to Kwok Ping-luen, Raymond (Age: 44)

Mr. Kwok has been an Alternate Director to Mr. Kwok Ping-luen, Raymond since July 2012. He is also a director of certain subsidiaries of the Company. He holds a Bachelor of Arts degree from Yale University and a Postgraduate Diploma in Professional Accountancy from The Chinese University of Hong Kong. He has also obtained an Executive MBA degree from Kellogg School of Management and HKUST Business School in December 2017. His professional qualifications include being a fellow member of the Hong Kong Institute of Certified Public Accountants since September 2020 and being a fellow member of The Institute of Chartered Accountants in England and Wales since February 2020. In addition, Mr. Kwok has been an alternate director to Mr. Kwok Ping-luen, Raymond at Wing Tai Properties Limited since April 2015.

Other Information

Mr. Kwok has joined the Group since January 2010 and is now a sales and project manager, responsible for feasibility study, marketing and planning of new residential projects of the Group in Hong Kong. Before joining the Group, Mr. Kwok worked in a major international audit firm.

Mr. Kwok is a son of Mr. Kwok Ping-luen, Raymond. He is also a grandson of Madam Kwong Siu-hing, who is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Kwok is a cousin of Messrs. Kwok Kai-fai, Adam and Kwok Kai-chun, Geoffrey, and the elder brother of Mr. Kwok Kai-wang, Christopher.

All the Directors and Alternate Directors of the Company have not entered into any service contract with the Company. In accordance with the articles of association of the Company, Directors are subject to retirement by rotation and shall be eligible for re-election at the annual general meetings of the Company, and the appointment of Alternate Directors will cease if their appointors cease to be Directors of the Company.

The Directors' fees are proposed by the Board of Directors and approved by the shareholders of the Company at the annual general meeting and their other emoluments are subject to review by the Board of Directors from time to time pursuant to the power given to it under the articles of association of the Company with reference to their contributions in terms of time, effort and accomplishments. Alternate Directors shall not be entitled to receive from the Company any remuneration in respect of their appointment as Alternate Directors except only such part (if any) of the remuneration otherwise payable to their appointors as such appointors may by notice in writing to the Company from time to time direct.

SENIOR MANAGEMENT

The Executive Directors of the Company are also members of the senior management of the Group.

Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

1. Long positions in shares and underlying shares of the Company

Name of Directors	Number of shares held				Sub-total	Number of underlying shares held under equity derivatives	Total	% of issued voting shares as at 31.12.2024
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Corporate interests (interests of controlled corporation)	Other interests				
Kwok Ping-luen, Raymond	188,743	1,580,000 ¹	-	611,563,991 ^{2,389}	613,332,734	-	613,332,734	21.17
Wong Chik-wing, Mike	497,695	-	-	-	497,695	-	497,695	0.02
Lui Ting, Victor	160,000	-	-	-	160,000	-	160,000	0.01
Wong Yue-chim, Richard	5,000	1,000 ¹	-	-	6,000	-	6,000	0.00
Li Ka-cheung, Eric	-	4,028 ¹	-	-	4,028	-	4,028	0.00
Fung Kwok-lun, William	220,000	9,739 ¹	-	-	229,739	-	229,739	0.01
Leung Nai-pang, Norman	20,000	10,833 ¹	-	-	30,833	-	30,833	0.00
Leung Ko May-yee, Margaret	15,372	-	-	-	15,372	-	15,372	0.00
Kwok Kai-chun, Geoffrey	-	-	-	584,244,360 ^{4,589}	584,244,360	-	584,244,360	20.16
Kwok Kai-fai, Adam	-	-	32,000 ⁶	592,318,235 ^{7,889}	592,350,235	-	592,350,235	20.44
Kwok Kai-wang, Christopher	110,000 ¹⁰	60,000 ¹	-	590,405,088 ^{2,389}	590,575,088	-	590,575,088	20.38
Chan Hong-ki, Robert	100,000	-	-	-	100,000	-	100,000	0.00
Kwok Ho-lai, Edward <i>(Alternate Director to Kwok Ping-luen, Raymond)</i>	32,000	-	-	590,405,089 ^{2,389}	590,437,089	-	590,437,089	20.38

Notes:

- These shares in the Company were held by the spouse of the Director concerned.
- Mr. Kwok Ping-luen, Raymond was deemed to be interested in 42,317,805 shares in the Company by virtue of him being a founder and a beneficiary of two discretionary trusts for the purpose of Part XV of the SFO. Of these shares:
 - Mr. Kwok Kai-wang, Christopher was deemed to be interested in 21,158,902 shares by virtue of him being a beneficiary of one of the said discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between Mr. Kwok Ping-luen, Raymond and Mr. Kwok Kai-wang, Christopher; and
 - Mr. Kwok Ho-lai, Edward was deemed to be interested in 21,158,903 shares by virtue of him being a beneficiary of the other of the said discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated between Mr. Kwok Ping-luen, Raymond and Mr. Kwok Ho-lai, Edward.

Other Information

3. Messrs. Kwok Ping-luen, Raymond, Kwok Kai-wang, Christopher and Kwok Ho-lai, Edward were deemed to be interested in 569,246,186 shares in the Company by virtue of them being beneficiaries of a discretionary trust for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated amongst them.
4. Mr. Kwok Kai-chun, Geoffrey was deemed to be interested in 232,332,799 shares in the Company by virtue of him being a beneficiary of certain trusts for the purpose of Part XV of the SFO.
5. Mr. Kwok Kai-chun, Geoffrey was also deemed to be interested in 351,911,561 shares in the Company by virtue of him being a beneficiary of a discretionary trust for the purpose of Part XV of the SFO.
6. These shares in the Company were held by a corporation wholly-owned and controlled by Mr. Kwok Kai-fai, Adam.
7. Mr. Kwok Kai-fai, Adam was deemed to be interested in 21,158,903 shares in the Company by virtue of him being a beneficiary of a discretionary trust for the purpose of Part XV of the SFO.
8. Mr. Kwok Kai-fai, Adam was also deemed to be interested in 571,159,332 shares in the Company by virtue of him being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.
9. Of the said 569,246,186 shares, 351,911,561 shares and 571,159,332 shares in the Company as stated in Notes 3, 5 and 8 above respectively, Messrs. Kwok Ping-luen, Raymond, Kwok Kai-fai, Adam, Kwok Kai-wang, Christopher, Kwok Kai-chun, Geoffrey and Kwok Ho-lai, Edward were deemed to be interested in 120,728,723 shares in the Company by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated amongst them.
10. These shares in the Company were held jointly with the spouse of Mr. Kwok Kai-wang, Christopher.

2. Long positions in shares and underlying shares of associated corporations of the Company

(a) SUNeVision Holdings Ltd. ("SUNeVision")

Name of Directors	Number of shares held			Sub-total	Number of underlying shares held under equity derivatives ¹	Total	% of issued voting shares as at 31.12.2024
	Personal interests (held as beneficial owner)	Family interests (interests of spouse or child under 18)	Other interests				
Kwok Ping-luen, Raymond	–	–	3,485,000 ²⁸³	3,485,000	–	3,485,000	0.15
Wong Chik-wing, Mike	218,000	–	–	218,000	–	218,000	0.01
Lui Ting, Victor	356	–	–	356	–	356	0.00
Leung Nai-pang, Norman	341,000	142 ⁴	–	341,142	–	341,142	0.01
Kwok Kai-chun, Geoffrey	–	–	11,927,658 ²⁸⁵	11,927,658	–	11,927,658	0.51
Kwok Kai-fai, Adam	–	–	11,927,658 ²⁸⁵	11,927,658	–	11,927,658	0.51
Kwok Kai-wang, Christopher	–	–	13,272,658 ^{2,385}	13,272,658	–	13,272,658	0.57
Fung Yuk-lun, Allen	4,000,000	–	–	4,000,000	4,000,000	8,000,000	0.34
Kwok Ho-lai, Edward (Alternate Director to Kwok Ping-luen, Raymond)	–	–	13,272,658 ^{2,385}	13,272,658	–	13,272,658	0.57

Other Information

Notes:

1. These underlying shares held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by SUNeVision under its share option scheme. Details of these share options and their movements during the six months ended 31 December 2024 were as follows:

Name of Director	Date of grant	Exercise price per share (HK\$)	Exercise period	Number of share options				
				Balance as at 01.07.2024	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Balance as at 31.12.2024
Fung Yuk-lun, Allen	04.05.2022	6.532	04.05.2023 to 03.05.2027	4,000,000	-	-	-	4,000,000

The above share options can be exercised up to 30% of the grant from the first anniversary of the date of grant, up to 60% of the grant from the second anniversary of the date of grant, and in whole or in part of the grant from the third anniversary of the date of grant.

2. Messrs. Kwok Ping-luen, Raymond, Kwok Kai-fai, Adam, Kwok Kai-wang, Christopher, Kwok Kai-chun, Geoffrey and Kwok Ho-lai, Edward were deemed to be interested in 2,140,000 shares in SUNeVision by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated amongst them.
3. Messrs. Kwok Ping-luen, Raymond, Kwok Kai-wang, Christopher and Kwok Ho-lai, Edward were also deemed to be interested in 1,345,000 shares in SUNeVision by virtue of them being beneficiaries of a discretionary trust for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated amongst them.
4. These shares in SUNeVision were held by the spouse of the Director concerned.
5. Messrs. Kwok Kai-fai, Adam, Kwok Kai-wang, Christopher, Kwok Kai-chun, Geoffrey and Kwok Ho-lai, Edward were also deemed to be interested in 9,787,658 shares in SUNeVision by virtue of them being beneficiaries of a discretionary trust for the benefit of the sons of the late Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated amongst them.

Other Information

(b) SmarTone Telecommunications Holdings Limited (“SmarTone”)

Name of Directors	Number of shares held			Number of underlying shares held under equity derivatives	Total	% of issued voting shares as at 31.12.2024
	Personal interests (held as beneficial owner)	Other interests	Sub-total			
Kwok Ping-luen, Raymond	–	5,162,337 ¹	5,162,337	–	5,162,337	0.47
Kwok Kai-chun, Geoffrey	–	6,849,161 ²	6,849,161	–	6,849,161	0.62
Kwok Kai-fai, Adam	–	6,849,161 ²	6,849,161	–	6,849,161	0.62
Kwok Kai-wang, Christopher	–	12,011,498 ^{1&2}	12,011,498	–	12,011,498	1.09
Fung Yuk-lun, Allen	437,359	–	437,359	–	437,359	0.04
Kwok Ho-lai, Edward <i>(Alternate Director to Kwok Ping-luen, Raymond)</i>	–	12,011,498 ^{1&2}	12,011,498	–	12,011,498	1.09

Notes:

1. Messrs. Kwok Ping-luen, Raymond, Kwok Kai-wang, Christopher and Kwok Ho-lai, Edward were deemed to be interested in 5,162,337 shares in SmarTone by virtue of them being beneficiaries of a discretionary trust for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated amongst them.
2. Messrs. Kwok Kai-fai, Adam, Kwok Kai-wang, Christopher, Kwok Kai-chun, Geoffrey and Kwok Ho-lai, Edward were deemed to be interested in 6,849,161 shares in SmarTone by virtue of them being beneficiaries of a discretionary trust for the benefit of the sons of the late Mr. Kwok Ping-sheung, Walter, of Mr. Kwok Ping-kwong, Thomas and of Mr. Kwok Ping-luen, Raymond respectively for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated amongst them.

Other Information

(c) Transport International Holdings Limited (“Transport International”)

Name of Directors	Number of shares held		Number of underlying shares held under equity derivatives ¹	Total	% of issued voting shares as at 31.12.2024
	Personal interests (held as beneficial owner)	Sub-total			
Kwok Ping-luen, Raymond	625,107 ²	625,107	830,000	1,455,107	0.29
Lui Ting, Victor	300,000	300,000	–	300,000	0.06
Li Ka-cheung, Eric	17,600	17,600	830,000	847,600	0.17
Leung Nai-pang, Norman	644,774	644,774	920,000	1,564,774	0.31
Fung Yuk-lun, Allen	–	–	830,000	830,000	0.16

Notes:

- These underlying shares held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by Transport International under its share option scheme. Details of these share options and their movements during the six months ended 31 December 2024 were as follows:

Name of Directors	Date of grant	Exercise price per share (HK\$)	Exercise period	Number of share options				
				Balance as at 01.07.2024	Granted during the period	Exercised during the period	Cancelled/Lapsed during the period	Balance as at 31.12.2024
Kwok Ping-luen, Raymond	19.11.2020	15.32	19.11.2021 to 18.11.2025	400,000	–	–	–	400,000
	31.03.2023	10.60	31.03.2024 to 30.03.2028	430,000	–	–	–	430,000
Li Ka-cheung, Eric	19.11.2020	15.32	19.11.2021 to 18.11.2025	400,000	–	–	–	400,000
	31.03.2023	10.60	31.03.2024 to 30.03.2028	430,000	–	–	–	430,000
Leung Nai-pang, Norman	19.11.2020	15.32	19.11.2021 to 18.11.2025	450,000	–	–	–	450,000
	31.03.2023	10.60	31.03.2024 to 30.03.2028	470,000	–	–	–	470,000
Fung Yuk-lun, Allen	19.11.2020	15.32	19.11.2021 to 18.11.2025	400,000	–	–	–	400,000
	31.03.2023	10.60	31.03.2024 to 30.03.2028	430,000	–	–	–	430,000

The above share options can be exercised up to 50% of the grant from the first anniversary of the date of grant and in whole or in part of the grant from the second anniversary of the date of grant.

- Of these shares in Transport International, 620,148 shares were held jointly with the spouse of Mr. Kwok Ping-luen, Raymond.

Other Information

- (d) Each of Messrs. Kwok Ping-luen, Raymond, Kwok Kai-fai, Adam, Kwok Kai-wang, Christopher, Kwok Kai-chun, Geoffrey and Kwok Ho-lai, Edward had the following interests in shares of the following associated corporations:

Name of associated corporations	Actual shares held through corporation	Actual % of interests in issued voting shares as at 31.12.2024
Hung Carom Company Limited	25 ¹	25.00
Tinyau Company Limited	1 ¹	50.00
Open Step Limited	8 ¹	80.00
Vivid Synergy Limited	963,536,900 ¹	20.00

Note:

1. Messrs. Kwok Ping-luen, Raymond, Kwok Kai-fai, Adam, Kwok Kai-wang, Christopher, Kwok Kai-chun, Geoffrey and Kwok Ho-lai, Edward were deemed to be interested in these shares by virtue of them being beneficiaries of certain discretionary trusts for the purpose of Part XV of the SFO. Such shares represented the same interests and were therefore duplicated amongst them.

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executives of the Company were, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations that were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO, or that were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company follows the Model Code in Appendix C3 to the Listing Rules as the code of conduct for the Directors of the Company in their dealings in the securities of the Company. In response to specific enquiry made by the Company, all the Directors have confirmed that they have complied with the Model Code during the six months ended 31 December 2024.

SHARE OPTION AND SHARE AWARD SCHEMES

The Company had no share option scheme or share award scheme during the six months ended 31 December 2024.

Both SUNeVision and SmarTone (being subsidiaries of the Company) operate share option schemes in order to provide incentives to their participants to make more contributions to their respective groups. Participants of their respective share option schemes may be granted rights to subscribe for their respective new shares at pre-determined exercise prices during the exercise periods.

In addition, in order to provide incentives to the participants to make more contributions to the SmarTone group, SmarTone has adopted a share award scheme under which shares of SmarTone will be acquired by a trustee from the market at the cost of SmarTone and be held in trust for selected employees of the SmarTone group until the end of each vesting period. The shares will be transferred to the selected employees upon vesting. The selected employees are not required to pay any purchase price for the transfer of the vested shares. No new shares of SmarTone will be issued under the share award scheme.

Other Information

A Director of the Company holds share options granted by SUNeVision under its share option scheme. Details of these share options and their movements during the six months ended 31 December 2024 are set out in the section headed "Directors' and Chief Executives' Interests" above.

Neither SUNeVision nor SmarTone is a principal subsidiary of the Company within the meaning of Chapter 17 of the Listing Rules and the Company is not subject to the obligations thereunder insofar as the share schemes (including share option schemes and/or share award schemes) of SUNeVision and SmarTone are concerned.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 December 2024, substantial shareholders of the Company and other persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which were notified to the Company, were as follows:

	Number of shares held			Total	% of issued voting shares as at 31.12.2024
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporation)	Other interests		
(i) Substantial shareholders					
HSBC Trustee (C.I.) Limited	–	–	1,335,496,243 ^{1&2}	1,335,496,243	46.09
Kwong Siu-hing	25,024	–	814,277,237 ^{1(a)&2}	814,302,261	28.10
Adolfa Limited ("Adolfa")	231,182,838	120,728,723	–	351,911,561 ^{2&3}	12.14
Bertana Limited ("Bertana")	231,182,838	120,728,723	–	351,911,561 ^{2&4}	12.14
Cyric Limited ("Cyric")	231,182,838	120,728,723	–	351,911,561 ^{2&5}	12.14
(ii) Other persons					
Highvern Cayman Limited	–	–	253,491,701 ⁶	253,491,701	8.75
Kwok Kai-ho, Jonathan	–	–	232,332,798 ⁶	232,332,798	8.02
Thriving Talent Limited	195,542,095 ^{1(b)}	–	–	195,542,095	6.75
Thriving Talent Holdings Limited	–	195,542,095 ^{1(b)}	–	195,542,095	6.75
Rosy Result Limited	189,909,095 ^{1(c)}	–	–	189,909,095	6.55
Asporto Limited	187,357,707 ^{6(a)}	–	–	187,357,707	6.47

Notes:

- (a) Madam Kwong Siu-hing was deemed to be interested in 814,277,237 shares in the Company by virtue of her being a founder of certain discretionary trusts for the purpose of Part XV of the SFO. These shares formed part of the shares in the Company in which HSBC Trustee (C.I.) Limited was deemed to be interested by virtue of it being the trustee of certain discretionary trusts and were therefore duplicated between these two substantial shareholders.

Other Information

(b) In addition to the deemed interests as stated in Note 1(a) above, HSBC Trustee (C.I.) Limited was deemed to be interested in 219,247,771 shares in the Company by virtue of it being the trustee of certain discretionary trusts for the purpose of Part XV of the SFO. Of these shares, 195,542,095 shares represented the same interests held by Thriving Talent Limited (which was a wholly-owned subsidiary of Thriving Talent Holdings Limited) and were therefore duplicated amongst them.

The 219,247,771 shares in the Company as disclosed in the above paragraph were the same shares in the Company included in "other interests" of Mr. Kwok Kai-fai, Adam as disclosed in the table under the section headed "Directors' and Chief Executives' Interests" above, and were therefore duplicated between them.

(c) HSBC Trustee (C.I.) Limited was deemed to be interested in 217,334,625 shares in the Company by virtue of it being the trustee of a discretionary trust for the purpose of Part XV of the SFO. Of these shares, 189,909,095 shares represented the same interests held by Rosy Result Limited and were therefore duplicated between them.

The 217,334,625 shares in the Company as disclosed in the above paragraph were the same shares in the Company included in "other interests" of Messrs. Kwok Ping-luen, Raymond, Kwok Kai-wang, Christopher and Kwok Ho-lai, Edward as disclosed in the table under the section headed "Directors' and Chief Executives' Interests" above, and were therefore duplicated amongst them.

(d) HSBC Trustee (C.I.) Limited was deemed to be interested in 84,635,610 shares in the Company by virtue of it being the trustee of certain discretionary trusts for the purpose of Part XV of the SFO. Of these shares, 21,158,903 shares, 21,158,902 shares and 21,158,903 shares were the same shares in the Company included in "other interests" of Messrs. Kwok Kai-fai, Adam, Kwok Kai-wang, Christopher and Kwok Ho-lai, Edward respectively as disclosed in the table under the section headed "Directors' and Chief Executives' Interests" above, and were therefore duplicated between HSBC Trustee (C.I.) Limited and each of these respective Directors.

The 21,158,902 shares and 21,158,903 shares deemed to be interested by Messrs. Kwok Kai-wang, Christopher and Kwok Ho-lai, Edward respectively as disclosed in the above paragraph were also deemed to be interested by Mr. Kwok Ping-luen, Raymond and such shares were also the same shares in the Company included in "other interests" of Mr. Kwok Ping-luen, Raymond as disclosed in the table under the section headed "Directors' and Chief Executives' Interests" above, and were therefore duplicated between HSBC Trustee (C.I.) Limited and Mr. Kwok Ping-luen, Raymond.

(e) HSBC Trustee (C.I.) Limited was also deemed to be interested in 1,000 shares in the Company by virtue of it being the trustee of certain trusts for the purpose of Part XV of the SFO.

2. Of the respective shares in the Company held by Adolfa, Bertana and Cyric, 120,728,723 shares were held through corporations of which each of Adolfa, Bertana and Cyric was interested in one-third of the entire issued share capital. These 120,728,723 shares represented the same interests and were therefore duplicated amongst these companies. Further, the respective shares held by Adolfa, Bertana and Cyric formed part of the shares in the Company in which each of Madam Kwong Siu-hing and HSBC Trustee (C.I.) Limited was deemed to be interested.
3. These shares were the same shares in the Company included in "other interests" of Mr. Kwok Kai-chun, Geoffrey as disclosed in the table under the section headed "Directors' and Chief Executives' Interests" above, and were therefore duplicated between them.
4. These shares were the same shares in the Company included in "other interests" of Mr. Kwok Kai-fai, Adam as disclosed in the table under the section headed "Directors' and Chief Executives' Interests" above, and were therefore duplicated between them.
5. These shares were the same shares in the Company included in "other interests" of Messrs. Kwok Ping-luen, Raymond, Kwok Kai-wang, Christopher and Kwok Ho-lai, Edward as disclosed in the table under the section headed "Directors' and Chief Executives' Interests" above, and were therefore duplicated amongst them.

Other Information

6. (a) *Highvern Cayman Limited was deemed to be interested in 211,173,896 shares in the Company by virtue of it being the trustee of certain trusts for the purpose of Part XV of the SFO. These shares represented the same interests in which Mr. Kwok Kai-ho, Jonathan was deemed to be interested by virtue of him being a beneficiary of certain trusts for the purpose of Part XV of the SFO and were therefore duplicated between them. Of these shares, 187,357,707 shares represented the same interests held by Asporto Limited and were therefore duplicated amongst them.*

The 211,173,896 shares in the Company as disclosed in the above paragraph were the same shares in the Company included in "other interests" of Mr. Kwok Kai-chun, Geoffrey as disclosed in the table under the section headed "Directors' and Chief Executives' Interests" above, and were therefore duplicated amongst them.

(b) *In addition to the deemed interests as stated in Note 6(a) above, Highvern Cayman Limited was deemed to be interested in 42,317,805 shares in the Company by virtue of it being the trustee of certain trusts for the purpose of Part XV of the SFO. Of these shares, 21,158,902 shares and 21,158,903 shares represented the same interests in which each of Mr. Kwok Kai-ho, Jonathan and Mr. Kwok Kai-chun, Geoffrey was respectively deemed to be interested by virtue of them being beneficiaries of certain trusts for the purpose of Part XV of the SFO and were therefore duplicated between Highvern Cayman Limited and each of Mr. Kwok Kai-ho, Jonathan and Mr. Kwok Kai-chun, Geoffrey respectively. The above 21,158,903 shares deemed to be interested by Mr. Kwok Kai-chun, Geoffrey were the same shares in the Company included in "other interests" of Mr. Kwok Kai-chun, Geoffrey as disclosed in the table under the section headed "Directors' and Chief Executives' Interests" above.*

Save as disclosed above, as at 31 December 2024, there were no other persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which were notified to the Company.

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES OF THE GROUP

As at 31 December 2024, the Group employed more than 40,000 employees. The related employees' costs before reimbursements for the six months ended 31 December 2024 amounted to approximately HK\$7,568 million. Compensation for the Group is made with reference to the market as well as individual performance and contributions. Extensive use of bonuses to link performance with reward is adopted. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to individual needs. Share option and share award schemes have also been adopted by certain subsidiaries of the Company to provide appropriate long-term incentive to the key staff of the Group.

BASIS OF DETERMINING EMOLUMENT TO DIRECTORS

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

Other Information

INTERIM DIVIDEND

The Board of Directors of the Company (the “Board”) has declared an interim dividend of HK\$0.95 per share (2023: HK\$0.95 per share) for the six months ended 31 December 2024 to the shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company on Friday, 14 March 2025. The interim dividend will be payable in cash on Thursday, 20 March 2025. Shares of the Company will be traded ex-dividend as from Wednesday, 12 March 2025.

CLOSURE OF REGISTER OF MEMBERS

The record date for ascertaining Shareholders’ entitlement to the interim dividend will be Friday, 14 March 2025, during which the register of members of the Company will be closed and no transfer of shares will be registered. In order to establish entitlements to the interim dividend, Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 13 March 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 31 December 2024.

REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim results for the six months ended 31 December 2024 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants by Messrs. Deloitte Touche Tohmatsu, whose report on review of condensed consolidated financial statements is set out on page 18 of this report. The interim results have also been reviewed by the Audit and Risk Management Committee of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 31 December 2024, the Company has complied with the code provisions (the “Code Provisions”) of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except that there is no separation of the roles of chairman and chief executive as required under Code Provision C.2.1. However, the powers and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management. In addition, there are two Non-Executive Directors and seven Independent Non-Executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place.

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

Hong Kong, 27 February 2025

