HENDERSON LAND DEVELOPMENT COMPANY LIMITED
恒 基 兆 業 地 產 有 限 公 司

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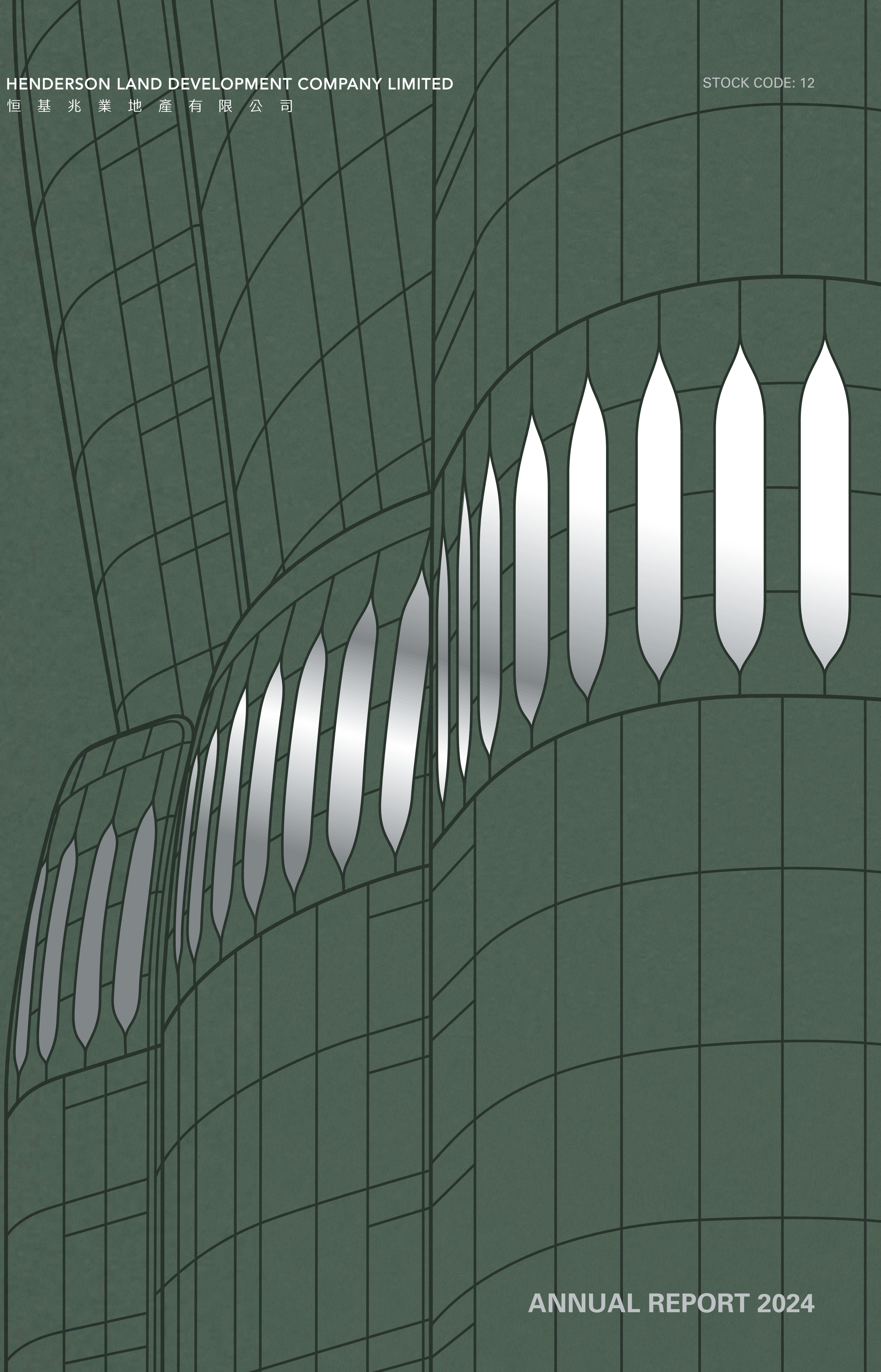


ANNUAL REPORT 2024

Corporate Profile

Founded in 1976 by Dr The Honourable Lee Shau Kee, GBM, Henderson Land Development Company Limited is a leading property group with a focus on Hong Kong and mainland China. Its core businesses comprise property development and property investment. In addition, the Company has interests in two listed subsidiaries, Henderson Investment Limited and Miramar Hotel and Investment Company, Limited, and three listed associates, The Hong Kong and China Gas Company Limited (which in turn has stakes in a listed subsidiary, Towngas Smart Energy Company Limited), Hong Kong Ferry (Holdings) Company Limited and Sunlight Real Estate Investment Trust.

The Company has been listed in Hong Kong since 1981 where it is one of the largest property groups. As at 31 December 2024, the Company had a market capitalisation of HK$114 billion and the combined market capitalisation of the Company, its listed subsidiaries and associates was about HK$253 billion.

The Company is vertically integrated, with construction, project and property management supporting its core businesses. In all aspects of its operations, Henderson Land strives to add value for its shareholders, customers and the community through its commitment to excellence in product quality and service delivery as well as a continuous focus on sustainability and the environment.

In Loving Memory of

Dr. the Honourable Lee Shau Kee, GBM,

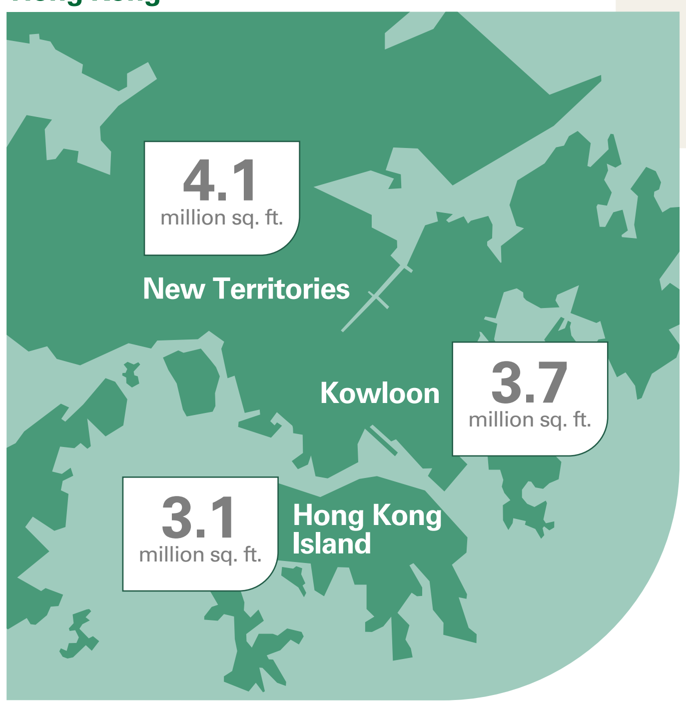
Founder of Henderson Land Group

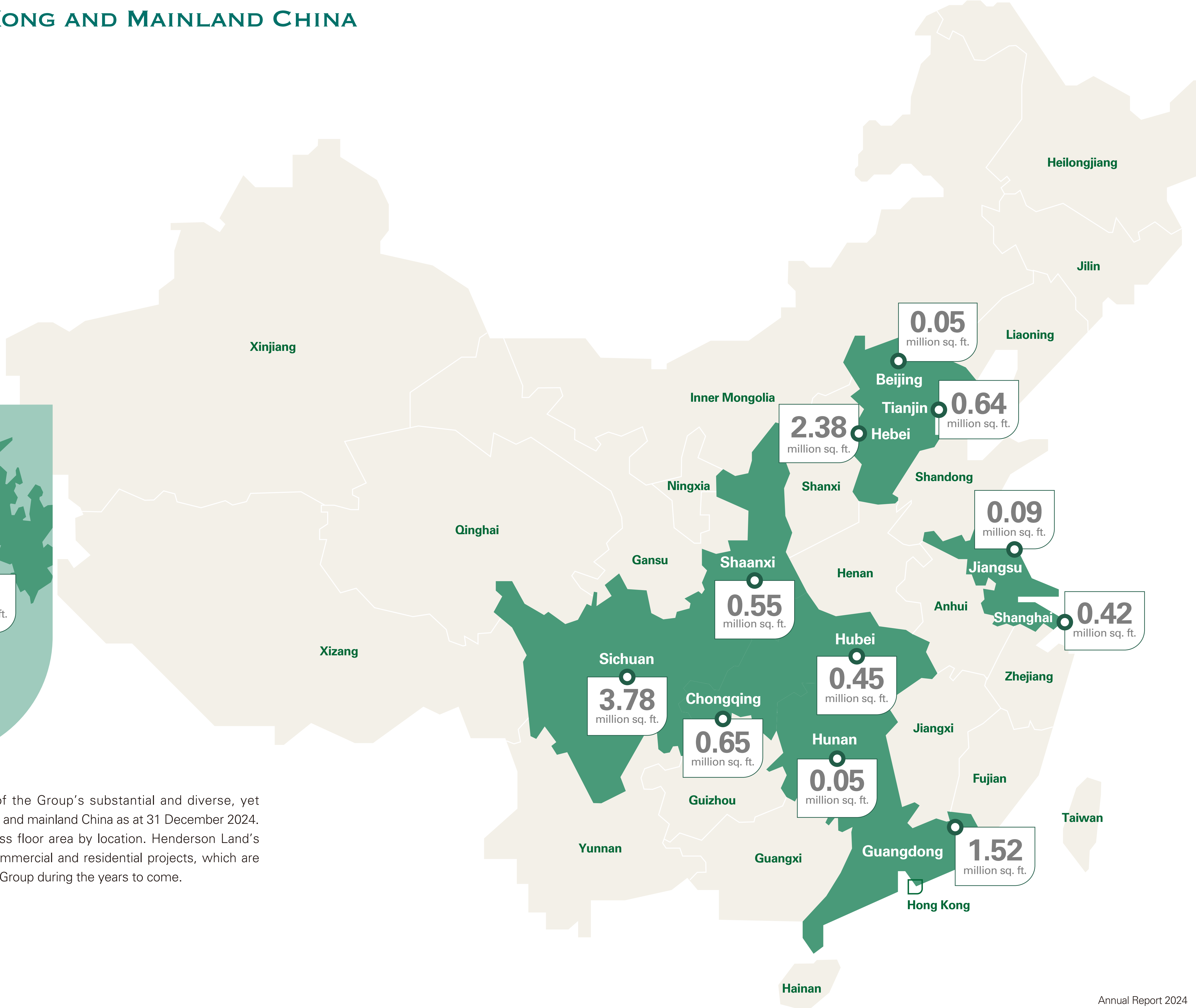
(1928-2025)

Contents

Land Bank – Hong Kong and Mainland China

Hong Kong





The diagram above provides an overview of the Group's substantial and diverse, yet balanced development land bank in Hong Kong and mainland China as at 31 December 2024. It illustrates the attributable developable gross floor area by location. Henderson Land's quality land reserve is earmarked for both commercial and residential projects, which are expected to provide handsome returns for the Group during the years to come.

Awards & Accolades

The Henderson

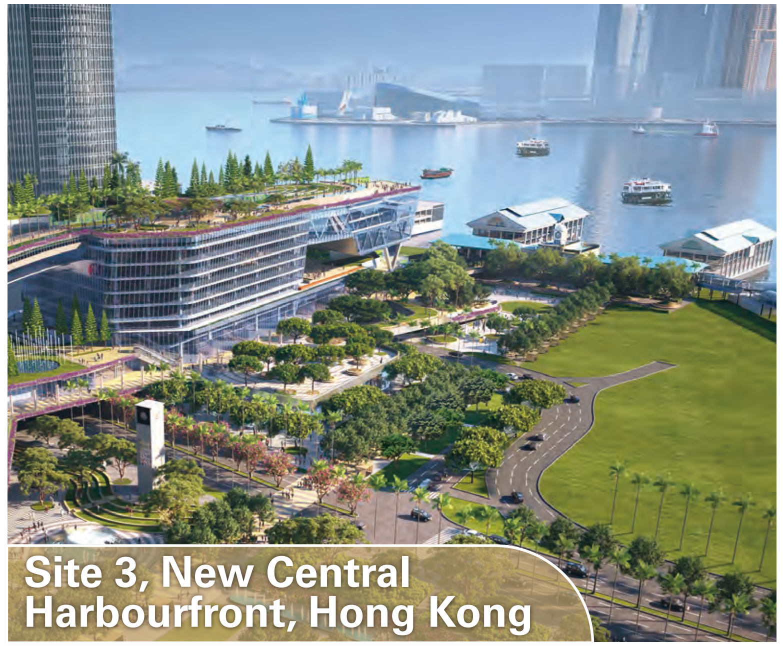
1 **Quality Building Award 2024**
- Innovative Project Award
- Hong Kong Non-Residential (New Building – Non-Government, Institution or Community) – Grand Award

2 **HKIA Annual Awards 2024**
- HKIA Medal of the Year of Hong Kong
- HKIA Special Award – Sustainable Architecture – Finalist

3 **HKIS QS Awards on Projects 2024**
- Contract and Financial Management – Gold Award

4 **MIPIM Asia Awards 2024**
- Best Office & Business Project – Gold Winner

5 **Hong Kong openBIM/openGIS Awards 2024**
- Facilities Management / Asset Management Category – Merit Award



Site 3, New Central Harbourfront, Hong Kong

1 **CIC Construction Digitalisation Award 2024**
- Project (Private) – Gold

2 **BEAM Plus (Neighbourhood)**
- Platinum Rating

3 **HKIS QS Awards on Projects 2024**
- Innovation – Silver Award

4 **LEED V4 Building Design and Construction (Core and Shell Development)**
- Pre-certification – Platinum

5 **WELL Building Standard**
- Pre-certification

Sustainability

1 **BEAM Plus (New Buildings)**
- Final Gold Rating (Caine Hill, One Innovale)
- Final Silver Rating (The Upper South, The Holborn)
- Final Bronze Rating (208 Johnston)
- Provisional Gold Rating (8 Castle Road, Baker Circle • Greenwich, 2-16 Whampoa Street, 26-40A Whampoa Street & 83-85 Baker Street)

2 **WELL Building Standard**
- Platinum Rating (H Zentre, One Innovale)

3 **China Healthy Building Design Label**
- Gold Rating (Parkwood)

4 **China Green Building Pre-assessment**
- 3-Star Pre-certification (Baker Circle • Dover, Baker Circle • Euston, Baker Circle • Greenwich)

5 **Hong Kong Sustainability Award 2024**
- Distinction Award

6 **Asia Corporate Excellence & Sustainability Awards 2024**
- Top Green Companies in Asia

7 **The Hong Kong Corporate Governance and ESG Excellence Awards 2024**
- Award of Excellence in ESG (Category 1)

Others

1 **Quality Building Award 2024**
- Hong Kong Residential (Multiple Buildings) – Finalist (One Innovale)

2 **Real Estate Asia Awards 2024**
- Developer of the Year – Hong Kong

3 **Global Most Innovative Knowledge Enterprise (MIKE) Award 2023**

4 **Hong Kong Most Innovative Knowledge Enterprise (MIKE) Award 2023**

5 **RICS Hong Kong Awards 2024**
- Construction Project Management Team of the Year – Highly commended (8 Castle Road)

6 **HKIS Awards 2024**
- Pre-construction Category – Merit (8 Castle Road)

7 **2024-2025 Asia Pacific Property Awards**
- Mixed Used of Architectural Hong Kong – Award Winner (The Harmonie)
- Best Residential Development 20+ Units Hong Kong – 5 Star Winner (Baker Circle)
- Best Apartment / Condominium Development Hong Kong – 5 Star Winner (8 Castle Road)

Group Structure

Henderson Land Group Structure

Market capitalisation as at 31 December 2024

Henderson Land Development Company Limited: HK$114 billion

Seven listed companies of Henderson Land Group: HK$253 billion

Henderson Land Development Company Limited

Investment holding, property development and investment in Hong Kong and mainland China, construction, project and property management

22.09%

Sunlight Real Estate Investment Trust

Property investment

33.41%

Hong Kong Ferry (Holdings) Company Limited

Property development and investment

41.53%

The Hong Kong and China Gas Company Limited

Production and distribution of gas in Hong Kong and mainland China

68.38%

Towngas Smart Energy Company Limited

Supply piped gas and build city-gas infrastructure in mainland China, while expanding smart energy businesses

50.08%

Miramar Hotel and Investment Company, Limited

Hotel and serviced apartment, property rental, food and beverage, and travel

69.27%

Henderson Investment Limited

Retail business in Hong Kong

Note: All attributable interests shown above were figures as of 31 December 2024.

2024 FINAL RESULTS HIGHLIGHTS

	Note	For the year ended 31 December **2024** **HK$ million**	 2023 HK$ million	**Change**
Property development				
– Revenue	*1*	**20,548**	24,260	**-15%**
– Pre-tax profit contribution	*1*	**5,632**	4,295	**+31%**
Property leasing				
– Gross rental income	*1*	**8,942**	8,843	**+1%**
– Pre-tax net rental income	*1*	**6,507**	6,422	**+1%**
Profit attributable to equity shareholders				
– Underlying profit	*2*	**9,774**	9,706	**+1%**
– Reported profit		**6,296**	9,261	**-32%**
		HK$	HK$	
Earnings per share				
– Based on underlying profit	*2, 3*	**2.02**	2.00	
– Based on reported profit	*3*	**1.30**	1.91	
Dividends per share		**1.80**	1.80	
		At 31 December **2024** **HK$**	At 31 December 2023 HK$	
Net asset value per share	*3*	**66.55**	67.45	**-1%**
Net debt to shareholders' equity		**21.1%**	22.6%	**-1.5 percentage point**
		Million square feet	Million square feet	
Properties in Hong Kong				
Land bank (attributable floor area)				
– Projects pending sale or pending/ under development	*4*	**10.9**	8.6	
– Unsold units of major development projects offered for sale		**1.4**	1.5	
	Sub-total:	**12.3**	10.1	
– Completed investment properties (including hotels)		**10.9**	10.4	
	Total:	**23.2**	20.5	
New Territories land (attributable land area)		**42.0**	45.8	
Properties in Mainland China				
Land bank (attributable floor area)				
– Projects pending/under development		**10.6**	16.9	
– Completed stock for sale		**2.6**	1.5	
– Completed investment properties		**13.0**	13.0	
	Total:	**26.2**	31.4	

Note 1: This amount includes the Group's attributable share of contributions from subsidiaries, associates and joint ventures ("JVs").

Note 2: Excluding the Group's attributable share of fair value change (net of tax) of the investment properties held by subsidiaries, associates and JVs.

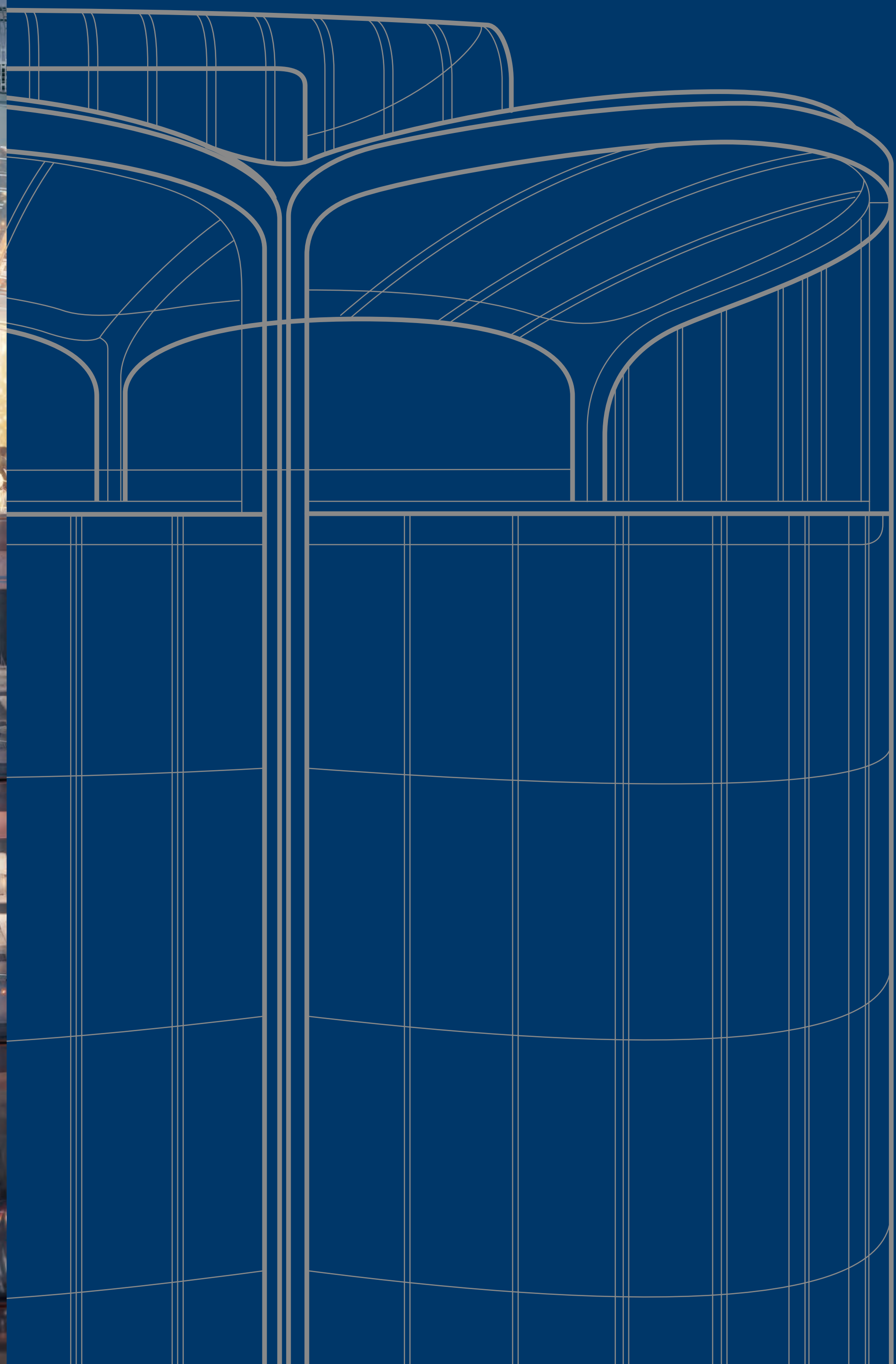
Note 3: The earnings per share were calculated based on the weighted average number of shares under Hong Kong Accounting Standard 33, "Earnings Per Share". The net asset value per share was calculated based on the number of issued shares outstanding at 31 December 2024 and 31 December 2023.

Note 4: The above includes plots in Hung Shui Kiu and other project sites with a total developable area of approximately 3.8 million sq. ft., attributable to the Group which are subject to reaching an agreement with the Government on the amount of land premium payable.

The Henderson

CENTRAL | HONG KONG

The Henderson, Hong Kong
by Zaha Hadid Architects for Henderson Land
Render by Cosmoscube



Profit Attributable to Shareholders

The Group's underlying profit attributable to equity shareholders for the year ended 31 December 2024 amounted to HK$9,774 million, representing an increase of HK$68 million or 1% from HK$9,706 million for the previous year. The underlying earnings per share was HK$2.02 (2023: HK$2.00). The profit in 2024 included an underlying profit of approximately HK$1,407 million arising from the disposal of the company holding Harbour East, which was an investment property located in North Point, as well as an attributable underlying profit before taxation of approximately HK$3,361 million arising from the Government's resumption of certain land lots including those located in New Development Areas.

In 2024, the Group recorded a fair value loss of HK$2,022 million after revaluation of the Group's completed investment properties and investment properties under development, as well as the adjustments of cumulative fair value change of HK$1,456 million in relation to disposed investment properties. After taking into account the aforementioned fair value loss and adjustments amounting to an aggregate of HK$3,478 million (2023: HK$445 million), the reported profit attributable to equity shareholders for the year ended 31 December 2024 was HK$6,296 million, representing a decrease of HK$2,965 million or 32% from HK$9,261 million for the previous year. The reported earnings per share was HK$1.30 (2023: HK$1.91).

Dividends

The Board recommends the payment of a final dividend of HK$1.30 per share to shareholders whose names appear on the Register of Members of the Company on Wednesday, 11 June 2025. Such final dividend will not be subject to any withholding tax in Hong Kong. Together with the interim dividend payment of HK$0.50 per share, the total dividend for the year ended 31 December 2024 will amount to HK$1.80 per share (2023: HK$1.80 per share).

The proposed final dividend is expected to be distributed to shareholders on Friday, 20 June 2025.

Business Review

Hong Kong

Property Sales

In early 2024, after the Government abolished the Buyer's Stamp Duty, the Special Stamp Duty and the New Residential Special Duty for residential property transactions, Hong Kong's property market rebounded, but has slowed down since the middle of 2024. Subsequently, the Government announced in the 2024 Policy Address its goal to enhance the New Capital Investment Entrant Scheme by allowing the purchase of high-end residential properties as the requisite investment. The Hong Kong Monetary Authority also further relaxed the maximum loan-to-value ratio and debt servicing ratio limits for property mortgage loans. In addition, the U.S. Federal Reserve has lowered interest rates three times since September 2024, providing support to the property market of Hong Kong.


Dr LEE Ka Shing
GBS, JP, DSSc (Hon)
Chairman and
Managing Director
Dr LEE Ka Kit
GBM, GBS, JP, DBA (Hon)
Chairman and
Managing Director

The Group's attributable revenue from property development in Hong Kong amounted to approximately HK$12,323 million in 2024, representing a year-on-year decrease of 16%. The Group's attributable reported profit before taxation from property development, which included a profit of approximately HK$3,320 million from the Government's resumption of certain land lots including those located in Fanling North and Kwu Tung North New Development Areas, as well as Hung Shui Kiu/Ha Tsuen New Development Area, amounted to approximately HK$4,647 million.

During the year, the Group launched an array of residential developments for sale, including Belgravia Place (Phase 1) in Cheung Sha Wan, Gateway • Square Mile in Mong Kok, The Haddon in Hung Hom, as well as Double Coast (Phase 1) in Kai Tak. Belgravia Place (Phase 1) in Cheung Sha Wan, in particular, was well received and all 138 residential units available in the first round of sale were sold on the first day of launch. The existing projects that have been launched also achieved satisfactory sales results. Both the Holborn in Quarry Bay and Two • Artlane in Sai Ying Pun were sold out, while over 96% of the residential units at One Innovale in the New Territories had been sold by the end of December 2024. Together with the sale of other properties (including car parks), contracted sales attributable to the Group in Hong Kong amounted to approximately HK$11,285 million for the year ended 31 December 2024.

At the end of December 2024, attributable contracted sales of approximately HK$8,165 million are yet to be recognised as revenue, of which approximately HK$7,834 million is expected to be recognised as revenue in 2025 upon completion of the relevant developments and handover of the completed units to buyers.

The Group launched Belgravia Place (Phase 2) in Cheung Sha Wan and Eight Southpark in Ma Tau Kok for sale in February and March 2025, respectively. Both developments saw satisfactory sales. For Eight Southpark in Ma Tau Kok, all 181 residential units in the first round of sale were sold on the first day of launch.

Property Development

The Land (Compulsory Sale for Redevelopment) (Amendment) Ordinance came into operation in December 2024, lowering the thresholds for compulsory sale applications for certain areas/properties. As regards the Group's urban redevelopment projects, the total gross floor area attributable to the Group for projects with 100% ownership interest or ownership interest reaching the relevant threshold for compulsory sale amounted to 1.7 million square feet. Besides, urban redevelopment projects with a total gross floor area of approximately 1.4 million square feet attributable to the Group have been earmarked for sales launch in 2025.

Gateway • Square Mile, Mong Kok, Hong Kong (artist's impression)

The Group will continue to replenish its development land bank in Hong Kong through a variety of channels. The Group's land reserves, other than those earmarked for rental purposes, will be sufficient to meet its development needs in the next few years. Details of the Group's projects are set out in the tables below:

Below is a summary of projects pending/under development and major completed projects:

				Saleable/gross floor area attributable to the Group (million sq. ft.) *(Note 1)*	**Remarks**
(A)	**Projects available for sale in 2025**				
1.	Unsold units of major development projects offered for sale	(Table 1)		1.4	
2.	Projects to be launched for sale in 2025	(Table 2)		1.8	
			Sub-total:	**3.2**	
(B)	**Projects in Urban Areas**				
3.	Urban Redevelopment Projects				
	3.1 with 100% ownership interest acquired or the relevant compulsory sale application threshold has been met	(Table 3)		1.7	
	3.2 with more than 20% ownership interest acquired, but the relevant compulsory sale application threshold has not been met	(Table 4)		0.6	Redevelopment is subject to the successful acquisition of 100% ownership interest
4.	Site 3 of New Central Harbourfront (Inland Lot No. 9088)			1.6	To be held for rental purposes upon completion
5.	Yau Tong Bay project			0.9	*(Note 2)*
6.	Others			0.2	
			Sub-total:	**5.0**	
(C)	**Projects in the New Territories**				
7.	Fanling Sheung Shui Town Lot No. 263 Kwu Tung			0.3	
8.	Hung Shui Kiu projects			3.4	*(Note 2)*
9.	Others			0.4	*(Note 2)*
			Sub-total:	**4.1**	
			Total:	**12.3**	

Note 1: Gross floor area is calculated based on the general building plans approved by the Buildings Department or the Government's latest town planning parameters, as well as the Company's development plans and is subject to change.

Note 2: Developable area will be confirmed after reaching an agreement with the Government on the amount of land premium payable. The Yau Tong Bay project shifted to a phased development approach and the Government has issued the provisional basic terms offer for Phase 1.

(Table 1) Unsold units of major development projects offered for sale

There are 24 major development projects with unsold units:

	Project name and location	Gross floor area (sq. ft.)	Type of development	As at 31 December 2024			
				No. of unsold residential units	Saleable area of unsold units (sq. ft.)	Interest of the Group (%)	Saleable area of unsold units attributable to the Group (sq. ft.)
1.	The Henley 7 Muk Tai Street Kai Tak	654,602	Commercial/ Residential	566	293,754	100.00	293,754
2.	Henley Park 8 Muk Tai Street Kai Tak	397,967	Residential	300	165,230	100.00	165,230
3.	The Haddon 1 Whampoa Street Hung Hom	186,539	Commercial/ Residential	403	120,903	100.00	120,903
4.	Eden Manor 88 Castle Peak Road Kwu Tung	555,399	Residential	90	100,848	100.00	100,848
5.	The Paddington 456 Sai Yeung Choi Street North Cheung Sha Wan	171,664	Residential	300	90,257	100.00	90,257
6.	The Knightsbridge 22 Shing Fung Road Kai Tak	641,165	Commercial/ Residential	456	399,460	18.00	71,903
7.	Belgravia Place (Phase 1) 1 Berwick Street Cheung Sha Wan	293,566	Commercial/ Residential	250	65,691	100.00	65,691
8.	Miami Quay (Phase 1) 23 Shing Fung Road Kai Tak	318,577	Residential	512	210,783	29.30	61,759

	Project name and location	Gross floor area (sq. ft.)	Type of development	As at 31 December 2024 No. of unsold residential units	Saleable area of unsold units (sq. ft.)	Interest of the Group (%)	Saleable area of unsold units attributable to the Group (sq. ft.)
9.	Baker Circle One (Phases 1-3) 38 Gillies Avenue South 33 Whampoa Street and 18 Bulkeley Street Hung Hom	339,993	Commercial/ Residential	234	60,332	100.00	60,332
10.	Gateway • Square Mile 1 Ka Shin Street Mong Kok	88,368	Commercial/ Residential	136	37,776	100.00	37,776
11.	Double Coast (Phase 1) 19 Shing Fung Road Kai Tak (formerly known as Phase 1 of the project at New Kowloon Inland Lot No. 6576, Kai Tak)	181,664	Residential	281	115,110	30.00	34,533
12.	One Innovale 8 Ma Sik Road Fanling	612,685	Residential	60	31,670	100.00	31,670
13.	The Harmonie 233 Castle Peak Road Cheung Sha Wan	159,748	Commercial/ Residential	61 *(Note 1)*	21,170 *(Note 1)*	100.00	21,170 *(Note 1)*
14.	Wellesley 23 Robinson Road Mid-Levels West	156,900 *(Note 2)*	Residential	22	38,929	50.00 *(Note 2)*	19,465
15.	The Quinn • Square Mile 5 Sham Mong Road Mong Kok	242,509	Commercial/ Residential	46	11,765	100.00	11,765
16.	The Upper South 71 Main Street Ap Lei Chau	40,318	Commercial/ Residential	47	9,509	100.00	9,509
17.	The Hampstead Reach 8 Ping Kin Lane Yuen Long	27,868	Residential	3	5,427	100.00	5,427

	Project name and location	Gross floor area (sq. ft.)	Type of development	As at 31 December 2024 No. of unsold residential units	Saleable area of unsold units (sq. ft.)	Interest of the Group (%)	Saleable area of unsold units attributable to the Group (sq. ft.)
18.	The Royale 8 Castle Peak Road – Castle Peak Bay Tuen Mun	663,062	Residential	34	24,271	16.705	4,054
19.	South Walk • Aura 12 Tin Wan Street Aberdeen	37,550	Commercial/ Residential	14	3,443	100.00	3,443
20.	The Addition 350 Un Chau Street Cheung Sha Wan	79,903	Commercial/ Residential	7	2,536	100.00	2,536
21.	Aquila • Square Mile 38 Fuk Chak Street Mong Kok	180,427	Commercial/ Residential	9	2,249	100.00	2,249
22.	Global Gateway Tower 61A-61E and 63 Wing Hong Street Cheung Sha Wan	336,052	Industrial	Not applicable	75,693 *(Note 3)*	100.00	75,693 *(Note 3)*
23.	E-Trade Plaza 24 Lee Chung Street Chai Wan	173,850	Office	Not applicable	58,935 *(Note 3)*	100.00	58,935 *(Note 3)*
24.	Mega Cube 8 Wang Kwong Road Kowloon Bay	171,194	Office	Not applicable	48,622 *(Note 3)*	100.00	48,622 *(Note 3)*
			Total:	**3,831**	**1,994,363**		**1,397,524**

Note 1: Representing the Group's entitlement for this Urban Renewal Authority project.

Note 2: The Group has a 25.07% interest in the development project. Some of the residential units were allocated to and held by the Group and another developer on a 50:50 basis.

Note 3: Representing the saleable area of the office, industrial or shop area.

(Table 2) Projects to be launched for sale in 2025

The following projects will be launched for sale in 2025, unless the launch is delayed due to unforeseen circumstances:

	Project name and location	Gross floor area (sq. ft.)	Type of development	No. of residential units	Gross floor area of residential units (sq. ft.)	Interest of the Group (%)	Gross floor area of residential units attributable to the Group (sq. ft.)
1.	Belgravia Place (Phase 2) 1 Berwick Street Cheung Sha Wan (launched for sale in February 2025)	122,751	Commercial/ Residential	248	92,736 *(Note)*	100.00	92,736 *(Note)*
2.	Eight Southpark 8 Nam Kok Road Ma Tau Kok (launched for sale in March 2025)	117,994	Commercial/ Residential	313	85,808 *(Note)*	76.468	65,616 *(Note)*
3.	New Kowloon Inland Lot No. 6554 Kai Tak	1,205,028	Commercial/ Residential/ Government facilities	2,060	1,074,630	30.00	322,389
4.	68-76B To Kwa Wan Road To Kwa Wan	382,203	Commercial/ Residential	831	318,504	100.00	318,504
5.	8 Castle Road Mid-Levels	472,067	Residential	172	472,067	65.00	306,844
6.	1 Bailey Street Hung Hom	717,463	Commercial/ Residential	1,296	597,886	50.00	298,943
7.	2-16 Whampoa Street Hung Hom	134,874	Commercial/ Residential	241	113,277	100.00	113,277
8.	15 Wood Road Wan Chai	86,565	Commercial/ Residential	167	81,819	100.00	81,819

	Project name and location	Gross floor area (sq. ft.)	Type of development	No. of residential units	Gross floor area of residential units (sq. ft.)	Interest of the Group (%)	Gross floor area of residential units attributable to the Group (sq. ft.)
9.	Miami Quay (Phase 2) 23 Shing Fung Road Kai Tak	256,037	Residential	571	256,037	29.30	75,019
10.	18 Man On Street Mong Kok	57,763	Commercial/ Residential	126	52,339	100.00	52,339
11.	Parkwood 3 Mei Sun Lane Tai Po	49,077	Commercial/ Residential	122	41,024	100.00	41,024
12.	16-20 Temple Street Mong Kok	20,286	Commercial/ Residential	48	19,159	100.00	19,159
13.	29A Lugard Road The Peak	11,703	Residential	1	11,703	100.00	11,703
			Total:	**6,196**	**3,216,989**		**1,799,372**

Note: Representing the saleable area of the residential units.

(Table 3) Urban Redevelopment Projects – with 100% ownership interest acquired or the relevant compulsory sale application threshold has been met

There is an array of urban redevelopment projects with 100% ownership acquired or the relevant compulsory sale application threshold has been met. Based on the general building plans approved by the Buildings Department or the Government's latest town planning parameters, the expected gross floor area attributable to the Group is as follows:

		With 100% ownership interest acquired		With less than 100% ownership interest but the relevant compulsory sale application threshold has been met*		
By District		Site area attributable to the Group (sq. ft.)	Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)	Site area attributable to the Group (sq. ft.)	Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)	Total expected gross floor area attributable to the Group (sq. ft.)
Hong Kong						
1.	Mid-Levels	69,238	388,904	6,212	31,060	419,964
2.	Causeway Bay	4,400	47,083	2,019	18,171	65,254
3.	Aberdeen	4,950	42,075	2,868	25,506	67,581
4.	Quarry Bay	21,009	218,271			218,271
	Sub-total:	**99,597**	**696,333**	**11,099**	**74,737**	**771,070**

By District		Site area attributable to the Group (sq. ft.) (With 100% ownership interest acquired)	Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.) (With 100% ownership interest acquired)	Site area attributable to the Group (sq. ft.) (With less than 100% ownership interest but the relevant compulsory sale application threshold has been met*)	Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.) (With less than 100% ownership interest but the relevant compulsory sale application threshold has been met*)	Total expected gross floor area attributable to the Group (sq. ft.)
Kowloon						
5.	Tsim Sha Tsui	11,491	137,887			137,887 *(Note 1)*
6.	Hung Hom	41,215	380,654	3,400	30,600	411,254 *(Note 2)*
7.	Tai Kok Tsui	18,545	166,862			166,862 *(Note 3)*
8.	Ho Man Tin	4,698	39,590			39,590
9.	Cheung Sha Wan	6,510	58,590			58,590 *(Note 4)*
10.	Kowloon City	10,954	97,231			97,231 *(Note 4)*
	Sub-total:	**93,413**	**880,814**	**3,400**	**30,600**	**911,414**
	Total:	**193,010**	**1,577,147**	**14,499**	**105,337**	**1,682,484**

* *To acquire all the undivided shares in the lots, the majority owner will make an application to the Lands Tribunal for an order for sale of the lots by way of public auction under the Land (Compulsory Sale for Redevelopment) Ordinance. If the Lands Tribunal refuses to make an order for sale, the majority owner may not be able to acquire the remaining undivided shares and proceed with the redevelopment projects.*

Note 1: The project at No.16 Kimberley Road, which is now known as "Champagne Court". Pursuant to the agreement entered into in January 2025, the property will be redeveloped into a new hotel based on the approved general building plans and handed over to Miramar Hotel and Investment Company, Limited ("Miramar"), a listed subsidiary of the Group. The transaction is subject to approval by Miramar's independent shareholders.

Note 2: Part of an urban renewal plan with a total gross floor area of more than 1 million square feet, of which approximately 660,000 square feet is attributable to projects (namely, Baker Circle • Dover, Baker Circle • Euston, Baker Circle • Greenwich, The Haddon and the project at Whampoa Street) which have been launched for sale or are proposed to be launched for sale in 2025.

Note 3: Part of an urban renewal plan with a total gross floor area of more than 1 million square feet, of which approximately 920,000 square feet is attributable to projects (namely, Eltanin • Square Mile, Cetus • Square Mile, Aquila • Square Mile, The Quinn • Square Mile, Gateway • Square Mile and the project at Man On Street) which have been launched for sale or are proposed to be launched for sale in 2025.

Note 4: The developable area may be subject to the Group reaching an agreement with the Government on the amount of land premium payable.

(Table 4) Urban Redevelopment Projects – with more than 20% ownership interest acquired, but the relevant compulsory sale application threshold has not been met

There are other redevelopment projects in various urban districts where acquisition of units in existing buildings is ongoing. Currently, more than 20% ownership interest of each project has been acquired, but the relevant compulsory sale application threshold has not been met. If the remaining interest is acquired, the sites will be redeveloped and upon completion, based on the Government's latest town planning parameters, the total gross floor area attributable to the Group will be approximately 1,770,000 square feet. Based on the Group's undivided shares in the lots, the total gross floor area attributable to the Group is approximately 640,000 square feet. However, these redevelopment projects are subject to the successful acquisition of the remaining interest in the relevant lots, which is uncertain.

Land Bank

As at 31 December 2024, the Group had a Hong Kong land bank with a total gross floor area of approximately 23.2 million square feet attributable to the Group, which comprised the following:

		Gross floor area attributable to the Group (million sq. ft.)
Projects pending sale or pending/under development *(Note)*		10.9
Unsold units of major development projects offered for sale		1.4
	Sub-total:	**12.3**
Completed investment properties (including hotels)		10.9
	Total:	**23.2**

Note: The above includes plots in Hung Shui Kiu and other project sites with a total developable area of approximately 3.8 million square feet attributable to the Group which will be confirmed after reaching an agreement with the Government on the amount of land premium payable.

Land in Urban Areas

In addition to projects scheduled for sales launch as described above, there are some urban redevelopment projects available for sale or lease in 2026 and beyond, where 100% ownership interest has been acquired or the relevant compulsory sale application threshold has been met. It is expected that the relevant total gross floor area attributable to the Group from such urban redevelopment projects will be approximately 1.7 million square feet.

In January 2025, a wholly-owned subsidiary of the Group (the Vendor) entered into an agreement for the sale of its interest in the company holding a property located at No.16 Kimberley Road, Kowloon (now known as "Champagne Court"), for a total consideration of HK$3,120 million (subject to adjustments) to a wholly-owned subsidiary of Miramar, a listed subsidiary of the Group. The Vendor shall procure the redevelopment of Champagne Court into a new hotel cum commercial complex based on the approved general building plans. Miramar will indirectly acquire such new hotel cum commercial complex under the transaction, which is subject to its independent shareholders' approval.

As for Site 3 of New Central Harbourfront (Inland Lot No. 9088), which was acquired by the Group in 2021, main contract works are in progress. The lot will be developed in two phases into a 1,600,000-square-foot mixed-use project and over 300,000 square feet of landscaped open space for public use. The Outline Development Plan for this project has been approved by the Town Planning Board. With the scheduled completion of Phase 1 in the fourth quarter of 2026 and Phase 2 in the fourth quarter of 2032, this project is poised to become another landmark in the Central Business District of Hong Kong. This project has been awarded the Provisional Platinum Rating from BEAM Plus (New Buildings) and BEAM Plus (Neighbourhood), as well as the Platinum Pre-certification from Leadership in Energy and Environmental Design (LEED). The Yau Tong Bay mixed-use development project, in which the Group has a 22.8% interest, shifted to a phased development approach and the Government has issued the provisional basic terms offer for Phase 1. This harbourfront development is expected to provide a total gross floor area of approximately 910,000 square feet attributable to the Group.

Site 3 of New Central Harbourfront (Inland Lot No. 9088), Central, Hong Kong (artist's impression)

New Territories Land

During the year, the Group acquired certain land lots in the New Territories. However, the Government resumed certain land lots with a total land area of approximately 1.45 million square feet in Fanling North and Kwu Tung North New Development Areas (including three separate lots in Fanling North, which were eligible for in-situ land exchange but an agreement on the land premium had not been reached before 31 December 2023), for which the Group received cash compensation in the total amount of approximately HK$1,864 million from the Government. Subsequently, the Government also resumed certain land lots with a total land area of approximately 3.85 million square feet in Hung Shui Kiu/Ha Tsuen New Development Area, for which the Group received cash compensation in the total attributable amount of approximately HK$4,310 million from the Government. As at 31 December 2024, the Group held land reserves in the New Territories amounting to approximately 42.0 million square feet in land area, which is still the largest holding among all property developers in Hong Kong:

By District	Land area attributable to the Group (million sq. ft.)
Yuen Long District	26.1
North District	11.9
Tuen Mun District	0.6
Tai Po District and others	3.4
Total:	**42.0**

Apart from the land lots resumed by the Government as mentioned above, the Group still has land holding with a total land area of approximately 2.73 million square feet in Hung Shui Kiu. The Group, in conjunction with another landlord in this district, applied for in-situ land exchange for five land lots in 2024. One lot was planned for mixed residential and commercial development, whilst the other lots were planned for commercial development. These sites will provide an attributable gross floor area of about 3.4 million square feet in aggregate upon successful completion of the land exchange. According to the Lands Department, the land premium for all in-situ land exchange applications for the residential sites in this district have to be agreed on or before 31 March 2025. However, according to the 2025-26 Budget, the deadline for completing in-situ land exchange for commercial sites will be extended.

In 2020, the Government announced specific criteria in respect of the implementation framework for its Land Sharing Pilot Scheme. In order to work in line with the Government's policy to satisfy the keen housing demand, the Group, after reviewing its land holding in the New Territories, submitted an application to the relevant authority under this scheme in conjunction with another developer. The land concerned in this application is located in Lam Tsuen, Tai Po, covering a site area of about 2 million square feet or 19.3 hectares, which is slightly larger than Victoria Park in Hong Kong. The project aimed to offer 30% of its housing units (3,636 units) for private housing development for sale, while the remaining 70% (8,484 units) will be for the Government's public housing development. In November 2022, the project was supported by an advisory group and agreed in principle by the Executive Council. The project is currently going through the rezoning process and is expected to be completed in 2031 at the earliest. The Group hopes that by participating in this scheme, it can use the relevant land resources more efficiently and expedite the unlocking of their potential value.

In October 2021, the Government promulgated the Northern Metropolis Development Strategy putting forward the proposal of developing the Northern Metropolis into an international innovation and technology hub. It will include the comprehensive San Tin Technopole, comprising the Hong Kong-Shenzhen Innovation and Technology Park at the Loop and the area around San Tin/Lok Ma Chau. The Government further promulgated the North Metropolis Action Agenda 2023 in October 2023 to include the Technopole as part of the Innovation and Technology Zone. According to the draft San Tin Technopole Outline Zoning Plan, approved by the Chief Executive in Council in September 2024, the Government will resume land from developers for innovation and technology use. In addition, the Government released its development proposal of Ngau Tam Mei, which is adjacent to San Tin, in November 2024. The related public engagement activities were completed in January 2025. The Group, holding an attributable land area of approximately 6.1 million square feet in San Tin of Northern Metropolis, will follow up closely and work in line with this development plan.

Investment Properties

For the year ended 31 December 2024, the gross rental income in Hong Kong attributable to the Group (including gross rental income attributable to subsidiaries, associates and joint ventures) increased by 2% year-on-year to HK$6,842 million. The net rental income before taxation attributable to the Group (including net rental income before taxation attributable to subsidiaries, associates and joint ventures) remained flat at HK$4,916 million. For the International Finance Centre ("ifc") project, in which the Group has a 40.77% interest, the gross rental income attributable to the Group was HK$1,627 million, representing a year-on-year decrease of 5%).

As at 31 December 2024, the average leasing rate for the Group's major investment properties was 93%.

With the successive completion of The Henderson in Central, as well as the podium malls of various developments (including The Quinn • Square Mile, The Knightsbridge and Phases 2–3 of Baker Circle One), as at 31 December 2024, the Group's completed investment property portfolio in Hong Kong has increased to approximately 10.4 million square feet. Details of the Group's completed investment property portfolio are as follows:

By type		Gross floor area attributable to the Group (million sq. ft.)	Percentage (%)
Shopping arcade or retail		5.6	54
Office		4.2	40
Industrial		0.2	2
Residential and hotel apartment		0.4	4
	Total:	**10.4**	**100**

By geographical area		Gross floor area attributable to the Group (million sq. ft.)	Percentage (%)
Hong Kong Island		2.9	28
Kowloon		3.4	33
New Territories		4.1	39
	Total:	**10.4**	**100**

In addition, there were about 8,800 car parking spaces held by the Group, which provide the Group with another source of rental income.

Retail portfolio

During the year, changes in the consumption patterns of inbound tourists, as well as the trend of Hongkongers to "head north" across the border for shopping and entertainment, continued to weigh on the local retail sector. However, the overall occupancy rate for the Group's retail portfolio remained consistently high and shoppers' traffic in certain malls has surpassed 2018 pre-pandemic levels.

Apart from regularly upgrading its shopping malls to meet sustainability requirements, the Group has closely monitored market trends and incorporated new concepts into its tenant mix that align with changing customers' preferences. Popular lifestyle brands and eateries from both the mainland and overseas have been introduced to provide customers with fresh experience. In addition, the Group has collaborated with artists to host live performance and autograph signing events, aimed at increasing foot traffic and encouraging spending in its malls. During the Paris 2024 Olympic Games, the Group launched the Breaking New Ground campaign and hosted a series of sports-related activities at its malls, alongside live broadcasts of the games to encourage public support for the local athletes. All these initiatives were well recognised by the industry. The Group's MCP in Tseung Kwan O was awarded the Mall of the Year – Hong Kong by Retail Asia Awards 2024, and also designated as the 2024 Quality Service Retailer of the Year – Shopping Mall Category by the Hong Kong Retail Management Association.

The Group's large-scale urban redevelopment projects near Olympic and Hung Hom MTR stations are being completed in phases, providing a total retail floor area of approximately 163,000 and 168,000 square feet respectively. Market responses for these two malls were satisfactory and an array of lifestyle brands and distinctive food and beverage establishments has been secured as their tenants. With the successive completion of the remaining phases of these two large-scale urban redevelopment projects, the Group's rental income is poised to grow further in the coming years.

Office portfolio

The uncertain economic outlook and large supply pipeline in Hong Kong posed challenges to the office leasing market. However, benefitting from the flight-to-quality trend, the Group's office portfolio continued to maintain resilient performance, with solid occupancy rates.

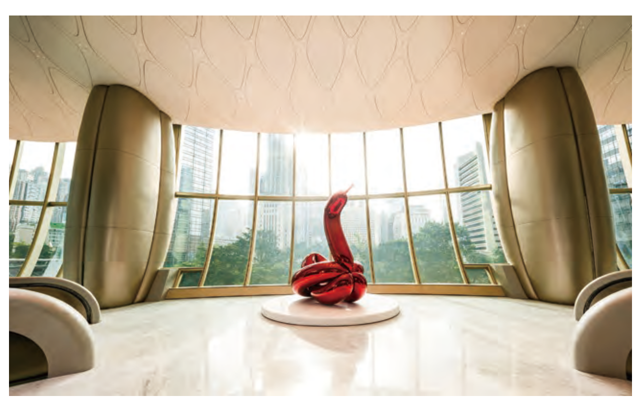
MCP CENTRAL & MCP DISCOVERY, Tseung Kwan O, Hong Kong

The Henderson, Central, Hong Kong

Given its prime location in the core of Central atop the Airport Express Terminus, ifc had a solid tenant base of financial institutions with a consistently high occupancy. The Group's other premium office properties on Hong Kong Island also performed steadily during the year as a result of the Group's strong relationships with tenants. "AIA Tower" in North Point, for instance, continued to record an occupancy rate of around 90%.

Despite intense competition, the Group's portfolio of office and industrial/office premises in Kowloon East, including Manulife Financial Centre, AIA Financial Centre, 78 Hung To Road and 52 Hung To Road, maintained an overall occupancy rate of about 90% due to the Group's effective tenant engagement.

The Henderson, which was completed in January 2024, is a new icon in Hong Kong. Designed by the internationally acclaimed architectural firm Zaha Hadid Architects (ZHA), this 465,000-square-foot super Grade-A commercial project offers an unrivalled, smart office experience to its tenants by blending art, innovation and sustainability. The office lobby features the *Balloon Swan (Red)* sculpture by the renowned contemporary artist Jeff Koons, whilst Cloud 39, which is the highest all-glass rooftop ballroom in Hong Kong, boasts a breathtaking 270-degree view of Hong Kong's vibrant cityscape. The first sculpture park by ZHA in Asia will also be added in the public space outside the building, providing a unique green recreational space for the community. The Henderson has garnered a number of international awards and accolades such as SmartScore, Wiredscore, and Platinum Pre-certification in both WELL Building Standard (WELL) and Leadership in Energy and Environmental Design (LEED). The Group also won the Business Leadership in Sustainability Award at the World Green Building Council (WorldGBC) Asia Pacific Leadership in Green Building Awards for this landmark property. The Henderson partnered with Forbes Travel Guide, a global authority on genuine Five-Star service, to customise service standards for the building. In early 2025, The Henderson received the accreditation of "In Partnership with Forbes Travel Guide", becoming the first commercial building in the Asia Pacific region to achieve this recognition which reflects the Group's commitment to delivering 5-star service excellence to its tenants and guests. The Henderson is home to many distinguished tenants including Christie's, which has established its new Asia Pacific headquarters in the building, along with Audemars Piguet, Carlyle and CPP Investments. The Henderson has currently achieved a committed leasing rate of around 80%, contributing positively to the Group's recurrent income base.



The office lobby located on the third floor of The Henderson features the Balloon Swan (Red) sculpture by internationally acclaimed contemporary artist Jeff Koons

Construction

The Group is committed to building excellence in all its property developments. During the year, The Henderson in Central won the Innovative Project Award, as well as the Grand Award in the category of Hong Kong Non-Residential Projects (New Building – Non-Government, Institution or Community) of the Quality Building Award 2024. At the MIPIM Asia 2024, The Henderson was also named Gold Award winner in the category of Best Office and Business Project. As for residential developments, the project at 8 Castle Road in Mid-Levels and Baker Circle in Hung Hom were both accredited as 5-Star winners in the Asia Pacific Property Awards 2024-2025.

The Group will continue to utilise advanced technology to further enhance the construction quality of its projects. Artificial Intelligence is being developed in collaboration with a local university to optimise structural design and building specifications, thereby enhancing cost savings and energy efficiency. Artificial Intelligence also helps monitor the construction process, ensuring safety at construction sites. This resulted in the Group receiving numerous accolades, including Proactive Safety Contractor Award and Safety Performance Award, in recognition of the Group's unwavering commitment to site safety.

The following development projects in Hong Kong were completed during the year:

	Project name and location	Site area (sq. ft.)	Gross floor area (sq. ft.)	Type of development	Interest of the Group (%)	Gross floor area attributable to the Group (sq. ft.)
1.	The Henderson 2 Murray Road Central	31,000	465,005	Office	100.00	465,005
2.	New Kowloon Land Lot No. 6554 Kai Tak	197,552	1,205,028	Commercial/ Residential/ Government facilities	30.00	337,079 *(Note)*
3.	8 Castle Road Mid-Levels	52,451	472,067	Residential	65.00	306,844
4.	The Quinn • Square Mile 5 Sham Mong Road Mong Kok	26,953	242,509	Commercial/ Residential	100.00	242,509
5.	Baker Circle One (Phases 2-3) 33 Whampoa Street and 18 Bulkeley Street Hung Hom	23,521	219,218	Commercial/ Residential	100.00	219,218
6.	The Knightsbridge 22 Shing Fung Road Kai Tak	105,110	641,165	Commercial/ Residential	18.00	115,410
					Total:	**1,686,065**

Note: Excluding the gross floor area attributable to government facilities.

Property Management

The Group's property management companies consist of Hang Yick Properties Management Limited, Well Born Real Estate Management Limited, H-Privilege Limited (which provides superior management services for the Group's prestigious housing projects – The H Collection), Goodwill Management Limited and H Commerce Management Limited. These companies, collectively managing over 79,000 apartments and industrial/commercial units, 10 million square feet of shopping and office space, as well as 20,000 car parking spaces in Hong Kong, maintain leading positions within the industry.

In order to ensure that quality service is provided to all the properties under their management, the property management companies have implemented an Integrated Management System, which complies with the requirements of ISO 9001 (Quality Management System), ISO 10002 (Complaints Handling Management System), ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System). These property management companies have received numerous accolades, including Hong Kong Top Service Brand and Q-Mark Service Certification, for their outstanding performance.

Innovation and sustainability are consistently prioritised in all aspect of the Group's businesses and operations. These qualities prompted the Group's property management companies to participate in Hong Kong's first-ever Business-School Recycling Programme in 2024. Old uniforms from frontline staff were collected and recycled to produce eco-friendly school uniforms, which were then donated to students of a special school. In addition, following the success of creating Christmas trees from recycled plastic bottles and second-hand books in the previous two years, the Group's property management companies launched the recycled Christmas tree campaign again this year. Aluminum cans collected were stocked to form Christmas trees, which were then displayed at the residential properties under their management, with the aim of creating a festive atmosphere while delivering eco-friendly messages to the public. In recognition of their efforts to promote waste reduction and green living, they received a multitude of commendations during the year, including "Wastewi$e Certificate – Excellent Level" from The Hong Kong Green Organisation Certification and "Source Separation of Domestic Waste – Certificate of Merit" from the Government's Environmental Protection Department, in addition to the Hong Kong ESG Award from the Chinese Manufacturers' Association of Hong Kong.

As for community services, the Group's property management companies continued to collaborate with GDCD Association to organise an array of activities to promote sports and environmental protection during the year. Outstanding athletes were invited to hold various training classes in the residential properties under their management, so as to strengthen the connection with young people through sports, care for the underprivileged and arouse their environmental awareness. Their volunteer teams also actively participated in various charitable events and received the accolades of the Top 10 Highest Volunteer Hours, Corporate – Most Active Award (Volunteer Hours), Excellence Gold Award, as well as Top 10 Caring Estate at the Hong Kong Volunteer Award 2024.

To continue promoting waste utilisation, the Henderson Property Management Department called on all estate residents to recycle aluminum cans and launched the "We CAN! ESG Christmas" in 2024

Mainland China

In 2024, the Central People's Government continued to optimise its real estate policies to stabilise the property market, and strived to improve market conditions on both the supply and demand sides. It also intensified its efforts to support the property sector by abolishing restrictions on home purchases, resales and pricing, lowering mortgage rates, reducing the down payment ratio, and alleviating the tax burden on purchasers exchanging properties. Homebuyer sentiment was thus boosted, leading to increased sales of both new and second-hand properties, and a sign of property market recovery. In the land market, bidding interest was primarily focused on prime sites in prominent cities. However, real estate developers remained cautious in land bidding, resulting in a decrease in transaction volume across cities of various tiers.

The following development projects were completed during the year:

	Project name	Usage	Interest of the Group (%)	Gross floor area attributable to the Group (million sq. ft.)
1.	Panyu Project, Guangzhou (Phase 1)	Residential, Commercial and School	50	0.73
2.	The Landscape, Changsha (Phase 5 (fourth batch))	Residential	50	0.20
3.	CIFI Centre, Chengdu (Phases 1 and 4 (second batch))	Residential, Office and Commercial	50	1.34
4.	Xindu Project, Chengdu (Phase 2)	Residential	50	0.45
5.	Xinjin Project, Chengdu (Phase 1)	Residential	50	0.38
6.	Shijie Project, Dongguan (Phases 1 and 2)	Residential and Commercial	50	0.28
7.	Chancheng Project, Foshan (Phases 1 and 2)	Residential and Commercial	50	0.47
8.	Changan Project, Shijiazhuang (Phase 5)	Residential	100	1.22
9.	Xiangcheng District, Suzhou (Phase 2)	Residential	11	0.14
10.	Dongxihu Project, Wuhan (Phase 1)	Residential	50	0.25
11.	La Botanica, Xian (Phase 4R2)	Residential	50	0.90
			Total:	**6.36**

The Group's mainland China strategy is as follows:

Property Investment: The Group focuses on the development of Grade-A office buildings. During the year, the Group strategically directed its resources toward the leasing of two recently completed large-scale projects, namely, Lumina Guangzhou in Yuexiu District, Guangzhou and Lumina Shanghai in the Xuhui Riverside Area, Shanghai. This effort yielded remarkable results and significantly enhanced the portfolio's rental income. As at 31 December 2024, the leasing rate of the 1,000,000-square-foot Lumina Shanghai II exceeded 80%, while that of the 970,000-square-foot Grade-A office twin towers at Lumina Guangzhou was close to 90%. During the year, the Group was diligently developing two joint venture commercial composite developments: the 830,000-square-foot The Pier in Pudong, Shanghai and the 420,000-square-foot Yunhui Tower in Nanshan, Shenzhen. Both projects are on-track for imminent completion, and a leasing campaign is currently underway. With the completion of these joint venture projects, the Group's rental income is expected to grow further, establishing a stable growth trajectory for its recurring income.

Property Development: The Group focuses on residential and composite development projects in first-tier and leading second-tier cities, while also capitalising on new development opportunities generated by the strategic development of the Greater Bay Area.

As at 31 December 2024, in addition to its holding of approximately 2.6 million square feet in attributable gross floor area of completed property stock, the Group held a development land bank in 15 cities with a total attributable gross floor area of about 10.58 million square feet, with approximately 64% designated for the development of residential properties:

Land bank under development or held for future development

		Estimated developable gross floor area attributable to the Group* (million sq. ft.)
First-tier cities		
Beijing		0.05
Shanghai		0.42
Guangzhou		0.92
Shenzhen		0.21
	Sub-total:	**1.60**
Second-tier cities		
Changsha		0.05
Chengdu		3.78
Chongqing		0.65
Dongguan		0.15
Foshan		0.24
Shijiazhuang		2.38
Suzhou		0.03
Tianjin		0.64
Wuhan		0.45
Xian		0.55
Xuzhou		0.06
	Sub-total:	**8.98**
	Total:	**10.58**

Usage of development land bank

	Estimated developable gross floor area attributable to the Group* (million sq. ft.)	Percentage (%)
Residential	6.78	64
Office	2.02	19
Commercial	1.47	14
Others (including clubhouses, schools and community facilities)	0.31	3
Total:	**10.58**	**100**

* *Excluding the developable gross floor area attributable to basement areas and car parks.*

Property Sales

During the year, the volume of pre-sold residential units completed and delivered to buyers experienced a decline compared to the previous year. Revenue and profit before taxation attributable to the Group's property development in mainland China, as recognised in the financial statements for the year under review, amounted to approximately RMB7,501 million (equivalent to approximately HK$8,225 million) and RMB897 million (equivalent to approximately HK$985 million), respectively, representing a year-on-year decrease of 12% and 53% respectively in Renminbi terms.

During the year, contracted sales attributable to the Group decreased by 48% year-on-year to approximately RMB3,085 million (equivalent to approximately HK$3,379 million) or 41% to approximately 2.2 million square feet in attributable gross floor area. Major sales projects included Changan project in Shijiazhuang, Panyu project in Guangzhou, La Botanica in Xian, Dongli project in Tianjin, as well as Xindu project and CIFI Centre in Chengdu.

As at 31 December 2024, attributable contracted sales of approximately HK$3,368 million remain unrecognised in the accounts. It is anticipated that approximately HK$2,694 million of this amount will be recognised in 2025 upon the completion of development and handover to buyers.

Investment Properties

As at 31 December 2024, the completed investment property portfolio attributable to the Group in mainland China amounted to approximately 13.0 million square feet, the details of which are as follows:

By type	**Gross floor area attributable to the Group* (million sq. ft.)**	**Percentage (%)**
Office	9.1	70
Commercial	3.9	30
Total:	**13.0**	**100**

By geographical area	**Gross floor area attributable to the Group* (million sq. ft.)**	**Percentage (%)**
Beijing	2.2	17
Shanghai	6.8	52
Guangzhou	2.6	20
Other	1.4	11
Total:	**13.0**	**100**

* *Including lettable areas in the basement.*

Market rents on the Mainland came under pressure due to the cost-controlling measures implemented by corporate tenants to enhance efficiency, as well as an increase in market supply. However, the rental contribution from the recently completed large-scale investment properties (including Lumina Guangzhou and Lumina Shanghai) continued to increase, contributing to the stable performance of the investment property portfolio, with a gross rental income increase of 1% year-on-year in Renminbi terms. After taking into account the approximately 1% year-on-year depreciation of the Renminbi against the Hong Kong Dollar, gross rental income attributable to the Group remained largely flat at HK$2,100 million. Following the initial phase of the leasing campaign, the marketing expenses for recently completed investment properties have been significantly reduced, leading to the Group's attributable net rental income before taxation increasing by 6% year-on-year to HK$1,591 million.

In Beijing, foreign companies expressed concerns about the economic outlook, while some large-scale mainland enterprises also downsized in order to contain costs. The leasing rate of World Financial Centre in Chaoyang Central Business District thereby fell to 70% at the end of December 2024. The Group will maintain flexibility to adapt to changing market conditions. Coupled with its reputable building quality, it is expected that this international Grade-A office complex will attract leasing interests from corporations that prioritise quality.

In Shanghai, as at 31 December 2024, the leasing rates of Henderson 688 in Nanjing Road West business hub and Greentech Tower adjacent to the Shanghai Railway Station were 94% and 91% respectively. Henderson Metropolitan near the Bund achieved a leasing rate of 98% for its office and 95% for its shopping mall. The leasing rates for the office developments at Grand Gateway II atop the Xujiahui subway station and the joint-venture project in the Middle Huaihai Road business hub were both over 80%. Centro was affected by the growing competition among the nearby commercial developments and its leasing rate was close to 70%. Market response for the recently-completed Lumina Shanghai at the Xuhui Riverside Area was satisfactory. Xuhui Riverside is one of the key riverside development projects under the Shanghai 14th Five-year Plan, and currently a hub for culture, media and digital technology development in Shanghai. The 61-storey iconic office tower of Phase 1 development at Lumina Shanghai, which boasts direct connection to Longyao Subway Station, provides approximately 1,800,000 square feet of Grade-A office space. During the year, Samsung Property & Casualty Insurance was secured as a tenant, which boosted the leasing rate of this development to more than 60%. As various multinational corporations are moving in progressively, the Group's rental income is expected to grow further. Many food and beverage outlets were available at its 200,000-square-foot shopping mall, offering diverse dining options to customers. The neighbouring 1,000,000-square-foot Phase 2 development, namely, Lumina Shanghai II, is home to many renowned automotive corporations, with BMW leasing more spaces during the year. Ernst & Young, a renowned accounting firm, was also secured as its tenant. The leasing rate of this development exceeded 80% by the end of December 2024.

In Guangzhou, Lumina Guangzhou, an integrated development atop the Haizhu Square interchange station of two subway lines, is strategically located in this core city of the Guangdong-Hong Kong-Macao Greater Bay Area. Commanding magnificent river views with its close proximity to the Pearl River, its 970,000-square-foot Grade-A office twin towers attract many multinational corporations and international organisations as tenants. In addition to the Royal Danish Consulate and the Consulate General of Hungary, the Consulate General of Poland also committed to lease its office space recently. The leasing rate for this Grade-A office development was close to 90% at the end of December 2024. At its 900,000-square-foot shopping podium and underground commercial area, a wide variety of movie theatres and specialty eateries have opened. Hengbao Plaza, atop the Changshou Road subway station, continued to refine its tenant mix to enhance its attractiveness and the leasing rate was over 70% at the end of December 2024.

Lumina Shanghai, Shanghai

Property Management

Shanghai Starplus Property Management Co., Ltd. ("Starplus") currently manages a total gross floor area of about 13,670,000 square feet, including 5,100 car parking spaces in mainland China. Starplus has adopted management practices and professional accreditation principles which comply with the requirements of ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), ISO 10002 (Complaints Handling Management System) and ISO 50001 (Energy Management System). Its commitment to professionalism is reflected in the meticulous care of all properties under its management. During the year, Lumina Shanghai, Lumina Shanghai II and Henderson Metropolitan received LEED v.4 Building Operations and Maintenance Existing Buildings platinum certifications from the US Green Building Council and Green Business Certification Inc. Henderson 688, Centro and Greentech Tower were also awarded LEED Zero Waste certifications. In addition, World Financial Centre in Beijing, Lumina Shanghai II and Lumina Guangzhou were awarded Best Managed Properties by the Beijing China Index Academy. Various properties under its management in Shanghai (including Henderson 688, Henderson Metropolitan and Greentech Tower) won the 2024 Excellent Property Management Showcase (non-residential property) Awards from Shanghai Property Management Association. All these achievements demonstrated that the Group's promotion of sustainable development and professional management for its mainland properties are well recognised both locally and internationally.

Henderson Investment Limited ("HIL")

HIL's loss attributable to equity shareholders for the year ended 31 December 2024 amounted to HK$125 million, as compared with the loss attributable to equity shareholders of HK$72 million for the previous year. The increase in loss is mainly attributable to (i) cumulative effects of the accounting treatment for the simultaneous renewal of various shop lease agreements; and (ii) the adverse effects of the ongoing rise in outbound travel, as well as the continual increase in cross-border consumption and shopping.

HIL's business activities are principally carried out by two wholly-owned subsidiaries: (i) Citistore (Hong Kong) Limited, which operates five department stores under the name of "Citistore" and two household specialty stores under the name of "Citilife" (hereinafter collectively referred to as "Citistore"); and (ii) Unicorn Stores (HK) Limited, which operates two department stores-cum-supermarkets under the name of "APITA" or "UNY" and two supermarkets under the name of "UNY" (hereinafter collectively referred to as "Unicorn").

Continuous efforts have been made to integrate the businesses of Citistore and Unicorn, so as to enhance their operational synergies and efficiency. Following the establishment of a centralised distribution centre, their information technology systems were fully integrated during this year. In December 2024, their common membership loyalty programme CU APP was integrated with H • COINS, the membership loyalty programme of HIL's parent company, Henderson Land Development Company Limited. This integration resulted in further expansion of the member base of CU APP.

CU APP was integrated with H • COINS in December 2024, resulting in further expansion of the member base

(I) Citistore

Citistore, affected by unfavourable market conditions, recorded a year-on-year decrease of 12% in the aggregate sales proceeds from the sales of own goods, consignment sales and concessionaire sales for the year ended 31 December 2024. During the year, Citistore's sales of own goods decreased by 10% year-on-year to HK$287 million with a gross margin of 31%. The decrease in sales and margin was mainly due to intensified price competition in the sluggish retail market. During the year, due to the decrease in the aggregate sales proceeds from consignment and concessionaire sales, the total commission income from such sales decreased by 12% year-on-year to HK$308 million.

After deducting its operating expenses, Citistore recorded a loss after taxation of HK$20 million for the year ended 31 December 2024, as compared with a profit after taxation of HK$58 million for the previous year.

(II) Unicorn

Despite adverse market conditions, sales of own goods and consignment sales for the year ended 31 December 2024 increased by 4% year-on-year to HK$1,169 million. This was mainly due to the increased sales from APITA after the completion of a major renovation project in late 2023.

After deducting its operating expenses, Unicorn recorded a loss after taxation of HK$96 million for the year ended 31 December 2024 (2023: HK$120 million).

Looking ahead, HIL will continue to scrutinise the performances of its stores, optimise the structure of its store network and strive for more favourable lease terms. In addition, HIL will focus on expanding the membership base for the newly integrated membership loyalty programmes. By leveraging the strength of an integrated information technology system to help understand customers' needs, HIL will adjust its merchandise mix and launch targeted promotional campaigns to enhance shopper engagement and increase patronage. Despite the ongoing challenges in the market, these strategies, combined with the ongoing consolidation of Citistore and Unicorn's merchandise sourcing and back office functions, are expected to lead to improvements in HIL's overall performance.

Miramar Hotel and Investment Company, Limited ("Miramar")

Miramar's revenue for the year ended 31 December 2024 amounted to HK$2,858.4 million, an increase of 12.0% against last year. The underlying profit attributable to shareholders (excluding the fair value of investment properties) increased by 1.2% to HK$830.5 million compared with last year. As the fair value of investment properties in 2024 declined, the profit attributable to the shareholders (including the fair value of investment properties) was adjusted to HK$746.6 million.

Earlier in 2025, Miramar announced its plan for the acquisition of Champagne Court for redevelopment into a new hotel cum commercial complex. The plan includes the construction of a 23-storey hotel cum commercial complex (the "New Hotel cum Commercial Complex"), comprising 99 hotel guestrooms, shops, restaurants, banquet halls, and car parking spaces and motor parking spaces. Among them, the average size of the standard guestrooms will be approximately 350 square feet, being about 30% larger than that of The Mira Hong Kong. The floor-to-floor height of the standard guestrooms of the new hotel will also be approximately 25% higher as compared to The Mira Hong Kong. The New Hotel cum Commercial Complex will be adjoining to The Mira Hong Kong and Mira Place 2. Miramar plans to relocate the existing approximately 60,000 square feet of dining and banquet facilities from The Mira Hong Kong to the New Hotel cum Commercial Complex, thereby increasing the total retail space of Mira Place 2 by over 50%. The total retail space of Mira Place 1 and 2 will increase to approximately 530,000 square feet.

Hotels and Serviced Apartments Business

During the year, the overall revenue from the hotel and serviced apartment business amounted to HK$597.4 million, representing an increase of 2.7% compared with last year. Meanwhile, earnings before interest, taxes, depreciation and amortisation (EBITDA) recorded a profit of HK$139.9 million, representing a decrease of 8.8% compared with the last year. The Mira Hong Kong and Mira Moon were accredited as Muslim-friendly hotels with a Level 5 Rating from "Crescent Rating", an internationally renowned Muslim travel certification authority. The occupancy rate of The Mira Hong Kong and Mira Moon increased further to 92.1% and 95.4% in 2024, respectively, while the average room rate also reached HK$1,416 and HK$1,636. The revenue from the room rental business of The Mira Hong Kong recorded an increase of 1.7%, while the revenue from the room rental business of Mira Moon declined by 3.5%. Revenue from the food and beverage business under the hotel segment of Miramar also recorded an increase of 3.8% compared with last year.

Property Rental Business

The revenue from its property rental business remained stable at HK$791.3 million during the year, while EBITDA recorded a profit of HK$663.9 million, indicating a slight decrease of 0.5% and 0.9% from last year, respectively. The average occupancy rate of office buildings and shopping malls for the year exceeded 95%. The construction and enhancement of Mira Place 2 were completed during the year. It also became the first mall to collaborate with CLPe to launch "Mi Green Park", an electronic charging and parking zone, in Tsim Sha Tsui, featuring the addition of multiple charging facilities for electric vehicles.

Food and Beverage Business

During the year, its food and beverage business recorded revenue of HK$290.4 million and an EBITDA profit of HK$11.3 million, representing an increase of 3.9% and a decrease of 62.4%, respectively as compared with last year. By the end of 2024, Miramar launched "Daai Zaak", an exquisite private dining restaurant. In terms of festival food, revenue from the food processing workshop increased by 10.6% year-on-year. Notably, sales of Chinese New Year puddings reached a new

Mira Place 1, Tsim Sha Tsui, Hong Kong high. Chinesology has become the first fine-dining Chinese restaurant in Hong Kong to receive the "Halal-Friendly Restaurant" certification granted by the Incorporated Trustees of the Islamic Community Fund of Hong Kong (Board of Trustees (BOT)).

Travel Business

During the period, travel business of Miramar recorded strong growth, with revenue of HK$1,179.4 million with EBITDA profit of HK$102 million, representing increases of 31.6% in revenue and remarkable 118.4% in EBITDA profit.

Associated Companies

The Hong Kong and China Gas Company Limited ("HKCG")

HKCG's annual revenue reached HK$55,473 million, with core operating profit increasing by 5% to HK$5,955 million. After taking into account non-operating gains and losses, profit attributable to its shareholders before property revaluation amounted to HK$5,668 million, representing an increase of 2%. After property revaluation, profit attributable to shareholders amounted to HK$5,712 million.

Utilities Businesses

Hong Kong Utility

Residential gas sales decreased slightly by 1.4% for the year. The gradual recovery of the tourism industry in Hong Kong has led to an increase in gas consumption in the hotel sector, with hotel-related gas sales increasing by 6.6%. Overall commercial and industrial gas sales increased by 2%, while town gas sales slightly increased by 0.1% for the year. Projects commenced construction during the year included the laying of approximately 1.5 kilometres of intermediate pressure pipelines and 3.5 kilometres of low pressure pipelines in connection with construction of the third runway system at the Hong Kong International Airport.

Mainland Utilities

In 2024, overall revenue of Towngas Smart Energy Company Limited ("Towngas Smart Energy", stock code: 1083) increased by 7.4% to HK$21,314 million; while its core operating profit increased by 34.5% to HK$1,601 million (an increase of 37.2% in RMB term). Profit attributable to shareholders of Towngas Smart Energy amounted to HK$1,606 million, representing an increase of HK$31 million over the previous year.

During the year, inclusive of its subsidiary, Towngas Smart Energy, HKCG had a total of 322 city-gas projects across 23 provincial regions in mainland China. 2.3 million new customers were acquired, bringing the total number of customers to 42.49 million. HKCG's total gas sales volume for the year increased by 5% to 36,400 million cubic metres, of which the industrial and commercial gas sales volume increased by 3.1%.

Supplies natural gas to a leading battery technology enterprise in Xuzhou, Jiangsu Province

Towngas Smart Energy provides renewable energy and smart energy carbon services in Shenzhen, Guangdong Province

During the year, HKCG entered into 568 new "Gas+" energy service projects, bringing the total number of contracted projects to 1,139, of which more than 800 have been put into operation, providing customers with approximately 2,200 million kWh of clean energy annually.

During the year, HKCG generally achieved cost pass-through for non-residential customers, and more than 70% of city-gas joint ventures completed cost pass-through for residential customers. Coupled with the decline in international natural gas prices, HKCG recorded a significant recovery in the dollar margin. The average dollar margin of city gas in 2024 was RMB 0.52 per cubic metre, representing an increase of RMB 0.05 per cubic metre as compared to 2023. On the other hand, to support the implementation of the "One City, One Enterprise" policy by various local governments, HKCG is advancing the optimisation and restructuring of gas projects in Chaozhou, Jinan, Dalian and other regions.

Gas Resources Business

The gas resources sector recorded coordinated gas volume of 4,420 million cubic metres, accounting for 12% of the total gas volume, achieving financial benefits of RMB381 million in 2024. Through the Hong Kong liquefied natural gas ("LNG") international trade business platform, HKCG has implemented a long-term agreement plan for the international import of LNG with a total volume of 1.5 million tonnes and has launched a long-term cooperation with the three major national petroleum corporations to provide a total of 15,000 million cubic metres of natural gas. Meanwhile, HKCG has entered into cooperation with enterprises such as Guizhou Natural Gas Company, Hubei Natural Gas Company, and ENN Group, in order to enhance the complementary protection capacity. In addition, in 2025, two new gas wells commence operation as part of the second phase of the gas storage facility in Jintan. This will raise the facility's total storage capacity to approximately 480 million cubic metres, apart from also bolstering the national "West-to-East Gas Pipeline" and "Sichuan-to-East Gas Pipeline" networks' injection/extraction and emergency peak-shaving capabilities.

Water and Environmental Businesses

During the year, the new sewage treatment project (phase one) in Wujin National High-Tech Industrial Zone, Changzhou, Jiangsu Province was put into operation. The annual water sales volume was 1,060 million tonnes, representing an increase of 2% year-on-year; the sewage treatment volume was 590 million tonnes, representing an increase of 4.1% year-on-year; and the waste treatment volume was 1.61 million tonnes, representing an increase of 10.3% year-on-year (the above figures include Foshan Water).

Growth Businesses

Renewable Energy

HKCG has invested in and constructed over 1,000 renewable energy projects in 24 provinces, autonomous regions and municipalities. The energy and carbon services have been growing at a rapid pace, with industrial and commercial energy storage contracts exceeding 400,000 kWh for the year, the volume of electricity sales transactions reaching 8,400 million kWh, the capacity of cumulative grid-connected installations of distributed photovoltaic (PV) amounting to 2.3 GW, and the volume of electricity generated reaching 1,830 million kWh. The net profit from renewable energy business for the year was HK$479 million, representing a year-on-year increase of five times, among which, the profit from energy and carbon services for the year was HK$110 million, representing a year-on-year increase of two times.

Sustainable Aviation Fuel

EcoCeres, Inc., which was incubated by HKCG and in which HKCG remains a strategic shareholder, continued to be one of the world's leading producers of sustainable aviation fuel ("SAF") in 2024, with an annual production volume of approximately 180,000 tonnes, accounting for approximately 20% of the global SAF market share. EcoCeres's plant in Zhangjiagang, Jiangsu, reached 100% of the plant's designed production capacity during the year. The new production plant in Johor, Malaysia, is expected to be completed and begin initial production by the third quarter of 2025, providing additional production capacity of 300,000 tonnes.

Green Methanol

As the first enterprise in mainland China to produce ISCC EU and ISCC PLUS-certified green methanol, HKCG's production plant in Ordos City, Inner Mongolia, utilises proprietary technology to convert biomass and municipal waste into green methanol. The annual production capacity of the plant in 2024 was 100,000 tonnes, and it is expected to increase to 150,000 tonnes per year by the end of 2025. HKCG aims to further increase its capacity to 300,000 tonnes per year by 2028. During the year, HKCG signed a "Cooperation Framework Agreement for Green Fuel and Chemical Projects" with Foran Energy Group Company Limited. Both parties initially plan to raise RMB10,000 million through various financing means to establish green methanol production bases across the country, developing a green fuel and chemical supply platform with an annual production capacity of 1 million tonnes. The green methanol project in Foshan will commence construction in mid-2025 aiming at achieving an initial annual production capacity of 200,000 tonnes of green methanol by 2028 in order to serve major ports in South China, including Kwai Chung Terminals in Hong Kong, Nansha Port in Guangzhou, and Yantian Port in Shenzhen as well as those in Southeast Asia.

Hydrogen Energy

HKCG launched Hong Kong's first green hydrogen project in a landfill in Tseung Kwan O, utilising landfill biogas to generate green hydrogen. It is expected to be completed in 2025. It will then be able to produce about 330 kilograms of hydrogen per day, sufficient to power 7 to 8 hydrogen buses for one day of operation.

The TERA-Award Smart Energy Innovation Competition, initiated by HKCG Chairman Dr. the Hon. Lee Ka Kit, marked its third year in 2024.

TERA-Award

The TERA-Award Smart Energy Innovation Competition, initiated by HKCG Chairman Dr. the Hon. Lee Ka Kit, was held for the third time in 2024. Cumulatively, it has attracted nearly 1,000 zero-carbon technology entrepreneurial projects from 59 countries and regions around the world, and has successfully assisted multiple startups towards commercialisation.

Extended Businesses

In terms of the extended businesses, HKCG has integrated Towngas Lifestyle, its brand in mainland China, with its Hong Kong retail business, leveraging the vast customer base of 44 million households to promote the three business divisions of smart kitchens, insurance, and home safety, all of which have become a key growth driver. In Hong Kong, retail sales of appliances increased by 2.3% in 2024 over the previous year. In mainland China, Bauhinia sold approximately 670,000 units throughout the year. The insurance business recorded a 7% year-on-year increase in premium income, with comprehensive home property insurance premiums rising by 50%. The "TGSE CHIP", jointly developed by Towngas Lifestyle, StarFive and ChinaFive, has successfully expanded its applications from smart gas meters to kitchen settings including gas appliances, gas alarms, and smoke detectors. Sales of the TGSE CHIP exceeded 3.85 million units by the end of 2024.

Hong Kong Ferry (Holdings) Company Limited ("Hong Kong Ferry")

Hong Kong Ferry's underlying profit for the year ended 31 December 2024 was HK$158 million, representing an increase of approximately 10% from the same period last year. Taking into account the fair value change of the investment properties, consolidated profit after taxation for the year under review decreased by approximately 14% to approximately HK$160 million as compared with the same period of 2023. During the year under review, Hong Kong Ferry's operating profit was mainly derived from the rental income from shops and commercial arcades as well as interest income from banks. Hong Kong Ferry had no borrowings.

Property Development and Investment Operations

In 2024, the rental income arising from the commercial arcades of Hong Kong Ferry amounted to approximately HK$125 million. As at 31 December 2024, the commercial arcades of The Spectacle and Metro6 were fully let. The occupancy rate of the commercial arcade of Shining Heights was 95%. The occupancy rates of commercial arcades of Metro Harbour Plaza and Green Code Plaza were 93% and 86% respectively.

For The Royale in Tuen Mun, Hong Kong Ferry has already delivered to buyers the 1,748 residential units sold. Some of the residential units are arranged for lease to increase its revenue. Hong Kong Ferry's redevelopment project "The Symphonie" in Cheung Sha Wan, with a residential gross floor area of about 100,698 square feet, provides 262 residential units. On 12 March 2025, a wholly-owned subsidiary of Hong Kong Ferry entered into a legally binding memorandum of understanding ("MOU") with a prominent non-profit making organization (the "Intending Tenant") in relation to the leasing of all 262 residential units in the two towers of The Symphonie at Tung Chau Street to the Intending Tenant for a medium-term tenure at market rental with expected rent commencement date in the first half of this year. The transactions contemplated under the MOU are conditional upon the obtaining of the approval from the Urban Renewal Authority as the grantee of the government lease.

Ferry, Shipyard and Related Operations

During the year under review, the Ferry, Shipyard and Related Operations recorded a deficit of HK$8 million, an increase of 4% as compared to the deficit in the year 2023. Hong Kong Ferry has applied to the Transport Department for a fare increase for the "North Point – Kwun Tong" dangerous goods vehicular ferry service, and believes that the overall operation loss will be alleviated.

Healthcare, Medical Aesthetic and Beauty Services

The number of customers of the "AMOUR" medical aesthetic clinic located at Mira Place, Tsim Sha Tsui, with a floor area of about 12,000 square feet, has increased continuously since its opening. The turnover for the year ended 31 December 2024 was HK$32 million, an increase of 138% compared with the same period last year. As at 31 December 2024, HK$15 million was recorded as payments received for prepaid packages, which in accordance with standard accounting practices had not been included in the income statement of the year under review. Hong Kong Ferry is currently providing specialised services in cardiology, surgery, orthopedics, plastic surgery, rheumatology and urology under the brand "Total HealthCare Specialists Centre" at H Zentre in Tsim Sha Tsui. The performance has been steadily on the rise and net profits have continued to be recorded during the year under review. Hong Kong Ferry's pain treatment businesses at Mira Place, Tsim Sha Tsui and Metro Harbour Plaza, Tai Kok Tsui respectively are gradually getting on track.

It is expected that the income from rental properties, together with bank interest income, will continue to be the major sources of revenue of Hong Kong Ferry in the year 2025.

Total HealthCare Specialists Centre, Tsim Sha Tsui, Hong Kong

Sunlight Real Estate Investment Trust ("Sunlight REIT")

The final results of Sunlight REIT for the 18 months ended 31 December 2024 (the "Reporting Period") are prepared incidental to the change of financial year end date from 30 June to 31 December. Sunlight REIT recorded revenue of HK$1,236.3 million for the Reporting Period. Property operating expenses and net property income were HK$278.6 million and HK$957.7 million respectively, implying a cost-to-income ratio of 22.5%. Taking into account a decrease in fair value of investment properties of HK$592.9 million, there was a loss after taxation of HK$173.0 million for the Reporting Period. Distributable income was HK$499.7 million.

At 31 December 2024, the occupancy rate of Sunlight REIT's overall portfolio was 91.3% (30 June 2023: 93.3%), while the corresponding figures of the office and retail portfolios were 92.0% and 90.1% (30 June 2023: 93.1% and 93.5%) respectively. The average passing rent of the office portfolio was HK$32.1 per square foot at 31 December 2024, down 7.2% as compared to the level at 30 June 2023, while that of the retail portfolio was unchanged at HK$65.6 per square foot.

Rental and car park income of Dah Sing Financial Centre ("DSFC") for the Reporting Period came in at HK$238.8 million. At 31 December 2024, the occupancy rate of DSFC improved to 92.2% (30 June 2023: 90.4%). However, the property recorded a negative rental reversion of 8.2% which included a rent review for a key tenant, while its passing rent experienced an 11.7% decline from HK$41.8 per square foot at 30 June 2023 to HK$36.9 per square foot. The tenant retention rate for the Reporting Period was 52%.

For the Reporting Period, Sheung Shui Centre Shopping Arcade ("SSC") recorded rental and car park income of HK$228.3 million. SSC achieved a positive rental reversion of 4.2% with a satisfactory retention rate of 77%. At 31 December 2024, its passing rent made reasonable headway to HK$103.9 per square foot (30 June 2023: HK$96.0 per square foot), but its occupancy rate of 91.4% was lower than the 97.6% recorded at 30 June 2023, principally due to the space vacated by the kindergarten tenant which accounted for 7.5% of its gross rentable area.

Rental and car park income of Metro City Phase I Property for the Reporting Period was HK$199.7 million. Its occupancy rate declined marginally to 91.7% at 31 December 2024 (30 June 2023: 92.2%) while the property maintained a high retention rate of 82% for the Reporting Period. The rental reversion came in at negative 0.9%, while its passing rent was down 3.0% to HK$52.2 per square foot at 31 December 2024 (30 June 2023: HK$53.8 per square foot).

In light of persistent headwinds, the Manager will devote additional effort to ensuring the resilience of Sunlight REIT by adopting a disciplined and innovative asset management strategy, while capitalising on any opportunities to mitigate interest rate risks. Meanwhile, the Manager reaffirms its steadfast commitment to sustainability, aspiring to contribute to the development of a greener environment for the community.

Corporate Finance

The Group has always adhered to prudent financial management principles. As at 31 December 2024, net debt amounted to HK$67,989 million (2023: HK$73,869 million) and the financial gearing ratio was 21.1% (2023: 22.6%).

The Group is committed to environmental protection in its property development projects and has received wide recognition for its achievements. Numerous world-class sustainability awards, certifications and professional accreditations were bestowed by various international and local professional rating agencies. Since 2020, green credit and sustainability loan facilities exceeding HK$50,000 million have been secured with favourable terms. Among them was a Social Loan, which was the first of its kind ever obtained by a property developer in Hong Kong. Under the terms of the loan, the Group is required to fulfill its social responsibility and realise its broader 2030 Sustainability Vision. The above demonstrates that the Group's prime credit standing and environmental contributions are well received by the international financial community.

Notwithstanding the strong capital base and abundant internal resources, as well as ample standby banking facilities, the Group has continuously issued medium term notes, seven-year Japanese Yen loans and six-year Renminbi loans with total amount increased to HK$43,800 million in recent years to diversity its loan portfolio. In addition, shareholder's loans to the Group, which have always been the Group's stable source of funding, amounted to HK$66,215 million as at 31 December 2024 (2023: HK$62,448 million).

Sustainability

The Group believes businesses have a transformative role to play in shaping a sustainable future. Guided by its G.I.V.E. strategies – Green for Planet, Innovation for Future, Value for People, and Endeavour for Community – the Group sets ambitious goals in its 2030 Sustainability Vision. The core pillars of G.I.V.E define its approach and reflect its ongoing commitment to create lasting value for its stakeholders and the communities the Group serves.

A significant milestone on its journey was reached in 2024 with the successful completion of the Group's flagship project, The Henderson. A testament to its unwavering dedication to Environmental, Social, and Governance (ESG) principles, The Henderson has earned multiple prestigious awards, including the Grand Award in the Hong Kong non-residential category and the Innovative Project Award at the Quality Building Award 2024 programme, together with 10 highest accreditation ratings for green, healthy and smart buildings. These accolades reflect the Group's continuing commitment to sustainable building practices, innovation, and environmental stewardship.

The Group is also proud to be included in the Dow Jones Best-in-Class Asia Pacific Index for the first time. This recognition of its long-term ESG strategy and vision is further validated by its improved score in the S&P Global Corporate Sustainability Assessment (CSA), placing the Group in the top 20% of companies in the Asia-Pacific region.

The Group believes a thriving business is intrinsically linked to a thriving community. The Group's vision is to help build a harmonious, inclusive, and sustainable Hong Kong where everyone can flourish. Through its initiatives, the Group strives to empower individuals, foster creativity, and create pathways for growth, ensuring no one is left behind.

In support of the Hong Kong SAR Government's community wellbeing efforts, the Group has provided space for the Community Living Room initiative in Sham Shui Po, offering a welcoming environment for families in need. This initiative provides relief for people living in subdivided flats or waiting for transitional housing.

Looking ahead, the Group remains steadfast in its mission to drive positive change and build a sustainable future. Together, the Group will continue to innovate, strengthen its communities, and contribute to a better world for generations to come.

Prospects

Mainland China is promoting high-quality development through scientific and technological innovation. Recent achievements in DeepSeek, integrated circuits and quantum technology will significantly enhance the broader application of artificial intelligence ("AI") and the development of intelligent network-connected new energy vehicles, AI mobile phones, computers and intelligent robots. Emerging industries such as commercial aerospace, low-altitude economy, biotechnology, embodied intelligence and 6G are also growing. In order to integrate into the overall development of the country, Hong Kong is striving to develop the Northern Metropolis into an international innovation and technology hub, creating impetus for economic growth. In the 2025-26 Budget, the Hong Kong SAR Government announced the reduction of stamp duty on certain property transactions. Additionally, the average annual completion volume of private residential units in the coming five years is projected to decrease by about 8% compared to the annual average of the past five years. These factors are expected to provide further support to Hong Kong's property market. However, the impact of the policies of the new U.S. administration on global trade and interest rate movements remain uncertain.

Over the years, the Group has been replenishing its development land bank in Hong Kong through a variety of channels. For the urban redevelopment projects with 100% ownership interest or where the relevant compulsory sale application threshold has been met, the total gross floor area attributable to the Group amounted to approximately 1.7 million square feet. The Land (Compulsory Sale for Redevelopment) (Amendment) Ordinance 2024, which aims to expedite the consolidation of private property interests, will facilitate the Group's redevelopment of old and dilapidated buildings in the urban district. In addition, the Group holds land reserves in the New Territories amounting to about 42.0 million square feet in land area, which continues to be the largest holding among all property developers in Hong Kong. The Group has sufficient land bank to support its property development in the years to come.

As regards "**property sales**", following the launch of Belgravia Place (Phase 2) in Cheung Sha Wan and Eight Southpark in Ma Tau Kok, the Group plans to launch eleven other development projects in Hong Kong for sale in 2025. Most of these projects are located in urban areas. Together with the unsold stock, a total of about 3,000,000 square feet of residential gross floor area or about 6,400 residential units attributable to the Group are expected to be available for sale in Hong Kong in 2025. Apart from residential units, about 180,000 square feet of office/industrial space in Hong Kong is also available for sale. At the end of December 2024, attributable sales of Hong Kong and mainland properties, which were not accounted for in 2024, amounted to approximately HK$11,533 million, of which approximately HK$10,528 million is expected to be recognised in the accounts in 2025 upon completion of the relevant developments and handover of the completed units to buyers.

As regards "**investment properties**", the Group's portfolio of completed investment properties currently comprises an attributable gross floor area of 10.4 million square feet in Hong Kong and 13.0 million square feet in mainland China. Two joint venture commercial composite developments in Pudong, Shanghai, and Nanshan, Shenzhen, are approaching completion and are anticipated to increase the Group's investment property portfolio to an attributable gross floor area of 13.6 million square feet in mainland China at the end of 2025. The Henderson, the Group's newly-completed super Grade-A office development in Central, is currently approximately 80% leased and has begun generating rental income. Another landmark development in Hong Kong's Central Business District, namely the 1,600,000-square-foot project at Site 3 of the New Central Harbourfront, is under construction and progressing well. It has received numerous provisional platinum accreditations from professional rating bodies. With the ongoing expansion and optimisation of its investment property portfolio, the Group's recurrent rental income is set to increase further, serving as a key driver of business growth.

The "**listed subsidiaries and associates**" provide the Group with another source of recurrent income. HKCG, in particular, had 322 city-gas projects in the mainland, with the number of household users in mainland China and Hong Kong exceeding 44 million at the end of December 2024. EcoCeres, Inc., in which HKCG holds shares, will substantially increase the production capacity of sustainable aviation fuel upon the expected completion of its new plant in Johor, Malaysia, in 2025. Together with the ongoing expansion of its renewable energy business segment, HKCG is set to deliver sustainable returns to the Group.

With the Group's ample financial resources and astute management of the three core businesses (namely, "**property sales**", "**investment properties**" and "**listed subsidiaries and associates**") by its experienced professional team, Henderson Land is well-placed to pursue sustainable growth, thereby delivering enhanced value for all stakeholders.

Passing of Founder and Executive Director

Dr the Honourable Lee Shau Kee, the founder of the Group and an Executive Director of the Company, passed away on 17 March 2025.

Dr Lee Shau Kee founded the Group in 1976, and devoted his full efforts to bring the Company into one of the largest and reputable property developers in Hong Kong and was a pioneer in the real estate industry. Throughout his career, Dr Lee had earned a reputation for his ethics and people skills, as well as his ability to make wise investments. As one of Hong Kong's leading businesspeople, Dr Lee had made significant contributions to Hong Kong's economic prosperity. He was also a respected philanthropist, who had been instrumental in the creation and success of many major educational and community initiatives in Hong Kong, Mainland China and overseas. The Board will continue to work on furthering the mission laid down by Dr Lee and is of the view that the passing of Dr Lee will not have any impact on the operations of the Group.

The Board would like to express its deepest sorrow on the passing of Dr Lee.

Appreciation

We would like to take this opportunity to extend our appreciation to our fellow directors for their wise counsel, and to thank all our staff for their commitment and hard work throughout the year.

Dr Lee Ka Kit	**Dr Lee Ka Shing**
Chairman	*Chairman*

Hong Kong, 20 March 2025

The Henderson

CENTRAL | HONG KONG

Progress of Major Development Projects

Status of property developments with anticipated completion during the period to the end of 2027

Parkwood

3 Mei Sun Lane, Tai Po (100% owned)

Site area	:	7,976 square feet
Gross floor area	:	49,077 square feet
Residential units	:	122
Expected completion	:	First quarter of 2025

Surrounded by scenic Lam Tsuen River with Tai Wo MTR station in its vicinity, Parkwood is a residential-cum-commercial development. Superstructure works are in progress.

Parkwood, Tai Po, Hong Kong (artist's impression)

Gateway • Square Mile

1 Ka Shin Street, Mong Kok (100% owned)

Site area	:	9,642 square feet
Gross floor area	:	88,356 square feet
Residential units	:	234
Expected completion	:	Second quarter of 2025

Located close to the Olympic MTR station, Gateway • Square Mile provides residents with easy connectivity to various parts of Hong Kong. Superstructure works are in progress and the site will be developed into a 22-storey residential-cum-commercial tower with a four-storey podium. It was launched for sale in March 2024 with a satisfactory market response.

Gateway • Square Mile, Mong Kok, Hong Kong (artist's impression)

The Paddington

456 Sai Yeung Choi Street North, Cheung Sha Wan (100% owned)

Site area	:	22,889 square feet
Gross floor area	:	171,664 square feet
Residential units	:	492
Expected completion	:	Second quarter of 2025

The Paddington, which consists of two residential towers, is under superstructure works. Block A is a 21-storey building, whilst Block B is a 20-storey building with special penthouse units at the top. Only minutes from Prince Edward MTR station, the interchange of Tsuen Wan Line and Kwun Tong Line, this development will allow upper floor residences to enjoy breathtaking views of Mission Hills and the lush greenery nearby.

The Paddington, Cheung Sha Wan, Hong Kong (artist's impression)

Belgravia Place

1 Berwick Street, Cheung Sha Wan (100% owned)

Site area	:	45,525 square feet
Gross floor area	:	416,317 square feet
Residential units	:	962
Expected completion	:	Second quarter of 2025 (Phase 1) Second quarter of 2026 (Phase 2)

Belgravia Place will be developed in two phases into a residential-cum-commercial development. Phase 1 development, which comprises about 240,000 square feet of residential gross floor area and some 54,000 square feet of retail space, was well received when it was launched for sales in March 2024. All 138 residential units available in the first round of sale were sold on the first day of launch. Phase 2 development, which comprises about 110,000 square feet of residential gross floor area and some 14,000 square feet of retail space, also sold well when it was launched for sale in February 2025. Construction of both developments has proceeded to the superstructure stage.

Belgravia Place, Cheung Sha Wan, Hong Kong (artist's impression)

The Haddon

1 Whampoa Street, Hung Hom (100% owned)

Site area	:	**19,721 square feet**
Gross floor area	:	**186,539 square feet**
Residential units	:	**453**
Expected completion	:	**Third quarter of 2025**

Located at the junction of Whampoa Street and Baker Street with a footbridge linking to Hung Hom MTR station, The Haddon was well received when it was launched for sale in June 2024. Construction of this residential-cum-commercial development has proceeded to the superstructure stage.

The Haddon, Hung Hom, Hong Kong (artist's impression)

29A Lugard Road, The Peak

(100% owned)

Site area	:	**23,653 square feet**
Gross floor area	:	**11,703 square feet**
Residential unit	:	**1**
Expected completion	:	**Third quarter of 2025**

This deluxe mansion is located in an exceptionally exclusive area of the Peak, which offers a high degree of privacy and breathtaking views of Victoria Harbour.

29A Lugard Road, The Peak, Hong Kong

Eight Southpark

8 Nam Kok Road, Ma Tau Kok (76.468% owned)

Site area	:	**13,113 square feet**
Gross floor area	:	**117,994 square feet**
Residential units	:	**313**
Expected completion	:	**Fourth quarter of 2025**

Located next to Sung Wong Toi MTR station with many prestigious schools in the vicinity, Eight Southpark comprises a 22-storey residential tower above a two-storey podium of retail and terrace garden. Construction of this joint-venture development has proceeded to superstructure stage. Market response was encouraging when it was launched for sale in March 2025. All 181 residential units available in the first round of sale were sold on the first day of launch.

Eight Southpark, Ma Tau Kok, Hong Kong (artist's impression)

18 Man On Street, Mong Kok

(100% owned)

Site area	:	**6,419 square feet**
Gross floor area	:	**57,763 square feet**
Residential units	:	**126**
Expected completion	:	**Second quarter of 2026**

This is another phase of the Group's 1,000,000-square-foot community redevelopment project in West Kowloon. Located close to an MTR station, the site will be developed into residential-cum-commercial development. Superstructure works are in progress.

18 Man On Street, Mong Kok, Hong Kong (artist's impression)

Fanling Sheung Shui Town Lot No. 263, Kwu Tung

(90.10% owned)

Site area	:	56,511 square feet
Gross floor area	:	339,066 square feet
Residential units	:	682
Expected completion	:	Second quarter of 2026

Adjacent to Kwu Tung MTR station, which is currently under construction, this site will be developed into a residential-cum-commercial development. Construction of the superstructure has begun. Located in the core of the Northern Metropolis, this project will offer easy access to the planned future tech hubs and educational institutions in the vicinity.

Fanling Sheung Shui Town Lot No. 263, Kwu Tung, Hong Kong (artist's impression)

Various projects spanning Gillies Avenue South, Baker Street and Whampoa Street, Hung Hom

(100% owned)

Site area	:	41,215 square feet
Gross floor area	:	380,654 square feet
Expected completion	:	Second quarter of 2026 (Site F) First quarter of 2027 (Site A)

This is the remaining portion of the Group's 1,000,000-square-foot community redevelopment project in Hung Hom. Superstructure works are under way for its Site F development and upon its scheduled completion in the second quarter of 2026, it will provide about 104,000 square feet of residential gross floor area and a 20,000-square-foot retail space. Superstructure works are also in progress for its Site A development and upon its scheduled completion in the first quarter of 2027, it will provide about 177,000 square feet of residential gross floor area and a 35,000-square-foot retail space. Construction is scheduled to commence soon for the other sites.

Various projects spanning Gillies Avenue South, Baker Street and Whampoa Street, Hung Hom, Hong Kong (artist's impression)

16-20 Temple Street, Mong Kok

(100% owned)

Site area	:	2,254 square feet
Gross floor area	:	20,286 square feet
Residential units	:	48
Expected completion	:	Third quarter of 2026

The residential-cum-commercial development is located in a tourist spot, with many local cultural attractions such as Tin Hau Temple and cinematheque nearby. Foundation works were completed and construction of the superstructure will soon begin.

16-20 Temple Street, Mong Kok, Hong Kong (artist's impression)

Note: The artist's impression is not finalised and subject to minor change

15 Wood Road, Wan Chai

(100% owned)

Site area	:	8,600 square feet
Gross floor area	:	86,565 square feet
Residential units	:	167
Expected completion	:	Third quarter of 2026

Located close to both Wan Chai and Causeway Bay MTR stations with various amenities in its proximity, the site will be developed into a residential-cum-commercial tower. Superstructure works are in progress.

15 Wood Road, Wan Chai, Hong Kong (artist's impression)

2-16 Whampoa Street, Hung Hom

(100% owned)

Site area	:	14,400 square feet
Gross floor area	:	134,874 square feet
Residential units	:	241
Expected completion	:	Fourth quarter of 2026

Located at Whampoa Street, opposite to the Group's project "The Haddon", with a footbridge linking to Hung Hom MTR station, this site will be developed into a residential-cum-commercial development. Superstructure works are under way.

2-16 Whampoa Street, Hung Hom, Hong Kong (artist's impression)

Site 3 of New Central Harbourfront (Inland Lot No. 9088)

(100% owned)

Site area	:	516,317 square feet
Gross floor area	:	1,614,600 square feet
Expected completion	:	Fourth quarter of 2026 (Phase 1)

The lot will be developed in two phases into a 1,600,000-square-foot mixed-use project and over 300,000 square feet of landscaped open space for public use. The Outline Development Plan for this project has been approved by the Town Planning Board. Main contract works are in progress. With the scheduled completion of Phase 1 in the fourth quarter of 2026 and Phase 2 in the fourth quarter of 2032, this project is poised to become a landmark in the Central Business District of Hong Kong. This project has received many accolades and accreditations, including the CIC Construction Digitalisation Award 2024 Gold Award in the Project – Private category, Provisional Platinum certification under BEAM Plus for New Buildings, Platinum certification under BEAM Plus for Neighbourhood, as well as LEED Building Design and Construction Platinum precertification and WELL precertification.

Site 3 of New Central Harbourfront (Inland Lot No. 9088), Central, Hong Kong (artist's impression)

1 Bailey Street, Hung Hom

(50% owned)

Site area	:	79,718 square feet
Gross floor area	:	717,463 square feet
Residential units	:	1,296
Expected completion	:	First quarter of 2027

Located at Bailey Street, opposite to the Group's project "The Vantage", the site will be developed in four phases into a development with residential units, commercial properties and public vehicle park, providing a total gross floor area of over 700,000 square feet upon completion. Superstructure works are in progress. This development is expected to create synergy with the Group's several other redevelopment projects in the area and enhance the overall liveability of the Kowloon East district, while contributing to its sustainable development.

1 Bailey Street, Hung Hom, Hong Kong (artist's impression)

68-76B To Kwa Wan Road, To Kwa Wan

(100% owned)

Site area	:	42,467 square feet
Gross floor area	:	382,203 square feet
Residential units	:	831
Expected completion	:	First quarter of 2027 (Phase 1)

Located close to To Kwa Wan MTR station, the site will be developed in two phases into a residential-cum-commercial development. Foundation works are in progress.

68-76B To Kwa Wan Road, To Kwa Wan, Hong Kong (artist's impression)

33-39 and 41-47A Elgin Street, Mid-Levels

(100% owned)

Site area	:	12,401 square feet
Gross floor area	:	108,069 square feet
Residential units	:	222
Expected completion	:	Third quarter of 2027 (Phase 1)

Located next to the Group's "Caine Hill", which was highly sought-after by homebuyers, this prime site is planned to be developed in two phases into boutique apartment towers with some ground-level retail shops. Foundation works are in progress.

33-39 and 41-47A Elgin Street, Mid-Levels, Hong Kong (artist's impression)

17A-25 Sun Chun Street, Tai Hang

(100% owned)

Site area	:	4,400 square feet
Gross floor area	:	47,083 square feet
Residential units	:	98
Expected completion	:	Third quarter of 2027

Located in Tai Hang, a quaint neighbourhood with Causeway Bay shopping hub and Victoria Park within its walking distance, the site is planned to be developed into a residential-cum-commercial tower. Foundation works are in progress.

17A-25 Sun Chun Street, Tai Hang, Hong Kong (artist's impression)

Location of Various Categories of Development Projects

Unsold units of major development projects offered for sale

1. The Henley
2. Henley Park
3. The Haddon
4. Eden Manor
5. The Paddington
6. The Knightsbridge
7. Belgravia Place (Phase 1)
8. Miami Quay (Phase 1)
9. Baker Circle One (Phases 1-3)
10. Gateway • Square Mile
11. Double Coast (Phase 1)
12. One Innovale
13. The Harmonie
14. Wellesley
15. The Quinn • Square Mile
16. The Upper South
17. The Hampstead Reach
18. The Royale
19. South Walk • Aura
20. The Addition
21. Aquila • Square Mile
22. Global Gateway Tower
23. E-Trade Plaza
24. Mega Cube

Projects to be launched for sale in 2025

25. Belgravia Place (Phase 2)
26. Eight Southpark
27. New Kowloon Inland Lot No. 6554, Kai Tak
28. 68-76B To Kwa Wan Road, To Kwa Wan
29. 8 Castle Road, Mid-Levels
30. 1 Bailey Street, Hung Hom
31. 2-16 Whampoa Street, Hung Hom
32. 15 Wood Road, Wan Chai
33. Miami Quay (Phase 2)
34. 18 Man On Street, Mong Kok
35. Parkwood
36. 16-20 Temple Street, Mong Kok
37. 29A Lugard Road, The Peak

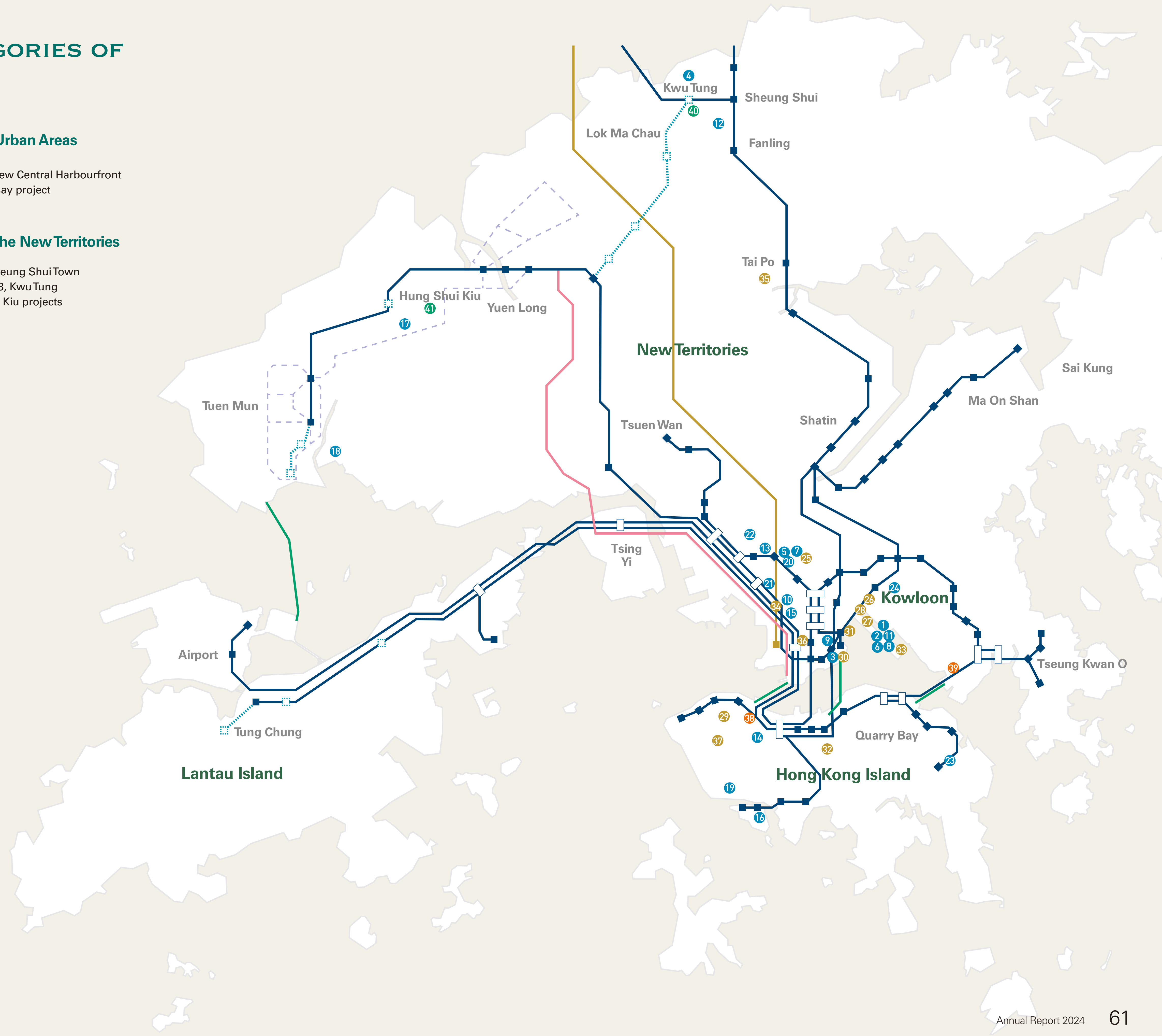
Projects in Urban Areas

38. Site 3 of New Central Harbourfront
39. Yau Tong Bay project

Projects in the New Territories

40. Fanling Sheung Shui Town Lot No. 263, Kwu Tung
41. Hung Shui Kiu projects

MTR
MTR (projects in progress)
Light Rail
Route 3
Subsea Tunnel
Guangzhou – Shenzhen – Hong Kong Express Rail Link



Major Completed Investment Properties

Project name	Location	Lease expiry	Interest of the Group (%)	Gross floor area attributable to the Group (sq.ft.) Residential/ Hotel Serviced Suite	Commercial	Office	Industrial/ Office	Total	No. of carparks attributable to the Group
Hong Kong Island									
One International Finance Centre	1 Harbour View Street, Central	2047	40.77	–	53,465	319,833	–	**373,298**	33
Two International Finance Centre (excluding levels of 33 to 52, 55, 56 and 77 to 88)	8 Finance Street, Central	2047	40.77	–	207,474	451,857	–	**659,331**	251
Four Seasons Place	8 Finance Street, Central	2047	40.77	216,103	–	–	–	**216,103**	17
The Henderson	2 Murray Road, Central	2067	100	–	–	465,005	–	**465,005**	288
H Code	45 Pottinger Street, Central	2842	19.1	–	25,975	–	–	**25,975**	–
Eva Court	36 MacDonnell Road, Mid-Levels	2895	100	108,214	–	–	–	**108,214**	53
308 Central Des Voeux	308-320 Des Voeux Road Central, Sheung Wan	2865	100	–	31,987	182,373	–	**214,360**	–
AIA Tower	183 Electric Road, North Point	2047	100	–	22,338	490,072	–	**512,410**	208
208 JOHNSTON	206-212 Johnston Road, Wanchai	2858	100	–	26,905	38,015	–	**64,920**	–
Mira Moon	388-390 Jaffe Road, Wanchai	2125	100	66,128	–	–	–	**66,128**	–
NOVUM EAST	856 King's Road, Quarry Bay	2893	100	–	28,365	–	–	**28,365**	–
Kowloon									
Manulife Financial Centre	223-231 Wai Yip Street, Kwun Tong	2050	88.5	–	47,860	919,004	–	**966,864**	394
52 Hung To Road	52 Hung To Road, Kwun Tong	2047	100	–	–	–	125,114	**125,114**	–
78 Hung To Road	78 Hung To Road, Kwun Tong	2047	100	–	–	–	119,976	**119,976**	21
H Zentre	15 Middle Road, Tsim Sha Tsui	2064	100	–	339,711	–	–	**339,711**	427
Nathan Hill	38 Hillwood Road, Tsim Sha Tsui	2043	100	–	55,031	–	–	**55,031**	–
Mira Place	118-132 Nathan Road and 1 Kimberley Road, Tsim Sha Tsui	2039	50.08	–	248,716	348,593	–	**597,309**	138
AIA Financial Centre	712 Prince Edward Road East, San Po Kong	2047	100	–	–	216,593	–	**216,593**	77
One Portside	29 Tai Yau Street, San Po Kong	2047	100	–	5,144	136,369	–	**141,513**	7
Two Portside	9 Pat Tat Street, San Po Kong	2047	100	–	–	161,998	–	**161,998**	41
Square Mile	11 Li Tak Street, 18 Ka Shin Street, 38 Fuk Chak Street and 5 Sham Mong Road, Mong Kok	2870/2041	100	–	135,302	–	–	**135,302**	–
Cité 33	33 Lai Chi Kok Road, Mong Kok	2101	100	–	11,612	–	–	**11,612**	–
Hollywood Plaza	610 Nathan Road, Mong Kok	2047	33.33	–	33,511	64,422	–	**97,933**	–
The Sparkle	500 Tung Chau Street, Cheung Sha Wan	2055	100	–	53,443	–	–	**53,443**	–
Baker Circle	38 Gillies Avenue South, 33 Whampoa Street and 18 Bulkeley Street, Hung Hom	2886	100	–	51,047	–	–	**51,047**	40
The Vantage	63 Ma Tau Wai Road, Hung Hom	2050	100	–	36,574	–	–	**36,574**	–
The Zutten	50 Ma Tau Kok Road	2050	100	–	16,788	–	–	**16,788**	–

Project name	Location	Lease expiry	Interest of the Group (%)	Gross floor area attributable to the Group (sq.ft.) Residential/ Hotel Serviced Suite	Commercial	Office	Industrial/ Office	**Total**	No. of carparks attributable to the Group
New Territories									
KOLOUR • Tsuen Wan I	68 Chung On Street, Tsuen Wan	2047	74.96	–	138,555	156,981	–	**295,536**	100
KOLOUR • Tsuen Wan II	145-165 Castle Peak Road, Tsuen Wan	2047	100	–	155,022	–	–	**155,022**	0
Skyline Plaza	88 Tai Ho Road, Tsuen Wan	2047	100	–	154,259	–	–	**154,259**	104
Shatin Plaza	21-27 Shatin Centre Street, Sha Tin	2047	77.55	–	114,730	–	–	**114,730**	67
Shatin Centre	2-16 Wang Pok Street, Sha Tin	2047	100	–	100,029	–	–	**100,029**	407
MOSTown	18 On Luk Street and 628 Sai Sha Road, Ma On Shan	2047	100	–	612,279	–	–	**612,279**	1,053
MOSTown Street	8, 18 and 22 On Shing Street, Ma On Shan	2047	100	–	78,422	–	–	**78,422**	186
Double Cove	8 Wu Kai Sha Road, Ma On Shan	2060	91	–	97,920	–	–	**97,920**	217
MCP Central	8 Yan King Road, Tseung Kwan O	2047	100	–	956,849	–	–	**956,849**	669
MCP Discovery	8 Mau Yip Road, Tseung Kwan O	2047	100	–	266,954	–	–	**266,954**	140
La Cité Noble Shopping Arcade	1 Ngan O Road, Tseung Kwan O	2047	100	–	35,186	–	–	**35,186**	–
KOLOUR • Yuen Long	1 Kau Yuk Road, Yuen Long	2047	100	–	140,341	–	–	**140,341**	51
Fanling Centre	33 San Wan Road, Fanling	2047	100	–	151,513	–	–	**151,513**	318
Flora Plaza	88 Pak Wo Road, Fanling	2047	60	–	94,657	–	–	**94,657**	130
Dawning Views Plaza	23 Yat Ming Road, Fanling	2047	100	–	87,766	–	–	**87,766**	–
One Citygate, Citygate Outlets and Tung Chung Crescent	Tung Chung Town Lots No. 1, 2 and 11, Lantau Island	2047/2063	20	–	227,048	32,104	–	**259,152**	267
The Trend Plaza	Tuen Mun Heung Sze Wui Road	2047	100	–	195,280	–	–	**195,280**	78
The Sherwood	8 Fuk Hang Tsuen Road, Tuen Mun	2052	100	–	30,139	–	–	**30,139**	214
Marina Cove	Lot No. 526 in D.D. No. 210, Sai Kung	2047	40	–	9,566 *(Note)*	–	–	**9,566**	–
			TOTAL:	**390,445**	**5,077,763**	**3,983,219**	**245,090**	**9,696,517**	**5,996**

Note : In addition there are 121 pontoons and 30 hardstand spaces attributable to the Group

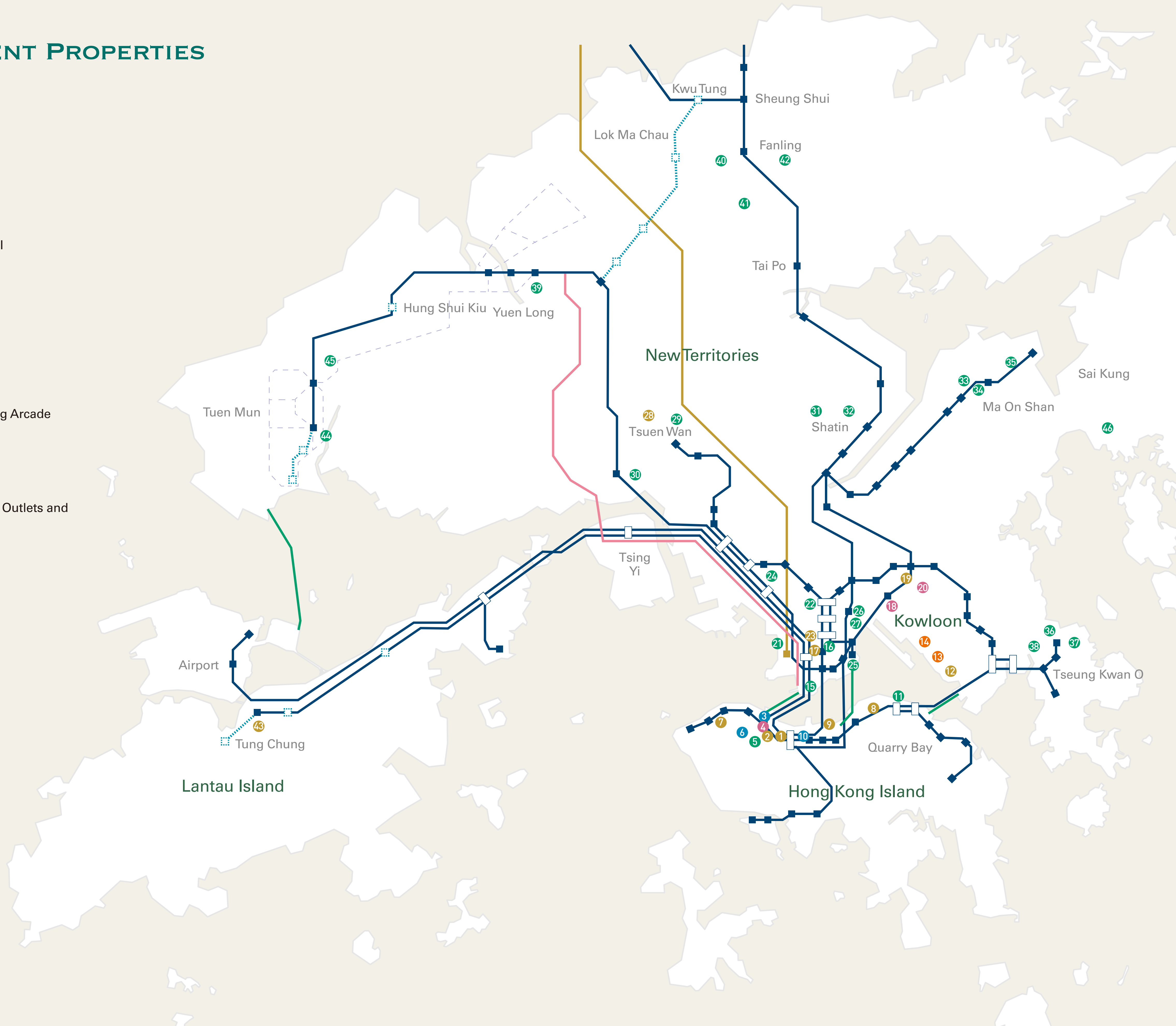
Major Completed Investment Properties

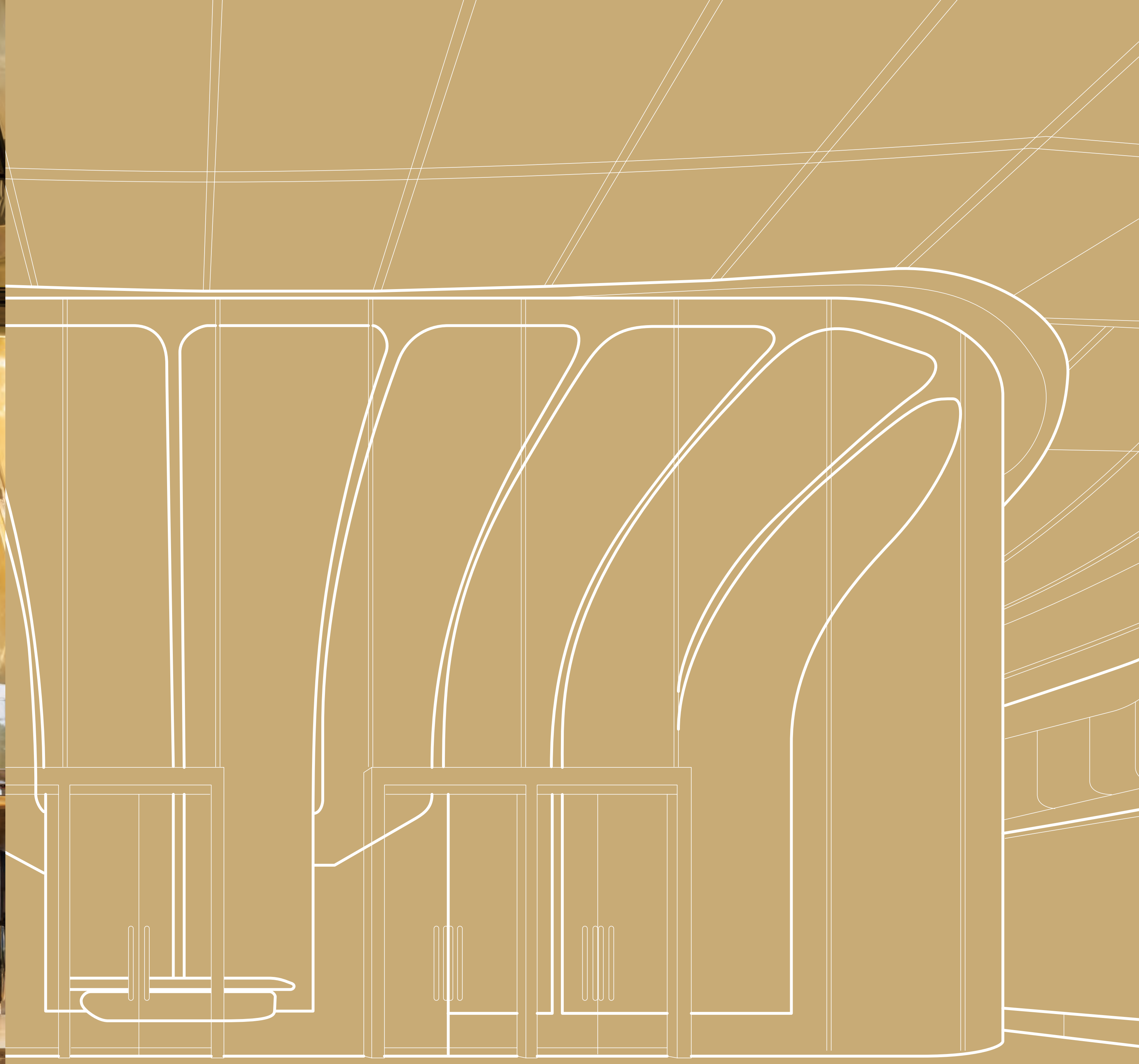
Major Completed Investment Properties

1. One International Finance Centre
2. Two International Finance Centre
3. Four Seasons Place
4. The Henderson
5. H Code
6. Eva Court
7. 308 Central Des Voeux
8. AIA Tower
9. 208 JOHNSTON
10. Mira Moon
11. NOVUM EAST
12. Manulife Financial Centre
13. 52 Hung To Road
14. 78 Hung To Road
15. H Zentre
16. Nathan Hill
17. Mira Place
18. AIA Financial Centre
19. One Portside
20. Two Portside
21. Square Mile
22. Cité 33
23. Hollywood Plaza
24. The Sparkle
25. Baker Circle
26. The Vantage
27. The Zutten
28. KOLOUR • Tsuen Wan I
29. KOLOUR • Tsuen Wan II
30. Skyline Plaza
31. Shatin Plaza
32. Shatin Centre
33. MOSTown
34. MOSTown Street
35. Double Cove
36. MCP Central
37. MCP Discovery
38. La Cité Noble Shopping Arcade
39. KOLOUR • Yuen Long
40. Fanling Centre
41. Flora Plaza
42. Dawning Views Plaza
43. One Citygate, Citygate Outlets and Tung Chung Crescent
44. The Trend Plaza
45. The Sherwood
46. Marina Cove

- Residential / Hotel Serviced Suites
- Commercial
- Office
- Industrial / Office
- Commercial & Office

- MTR
- MTR (projects in progress)
- Light Rail
- Route 3
- Subsea Tunnel
- Guangzhou – Shenzhen – Hong Kong Express Rail Link





The Henderson

CENTRAL | HONG KONG

Progress of Major Development Projects

Beijing

Lakeside Mansion (24.5% owned)

Lakeside Mansion, Beijing (artist's impression)

"Lakeside Mansion" is a mixed-use development located in the central villa area of Houshayu town, Shunyi District. The country-yard townhouses and high-rise apartments were completed and delivered in 2021, providing a total gross floor area of about 1,060,000 square feet. The remaining 230,000-square-foot commercial portion is scheduled for completion in 2025.

Changsha

The Landscape (50% owned)

The Landscape, Changsha (artist's impression)

Located in Kaifu District, the 5,490,000-square-foot land lot will be built in phases, offering luxury villas, high-rise apartments and commercial facilities with a total gross floor area of around 9,650,000 square feet for 6,443 households. A total gross floor area of about 9,550,000 square feet has already been completed, whilst the remaining portion is scheduled for completion in 2025.

Chengdu

Chengdu ICC (30% owned)

Chengdu ICC, Chengdu (artist's impression)

Chengdu ICC, a large-scale integrated development atop a subway interchange with its close proximity to the Chengdu East Railway Station, comprises about 8,000,000 square feet of residential accommodation, 4,000,000 square feet of office space, close to 2,000,000 square feet of retail space and a hotel. Phases 1 and 2, with a combined gross floor area of about 3,300,000 square feet of residences, were virtually sold out and handed over to buyers. A retail street and a shopping mall at Phase 3, covering approximately 1,400,000 square feet, was opened in 2022. Twin office towers are situated atop the shopping mall. The 1,000,000-square-foot One ICC in Phase 4A was completed with tenants moving in progressively. Two ICC in Phase 4B, which is a 280-metre-tall skyscraper providing about 1,300,000 square feet, was also completed and a leasing campaign is under preparation.

Chengdu

Xindu Project (50% owned)

Xindu Project, Chengdu

Located near Xindu Passenger Terminal and Xindu East Railway Station, this project will be completed in two phases, providing a total gross floor area of about 2,600,000 square feet for more than 1,600 households, complemented by a residents' clubhouse. A total gross floor area of about 2,050,000 square feet has already been completed. The remaining portion is scheduled for completion in 2025, providing a total gross floor area of about 550,000 square feet.

Chengdu

CIFI Centre (50% owned)

CIFI Centre, Chengdu (artist's impression)

Adjacent to the Wansheng Transit-oriented Development ("TOD") hub in Wenjiang District, the site is planned to be developed into a large-scale integrated community, comprising a commercial complex, quality residences and ecological park. The land lot with a site area of approximately 2,000,000 square feet will be developed in five phases. Retail shops at Phase 4, covering a total gross floor area of about 190,000 square feet, were completed in 2023. Residences at Phase 1, as well as the office, complemented by large-scale commercial facilities at Phase 4, were both completed in 2024, providing a total gross floor area of about 2,700,000 square feet. The remaining Phases 2, 3 and 5 are planned to be completed in batches during the period from 2025 to 2027.

Chengdu

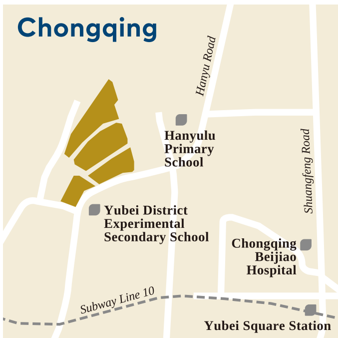
Xinjin Project (50% owned)

Xinjin Project, Chengdu (artist's impression)

Adjacent to the upcoming Transit-oriented Development ("TOD") hub in Xinjin District, this project is just a 30-minute drive away from the city centre. The land lot with a site area of approximately 680,000 square feet will be developed in two phases, providing an aggregate gross floor area of about 1,030,000 square feet for 798 households upon completion. Phase 1 was completed in 2024, providing a total gross floor area of 750,000 square feet. With anticipated completion beyond 2025, the remaining Phase 2 will provide a total gross floor area of about 280,000 square feet.

Chongqing

Yubei Project (50% owned)



Yubei Project, Chongqing (artist's impression)

Located in Lianglu Airport precinct at Yubei District, the 1,100,000-square-foot land parcel is planned to be developed into an integrated community. Comprising low-rise residential buildings, townhouses and villas, this project will provide about 1,550 residential units with a total residential/commercial gross floor area of about 1,660,000 square feet. The project will be developed in four phases. Phase 1 was completed in 2023, providing a total gross floor area of about 360,000 square feet. The first batch of Phase 2 development is expected to be completed in 2025.

Dongguan

Shijie Project (50% owned)

Shijie Project, Dongguan (artist's impression)

The 280,000-square-foot land lot in Shijie Town is planned to be developed into high-rise apartments, complemented by commercial, office and community facilities. Construction works are in progress. A total gross floor area of about 560,000 square feet was completed in 2024. The remaining portion is expected to be completed in 2025, providing another 300,000 square feet.

Foshan

Chancheng Project (50% owned)

Chancheng Project, Foshan (artist's impression)

Located in Zhangcha town, Chancheng District, this project is surrounded by a vibrant neighbourhood with various schools, shopping arcades and lush green parks. The land lot with a site area of about 500,000 square feet will be built in three phases, offering 1,191 residential units with a total residential gross floor area of about 1,320,000 square feet. The project is under construction and its first two phases were both completed in 2024. Phase 3 development is expected to be completed in 2025, providing a total gross floor area of about 480,000 square feet.

Guangzhou

Panyu Project (50% owned)

Panyu Project, Guangzhou (artist's impression)

Located in Panyu District, this project commands magnificent views of the Pearl River with Guangzhou Higher Education Mega Centre on its opposite shore. A commercial-cum-residential land lot, with a site area of about 1,090,000 square feet, will be developed into high-rise apartments, complemented by commercial and community facilities, providing a total gross floor area of about 3,280,000 square feet. The project is under construction and the first batch of residences was completed in 2024, providing a total gross floor area of about 1,460,000 square feet. The second batch of residences is expected to be completed in 2025, providing a total gross floor area of about 100,000 square feet.

Shanghai

The Pier (formerly known as Pudong Project) (51% owned)

The Pier, Shanghai (artist's impression)

Located in Lujiazui's core financial hub close to Pudong Avenue station of Metro Line 4 and Line 14, this 330,000-square-foot land lot will be developed into a mixed-use development of office and commercial space. The project will provide a total developable gross floor area of over 830,000 square feet upon scheduled completion in 2025.

Shenzhen

Yunhui Tower (formerly known as Nanshan Project) (50% owned)

Yunhui Tower, Shenzhen (artist's impression)

Located in Nanyou section of Nanshan District, with the subway stations of Nanyou West and Nanyou in its proximity, a 70,000-square-foot land lot will be developed into an integrated complex with industrial R&D office space, dormitory, and commercial facilities. The project is planned for completion in 2025, providing a total gross floor area of about 420,000 square feet.

Shijiazhuang

Changan Project (100% owned)

Changan Project, Shijiazhuang (artist's impression)

The project, which is conveniently located at the Second Ring Road North in the city's core Changan District, will be developed into a large-scale community. This project will comprise about 1,560,000 square feet or 1,238 residential units, 660,000 square feet or 1,393 apartments, 100,000 square feet of commercial space and 60,000 square feet of kindergarten and other community facilities.

Suzhou

Xiangcheng Project (11% owned)

Xiangcheng Project, Suzhou (artist's impression)

Located in Xiangcheng District, this project will be developed into a community with residences, apartments and supporting commercial spaces, providing a total floor area of approximately 3,180,000 square feet for approximately 2,200 households. The entire development will be completed in phases. A total gross floor area of about 3,010,000 square feet has already been completed. The remaining portion will be completed from 2025 onwards, providing a total gross floor area of about 170,000 square feet.

Tianjin

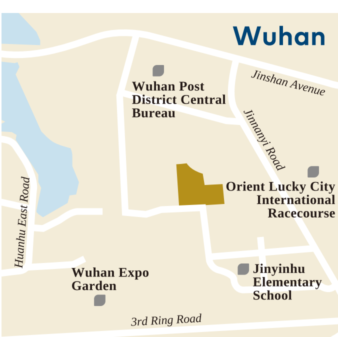
Dongli Project (50% owned)

Dongli Project, Tianjin (artist's impression)

Adjacent to subway line No.2, this project is conveniently located at the Outer Ring Road East of Dongli District. The land lot with a site area of about 1,000,000 square feet will be developed in three phases, offering 1,618 residential units with a total residential gross floor area of about 1,750,000 square feet. Phase 1, covering a gross floor area of about 580,000 square feet, was completed in 2023. Phase 2, which is under construction with a gross floor area of about 540,000 square feet, is expected to be completed in 2025. The remaining Phase 3 is scheduled for completion in 2027.

Wuhan

Dongxihu Project (50% owned)



Dongxihu Project, Wuhan (artist's impression)

Located in Dongxihu District, with Third Ring Road and an interchange station of two subway lines in its vicinity, this project is characterised by its blending of transportation convenience with the panoramic views of its surrounding scenic Wuhan Expo Garden and international golf course. The land lot with a site area of about 480,000 square feet is planned to be developed into a high-end residential development, offering 919 units with a total residential gross floor area of over 1,300,000 square feet. The project is under construction and the first batch of residences was completed in 2024, providing a total gross floor area of about 500,000 square feet.

Xian

La Botanica (50% owned)

La Botanica,
Xian
(artist's impression)

La Botanica is located within the scenic Chan Ba Ecological District with a subway line connecting it to the city centre. This community development will have a total gross floor area of about 32,850,000 square feet, providing homes for over 27,500 households upon full completion. A total gross floor area of about 31,750,000 square feet has already been completed. The remaining portion is scheduled to be completed in 2025, providing a total gross floor area of about 1,100,000 square feet.

Xuzhou

Grand Paradise (100% owned)

Grand Paradise,
Xuzhou

In addition to a total residential gross floor area of about 4,500,000 square feet, which was handed over to buyers, Grand Paradise also boasts a commercial area of over 600,000 square feet. The completion certificate was obtained in 2022 for its 560,000 square feet of commercial space.

Major Completed Investment Properties

Project name	Location	Lease expiry	Interest of the Group (%)	Gross floor area attributable to the Group* (sq.ft.) Commercial	Office	Total	Number of carparks attributable to the Group
Beijing							
World Financial Centre	No. 1 East Third Ring Middle Road, Chaoyang District	2034/2044	100	212,644	1,999,947	2,212,591	1,163
Shanghai							
Lumina Shanghai	No. 175 Longyao Road, Xuhui District	2055/2065	100	276,009	1,839,585	2,115,594	1,187
Lumina II Shanghai	No. 317-318 Longwen Road, Xuhui District	2058/2068	100	153,786	866,862	1,020,648	744
Henderson Metropolitan	No. 300 Nanjing Road East, Huangpu District	2053	100	406,618	427,980	834,598	272
Henderson 688	No. 688 Nanjing Road West, Jingan District	2044	100	49,807	660,829	710,636	404
2 Grand Gateway	No. 3 Hong Qiao Road, Xuhui District	2043	100	–	687,981	687,981	–
Skycity	No. 547 Tian Mu Road West, Jingan District	2042	100	293,448	143,401	436,849	272
Centro	No. 568 Heng Feng Road, Jingan District	2042	100	65,467	368,658	434,125	186
Greentech Tower	No. 436 Heng Feng Road, Jingan District	2042	100	52,922	355,882	408,804	163
The Roof	No. 1-36, Lane 458, Madang Road, Huangpu District	2054/2064	50	53,020	128,177	181,197	80
Guangzhou							
Lumina Guangzhou	No. 11 and 13 Qiaoguangxi Road and No. 181 Yanjiangxi Road, Yuexiu District	2033/2036/2056	100	951,848	985,563	1,937,411	901
Heng Bao Plaza	No. 133 Bao Hua Road, Liwan District	2040	100	609,550	–	609,550	326
Chengdu							
Chengdu ICC	No. 577 Dongda Road, Jinjiang District	2048	30	425,921	682,058	1,107,979	889
Xian							
La Botanica	No. 299 Northern Section of East Chanhe Road, Chanba Ecological Zone	2078	50	302,264	–	302,264	250
			Total:	**3,853,304**	**9,146,923**	**13,000,227**	**6,837**

* *Including lettable areas in the basement.*

Corporate Culture, Business Model and Strategic Direction

Corporate Culture

With a commitment to maintaining rigorous standards of ethics and governance, the Board cultivates and fosters a corporate culture of integrity, growth, care and collaboration throughout and in all aspects of operations, as befits the Group's core values, as well as in keeping with its overarching G.I.V.E. Sustainability Strategy, which encompasses four primary drivers, namely Green for Planet, Innovation for Future, Value for People and Endeavour for Community.

The Board defines, promotes and oversees such culture by ensuring its alignment and consistency with the Group's business objectives, corporate strategy and future direction. The Group's corporate culture is manifested in and reflected by a broad range of Group-wide policies, practices and procedures, including those relating to audit and compliance, whistleblowing, equal opportunity and diversity, employee welfare and benefits, and corporate social responsibility. Collectively, these established processes shape, sustain and drive the Group's corporate culture.

Business Model

Henderson Land has established a diversified business model which comprises "three pillars" namely, property investment, strategic investments and property development in both Hong Kong and mainland China. The property investment business and strategic investments provide a reliable and growing income source to the Group, while the property development business is a development driver.

The Group's property development business in Hong Kong is vertically integrated, enabling the design, development, construction, sales and management of development projects to be executed in an efficient manner. In addition to actively participating in public tenders, the Group also applies a cost effective approach of land banking by acquiring old buildings for redevelopment in the urban areas and converting the land-use of New Territories land in order to obtain development land sites at a reasonable cost. For mainland China projects, the Group continues to co-operate with mainland property developers in jointly developing large-scale residential sites in the first-tier cities as well as the second-tier cities with high growth potential, which are characterised by a preponderance of middle class residents, whilst also expanding its premier portfolio of commercial investment properties in the first-tier cities.

In Hong Kong, the Group's substantial and diverse property investment portfolio mainly comprises offices and shopping arcades in core areas, as well as a number of large-scale shopping malls located in strategic locations above or adjacent to MTR stations. In mainland China, the Group owns exceptionally well designed and quality large-scale commercial complexes situated in prime locations for rental purposes.

As regards strategic investments, the Group is the largest shareholder of two listed companies, namely, The Hong Kong and China Gas Company Limited ("HKCG") and Hong Kong Ferry (Holdings) Company Limited ("HKF"). HKCG is engaged in the production and distribution of gas in Hong Kong and mainland China. HKF is engaged in property development and investment. HKCG, being a public utility company, provides a very substantial income to the Group. As a subsidiary of the Company, Miramar Hotel and Investment Company, Limited, is engaged in property investment, hotel operation and food and beverage operations.

Strategic Direction

The Group is dedicated to maximising value for shareholders over the long term by executing the following strategies:

Building for a sustainable future with reasonable land costs

The Group actively participates in public tenders. In addition, the Group also replenishes its land bank by acquiring old tenement buildings for redevelopment and applying for land-use conversion for its portfolio of New Territories land. Such dual approach to land banking has proven to be a reliable source of land supply with a reasonable acquisition cost, which is beneficial to the Group's development returns in the long term.

As a sustainable property developer, the Group is highly proactive in its commitment to environmental stewardship during the process of its development activities, and carefully anticipates the needs and concerns of society.

Locating prime sites for property investment with a stable income stream

The Group's property investment portfolio is well diversified with commercial properties situated in prime locations, generating a recurring and steady income stream. Furthermore, the department store and supermarket businesses operated by the Group's listed subsidiary – Henderson Investment Limited, mainly at the Group's properties and malls, serve to maximise the value and occupancy rate of the Group's investment properties, which is beneficial to, and in the interest of the Group.

Participating in the mainland China market

Property development and property investment in mainland China provide the Group with a focus for long-term growth. The Group will prudently look for development projects in the first-tier cities, as well as those second-tier cities with high growth potential, so as to replenish its land bank. Co-operation with local property developers will be further optimised so as to push forward the property development business. In addition, in the central locations of major cities, the Group will cautiously seek to acquire prime sites for commercial/office developments for long-term investment holding. The Group will concentrate on the development of Grade-A office buildings with retail malls comprising a smaller percentage of the overall rental portfolio.

Strategic investment for constant return

The listed subsidiaries and associates provide another steady recurrent income stream to the Group. The distinctive business nature of HKCG, in particular, is a supplement to the Group's core businesses of property development and property investment and allows Henderson Land to smooth out the cyclicality of the Group's property development business.

Conservative financial strategy

The Group employs a conservative funding and treasury strategy. It consistently keeps low to moderate financial gearing ratio, prudent debt maturity profile, abundant unutilised committed banking facilities of medium term in tenor, reasonable funding cost, as well as appropriate proportion of fixed rate debt. The Group maintains an excellent ongoing relationship with commercial banks while endeavouring to diversify its funding sources through debt issuance.

Results of operations

The following discussions should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2024.

Revenue and profit

	Revenue			Profit contribution from operations		
	Year ended 31 December		*Increase/ (Decrease)*	Year ended 31 December		*Increase/ (Decrease)*
	2024 HK$ million	2023 HK$ million	*%*	**2024 HK$ million**	2023 HK$ million	*%*
Reportable segments						
– Property development	**12,506**	15,210	*-18%*	**4,795**	2,459	*+95%*
– Property leasing	**6,994**	6,876	*+2%*	**5,072**	4,924	*+3%*
– Department stores and supermarket-cum-stores operations	**1,548**	1,566	*-1%*	**63**	100	*-37%*
– Hotel room operation	**331**	333	*-1%*	**91**	102	*-11%*
– Other businesses	**3,877**	3,585	*+8%*	**42**	35	*+20%*
	25,256	27,570	*-8%*	**10,063**	7,620	*+32%*

	Year ended 31 December		*Increase/ (Decrease)*
	2024 HK$ million	2023 HK$ million	*%*
Profit attributable to equity shareholders of the Company			
– excluding the Group's attributable share of changes in fair value of investment properties and investment properties under development (net of deferred taxation) held by the Group's subsidiaries, associates and joint ventures ("Underlying Profit") *(Note)*	**9,774**	9,706	*+1%*
– including the Group's attributable share of changes in fair value of investment properties and investment properties under development (net of deferred taxation) held by the Group's subsidiaries, associates and joint ventures	**6,296**	9,261	*-32%*

Note: Underlying profit attributable to equity shareholders of the Company ("Underlying Profit") excludes the Group's attributable share of fair value change (net of deferred tax) of the investment properties and investment properties under development held by subsidiaries, associates and joint ventures. In order to fully exclude the aforesaid effects of changes in fair value from the Underlying Profit, the Group's attributable share of the cumulative fair value gain (net of tax) of investment properties disposed of during the year (which has been included in calculating the net gain on disposal of investment properties and hence the profit attributable to equity shareholders of the Company during the year) of HK$1,456 million (2023: cumulative fair value loss (net of tax) of HK$44 million) was added (2023: deducted) in arriving at the Underlying Profit.

Below is the comparison of the Underlying Profits for the years ended 31 December 2024 and 31 December 2023 by excluding certain fair value adjustments and one-off item for both years:

	Year ended 31 December			
	2024	2023	*Increase/(Decrease)*	
	HK$ million	HK$ million	*HK$ million*	*%*
Underlying Profit	**9,774**	9,706	*68*	*+1%*
Add/(Less):				
(i) Net fair value loss on derivative financial instruments measured at fair value through profit or loss relating to certain interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and forward exchange forward contracts for which no hedge accounting was applied during the year	**71**	83	*(12)*	
(ii) Gain on de-recognition of the Group's investment in Sunlight Real Estate Investment Trust ("Sunlight REIT") from "Investment measured as financial asset at fair value through profit or loss" and gain on bargain purchase from the recognition of the Group's investment in Sunlight REIT as "Interest in associate", net of fair value loss in Sunlight REIT	**–**	(1,591)	*1,591*	
	9,845	8,198	*1,647*	*+20%*

Discussions on the major reportable segments are set out below.

Property development

The gross revenue and pre-tax profit contributions from the property development segment in Hong Kong, for both years ended 31 December 2024 and 31 December 2023, comprised the gross revenue and pre-tax profit contributions generated from the sales of properties as well as interest income from mortgage loans and interest income from property development joint ventures. The pre-tax profit contribution from the property development segment in Hong Kong for the year ended 31 December 2024 also included the pre-tax gain attributable to reported profit in the aggregate amount of HK$3,421 million upon the resumption by the HKSAR Government of the Group's leasehold land held by subsidiaries during the year (2023: Nil).

Gross revenue – subsidiaries and by geographical contribution

The gross revenue from property sales during the years ended 31 December 2024 and 31 December 2023 generated by the Group's subsidiaries, and by geographical contribution, were as follows:

	Year ended 31 December			
	2024	2023	*Increase/(Decrease)*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**11,692**	14,675	*(2,983)*	*-20%*
Mainland China	**814**	535	*279*	*+52%*
	12,506	15,210	*(2,704)*	*-18%*

The gross revenue from property sales in Hong Kong of HK$11,692 million during the year ended 31 December 2024 was mainly contributed from the following residential development projects completed during the year ended 31 December 2024 and in prior years, and the sold units of which were delivered to the buyers during the year ended 31 December 2024:

(i) HK$3,452 million from "The Quinn • Square Mile" in Mong Kok, Kowloon which was completed in April 2024;

(ii) HK$2,150 million from "Henley Park" and "The Henley (Phases 1 to 3)" in The Kai Tak Development Area, Kowloon;

(iii) HK$1,309 million from "Baker Circle • Euston" in Hung Hom, Kowloon which was completed in June 2024;

(iv) HK$1,161 million from "The Holborn" in Quarry Bay, Hong Kong Island;

(v) HK$995 million from "Eden Manor" in Kwu Tung, the New Territories;

(vi) HK$884 million from "Baker Circle • Dover" in Hung Hom, Kowloon;

(vii) HK$310 million from "One Innovale • Archway", "One Innovale • Bellevue" and "One Innovale • Cabanna" in Fanling North, the New Territories;

(viii) HK$297 million from "Aquila • Square Mile" in Mong Kok, Kowloon; and

(ix) HK$257 million from "Caine Hill" in Mid-Levels, Hong Kong Island.

Although the residential project of "Baker Circle • Greenwich" was also completed in September 2024, the sold units of this project are scheduled for delivery to the buyers in 2025 and therefore no revenue and profit contribution have been recognised from this project for the year ended 31 December 2024.

The gross revenue from property sales in mainland China of HK$814 million during the year ended 31 December 2024 was mainly contributed as to HK$586 million from the "Changan Project" in Shijiazhuang and HK$218 million from a residential project in Chaoyang District, Beijing. By comparison, for the corresponding year ended 31 December 2023, gross revenue from property sales of HK$535 million was mainly contributed as to HK$413 million from "Riverside Park" in Suzhou and HK$81 million from the "Changan Project" in Shijiazhuang.

Pre-tax profits – by geographical distribution and from subsidiaries, associates and joint ventures

The Group's attributable share of pre-tax profits from property sales, by geographical contribution and from subsidiaries (after deducting non-controlling interests), associates and joint ventures during the years ended 31 December 2024 and 31 December 2023, were as follows:

	Year ended 31 December			
	2024	2023	*Increase/(Decrease)*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**4,647**	2,169	*2,478*	*+114%*
Mainland China	**985**	2,126	*(1,141)*	*-54%*
	5,632	4,295	*1,337*	*+31%*

The increase in the Group's attributable share of pre-tax profits from property sales in Hong Kong during the year ended 31 December 2024 of HK$2,478 million (or 114%) was mainly due to the Group's attributable share of pre-tax gain attributable to reported profit in the aggregate amount of HK$3,320 million upon the resumption by the HKSAR Government of the Group's leasehold land during the year (2023: Nil).

The decrease in the Group's attributable share of pre-tax profits from property sales in mainland China during the year ended 31 December 2024 of HK$1,141 million (or 54%) was mainly due to the decreases in pre-tax profit contribution from "Riverside Park" in Suzhou (being a project held by a subsidiary of the Group) and the Group's attributable share of pre-tax profit contributions from the "Huli Project" in Xiamen, "The Landscape" in Changsha and the "Xindu Project" in Chengdu (all being projects held by the Group's joint ventures) in the aggregate amount of HK$941 million.

	Year ended 31 December			
	2024	2023	*Increase/(Decrease)*	
	HK$ million	HK$ million	*HK$ million*	*%*
By contribution from subsidiaries (after deducting non-controlling interests), associates and joint ventures:				
Subsidiaries	**4,732**	2,364	*2,368*	*+100%*
Associates	**(16)**	111	*(127)*	*-114%*
Joint ventures	**916**	1,820	*(904)*	*-50%*
	5,632	4,295	*1,337*	*+31%*

The increase of HK$2,368 million (or 100%) in the Group's attributable share of pre-tax profits from property sales of the Group's subsidiaries during the year ended 31 December 2024 was mainly due to the Group's attributable share of pre-tax gain attributable to reported profit upon the resumption by the HKSAR Government of the Group's leasehold land during the year as mentioned above.

The decrease of HK$127 million (or 114%) in the Group's attributable share of pre-tax profits from property sales of the Group's associates during the year ended 31 December 2024 was mainly due to the decrease of HK$87 million in the Group's attributable share of pre-tax profit contribution from a project in Hongqiao district, Shanghai, mainland China.

The decrease of HK$904 million (or 50%) in the Group's attributable share of pre-tax profits from property sales of the Group's joint ventures during the year ended 31 December 2024 was mainly due to (i) the decrease in the Group's attributable share of pre-tax profit contributions from the "Huli Project" in Xiamen, "The Landscape" in Changsha and the "Xindu Project" in Chengdu, all of which relate to the Group's projects in mainland China, in the aggregate amount of HK$725 million; and (ii) the Group's attributable share of pre-tax loss of HK$101 million upon the resumption by the HKSAR Government of the Group's leasehold land held by a joint venture during the year (2023: Nil).

Property leasing

Gross revenue – subsidiaries and by geographical contribution

The gross revenue from property leasing during the years ended 31 December 2024 and 31 December 2023 generated by the Group's subsidiaries, and by geographical contribution, were as follows:

	Year ended 31 December			
	2024	2023	*Increase*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**4,953**	4,845	*108*	*+2%*
Mainland China	**2,041**	2,031	*10*	*+1%*
	6,994	6,876	*118*	*+2%*

Pre-tax net rental income – by geographical distribution and from subsidiaries, associates and joint ventures

The Group's attributable share of pre-tax net rental income, by geographical contribution and from subsidiaries (after deducting non-controlling interests), associates and joint ventures during the years ended 31 December 2024 and 31 December 2023, were as follows:

	Year ended 31 December			
	2024	2023	*Increase/(Decrease)*	
	HK$ million	HK$ million	*HK$ million*	*%*
By geographical contribution:				
Hong Kong	**4,916**	4,915	*1*	–
Mainland China	**1,591**	1,507	*84*	*+6%*
	6,507	6,422	*85*	*+1%*
By contribution from subsidiaries (after deducting non-controlling interests), associates and joint ventures:				
Subsidiaries	**4,734**	4,583	*151*	*+3%*
Associates	**480**	432	*48*	*+11%*
Joint ventures	**1,293**	1,407	*(114)*	*-8%*
	6,507	6,422	*85*	*+1%*

For Hong Kong, on an overall portfolio basis, there was a year-on-year increase of HK$108 million (or 2%) in rental revenue contribution whilst the Group's attributable share of pre-tax net rental income contribution for the year ended 31 December 2024 amounted to HK$4,916 million which represented an increase of HK$1 million over that for the previous year. During the year under review, despite the increase of HK$28 million in pre-tax net rental income contribution from the investment properties held by subsidiaries as well as the increase of HK$49 million in the Group's share of pre-tax net rental income contribution from associates which is mainly due to the additional contribution from Sunlight REIT (which became a listed associate of the Group commencing from 30 June 2023), such increases were nevertheless offset by the decrease of HK$76 million in the Group's share of pre-tax net rental income contribution from joint ventures mainly in relation to "ifc".

For mainland China, on an overall portfolio basis, there was a year-on-year increase of HK$10 million (or 1%) in rental revenue contribution and a year-on-year increase of HK$84 million (or 6%) in the Group's attributable share of pre-tax net rental income contribution for the year ended 31 December 2024. Based on the average exchange rates between the Renminbi ("RMB") and Hong Kong dollars ("HKD") for the two financial years ended 31 December 2024 and 31 December 2023, there was a year-on-year depreciation of RMB against HKD by approximately 1% during the year ended 31 December 2024, and excluding the effect of foreign currency translation, there was in RMB terms:

(i) a year-on-year increase in gross rental income of 1% which was mainly attributable to the increased leasing revenue contributions for the year ended 31 December 2024 from the twin office towers of "Lumina Guangzhou" in Guangzhou and "Lumina Shanghai" Phases 1 and 2 in Shanghai's Xuhui Riverside Area due to the increase in occupancies and which outweigh the decrease in rental revenue contribution of "World Financial Centre" in Beijing due to a lower occupancy during the year ended 31 December 2024 compared with the corresponding year ended 31 December 2023; and

(ii) a year-on-year increase in the Group's attributable share of pre-tax net rental income of 7% which was mainly attributable to the fact that following the increase in occupancies of the recently completed investment properties, there was a decrease in the amount of marketing expenses incurred for the year ended 31 December 2024 when compared with that for the corresponding year ended 31 December 2023.

Department stores and supermarket-cum-stores operations

Department stores and supermarket-cum-stores operations are carried out by Citistore (Hong Kong) Limited ("Citistore") and Unicorn Stores (HK) Limited ("Unicorn") respectively, both being wholly-owned subsidiaries of Henderson Investment Limited, a non-wholly owned listed subsidiary of the Group. For the year ended 31 December 2024, revenue contribution amounted to HK$1,548 million (2023: HK$1,566 million) which represented a year-on-year decrease of HK$18 million (or 1%) from that for the corresponding year ended 31 December 2023. The decrease in revenue during the year ended 31 December 2024 was mainly attributable to the fall in retail sales of the Group due to the continuing increase in outbound travel, and cross-border consumption and shopping.

Profit contribution (after the elimination of rental expenditure payable by Citistore and Unicorn to the Group, in respect of certain store premises leased by Citistore and Unicorn from the Group for business operation) for the year ended 31 December 2024 decreased by HK$37 million (or 37%) to HK$63 million (2023: HK$100 million). The decrease in profit contribution was mainly attributable to the aggregate accounting impacts of various shop lease agreements being renewed at the same time, and the negative impacts of the continuing increase in outbound travel, and cross-border consumption and shopping.

Hotel room operation

This mainly relates to the sales of hotel rooms by Miramar Hotel and Investment Company, Limited ("Miramar", a non-wholly owned listed subsidiary of the Group) in respect of "The Mira Hong Kong Hotel" and "Mira Moon Hotel", being the two hotels operated by Miramar in Hong Kong.

During the year ended 31 December 2024, revenue amounted to HK$331 million (2023: HK$333 million) and pre-tax profit amounted to HK$91 million (2023: HK$102 million), representing a year-on-year decrease in revenue of HK$2 million (or 1%) and a year-on-year decrease in pre-tax profit of HK$11 million (or 11%). The more remarkable decrease in pre-tax profit contribution for the year under review was due to the increase in direct costs such as staff costs and commissions to travel agents, as well as the increase in selling and marketing expenditures on advertising and promotion activities.

Other businesses

Other businesses mainly comprise hotel management (other than hotel room operation), construction, provision of finance (other than interest income from mortgage loans as well as interest income from property development joint ventures which are classified under the "Property development" segment above), investment holding, project management, property management, agency services, security guard and cleaning services, as well as travel and food and beverage operations.

Revenue and pre-tax profit contribution from other businesses for the year ended 31 December 2024 amounted to HK$3,877 million and HK$42 million respectively, representing:

(a) an increase of HK$292 million (or 8%) over the revenue contribution of HK$3,585 million for the corresponding year ended 31 December 2023, and which was mainly attributable to the increase in revenue contribution of HK$284 million during the year from Miramar's travel operation following the restoration of international travelling activities after the COVID-19 pandemic;

and

(b) an increase of HK$7 million (or 20%) over the pre-tax profit contribution of HK$35 million for the corresponding year ended 31 December 2023, and which was mainly attributable to the increase in pre-tax profit contribution from the Group's construction, property management and Miramar's travel operations in the aggregate amount of HK$76 million, but which was partially offset by the decrease in pre-tax profit contribution from the Group's project management and Miramar's food and beverage operations in the aggregate amount of HK$64 million.

Associates

The Group's attributable share of post-tax profits less losses of associates during the year ended 31 December 2024 amounted to HK$2,413 million (2023: HK$2,794 million), representing a decrease of HK$381 million (or 14%) from that for the corresponding year ended 31 December 2023. Excluding the Group's attributable share of changes in fair value of investment properties held by the associates (net of deferred taxation) during the year, the Group's attributable share of the underlying post-tax profits less losses of associates for the year ended 31 December 2024 amounted to HK$2,623 million (2023: HK$2,575 million), representing an increase of HK$48 million (or 2%) over that for the corresponding year ended 31 December 2023. Such year-on-year increase in the underlying post-tax profits during the year ended 31 December 2024 was mainly attributable to the following:

(i) the year-on-year increase of HK$43 million in the Group's attributable share of post-tax underlying profit contribution from The Hong Kong and China Gas Company Limited ("HKCG"), mainly due to the improved performance of HKCG's Mainland utilities and renewable energy businesses which generated a year-on-year increase in post-tax profit contribution of HK$178 million, whilst on the other hand, the non-recurrence of HKCG's one-off disposal gains arising from business restructuring in the previous year ended 31 December 2023 (which was being partially offset by lower provision for assets) and hence resulting in a net year-on-year decrease in post-tax profit contribution of HK$67 million, as well as a year-on-year decrease in post-tax profit contribution from HKCG's higher interest expense, lower investment gains and property rental in the aggregate amount of HK$63 million, with all of the aforementioned amounts relating to the Group's attributable share;

and

(ii) the year-on-year increase of HK$140 million in the Group's attributable share of post-tax underlying profit contribution from Sunlight REIT, after Sunlight REIT became a listed associate of the Group and the financial results of Sunlight REIT were accounted for by the Group under the equity method of accounting commencing from 30 June 2023. Included in the Group's attributable share of post-tax underlying profit contribution from Sunlight REIT for the year ended 31 December 2024 was an aggregate gain on step acquisitions by the Group of additional interests in Sunlight REIT in the amount of HK$150 million (2023: HK$45 million) which resulted from the increase of the Group's beneficial interest in Sunlight REIT from 20.536% at 1 January 2024 to 22.095% at 31 December 2024 (2023: from 20.001% at 30 June 2023 to 20.536% at 31 December 2023) through the Group's on-market purchases of 6,823,000 listed units of Sunlight REIT, the issuance of 25,022,706 new listed units of Sunlight REIT to the Group and Sunlight REIT's market repurchase of 1,000,000 issued listed units and the subsequent cancellation of such repurchased units, all during the year ended 31 December 2024 (2023: through the Group's on-market purchases of 2,000,000 listed units of Sunlight REIT, the issuance of 8,649,800 new listed units of Sunlight REIT to the Group and Sunlight REIT's market repurchase of 1,000,000 issued listed units and the subsequent cancellation of such repurchased units, all during the period from 1 July 2023 to 31 December 2023),

and which aggregate effect was partially offset by the year-on-year decrease of HK$144 million in the Group's attributable share of post-tax underlying profit contribution from property sales of the Group's associates during the year ended 31 December 2024.

Joint ventures

The Group's attributable share of post-tax profits less losses of joint ventures during the year ended 31 December 2024 amounted to HK$685 million (2023: HK$2,763 million), representing a decrease of HK$2,078 million (or 75%) from that for the corresponding year ended 31 December 2023. Excluding the Group's attributable share of changes in fair value of investment properties held by the joint ventures (net of deferred taxation) during the year, the Group's attributable share of the underlying post-tax profits less losses of joint ventures for the year ended 31 December 2024 amounted to HK$666 million (2023: HK$1,794 million), representing a decrease of HK$1,128 million (or 63%) from that for the corresponding year ended 31 December 2023. Such year-on-year decrease in the underlying post-tax profits during the year ended 31 December 2024 was mainly due to (i) the year-on-year increase of HK$155 million in the Group's attributable share of finance costs on the bank and other borrowings of the Group's certain joint ventures in Hong Kong and mainland China which were recognised in profit or loss of such joint ventures following the completion of their projects at 31 December 2024; (ii) the net aggregate year-on-year decrease of HK$661 million in the Group's attributable share of post-tax profit contribution from property sales of the joint ventures in mainland China; (iii) the year-on-year decrease in the Group's attributable share of underlying post-tax profit contribution of the "ifc" project of HK$90 million; and (iv) the attributable share of impairment losses (after tax) on the unsold inventories of certain property projects in Hong Kong and mainland China at 31 December 2024 in the aggregate amount of HK$117 million (2023: Nil).

Finance costs

Finance costs (comprising interest expense and other borrowing costs) before interest capitalisation for the year ended 31 December 2024 amounted to HK$6,884 million (2023: HK$6,919 million). Finance costs after interest capitalisation for the year ended 31 December 2024 amounted to HK$2,331 million (2023: HK$1,999 million), and after set-off against the Group's bank interest income of HK$452 million for the year ended 31 December 2024 (2023: HK$679 million), the Group recognised net finance costs in the Group's consolidated statement of profit or loss for the year ended 31 December 2024 in the amount of HK$1,879 million (2023: HK$1,320 million).

The Group's overall effective borrowing rate for the year ended 31 December 2024 was approximately 4.51% per annum (2023: approximately 4.32% per annum).

Revaluation of investment properties and investment properties under development

The Group recognised a decrease in fair value on its investment properties and investment properties under development (before deferred taxation and non-controlling interests) of HK$1,514 million in the consolidated statement of profit or loss for the year ended 31 December 2024 (2023: a decrease in fair value of HK$1,700 million).

Financial resources and liquidity

Medium Term Note Programme

At 31 December 2024, the aggregate carrying amount of notes guaranteed by the Company and issued under the Group's Medium Term Note Programme established on 30 August 2011 ("MTN Programme") and under which the Company had on 6 May 2022 increased the maximum aggregate principal amount of notes outstanding at any one time from US$5,000 million to US$7,000 million, was HK$19,609 million (2023: HK$25,683 million) with tenures of between two years and twenty years (2023: between one year and twenty years).

During the year ended 31 December 2024, the Group issued a guaranteed note under the MTN Programme denominated in HKD in the amount of HK$300 million (2023: denominated in RMB, United States dollars ("USD") and HKD in the aggregate equivalent amount of HK$7,064 million) with tenure of two years (2023: between one year and ten years). The guaranteed notes issued by the Group serve to finance the Group's capital expenditure requirements as referred to in the paragraph headed "Capital commitments" below, and are included in the Group's bank and other borrowings at 31 December 2024 and 31 December 2023 as referred to in the paragraph headed "Maturity profile and interest cover" below. During the year ended 31 December 2024, the Group repaid certain guaranteed notes in the aggregate principal amount of HK$6,334 million (2023: HK$9,274 million) under the MTN Programme.

Maturity profile and interest cover

The maturity profile of the total debt, the cash and bank balances, the net debt and the gearing ratio of the Group were as follows:

	At 31 December 2024 HK$ million	At 31 December 2023 HK$ million
Bank and other borrowings repayable:		
– Within 1 year	**17,586**	30,744
– After 1 year but within 2 years	**20,081**	24,740
– After 2 years but within 5 years	**22,824**	16,962
– After 5 years	**21,745**	19,389
Amounts due to related companies	**3,672**	3,657
Total debt	**85,908**	95,492
Less: Cash and bank balances	**(17,919)**	(21,623)
Net debt	**67,989**	73,869
Shareholders' funds	**322,147**	326,542
Gearing ratio (%)	**21.1%**	22.6%

Gearing ratio is calculated based on the net debt and shareholders' funds of the Group at the end of the reporting period.

At 31 December 2024, the Group's total debt comprised (i) bank and other borrowings in Hong Kong, being bank loans of HK$59,824 million (2023: HK$64,291 million) and guaranteed notes of HK$19,609 million (2023: HK$25,683 million); (ii) bank borrowings in mainland China in the equivalent amount of HK$2,803 million (2023: in the equivalent amount of HK$1,861 million); and (iii) amounts due to related companies in the equivalent amount of HK$3,672 million (2023: in the equivalent amount of HK$3,657 million), which in aggregate amounted to HK$85,908 million (2023: HK$95,492 million). The bank and other borrowings in Hong Kong are unsecured and have a weighted average debt maturity profile of approximately 3.36 years (2023: approximately 2.87 years). The bank borrowings in mainland China are unsecured and have a weighted average debt maturity profile of approximately 4.08 years (2023: approximately 3.67 years). The amounts due to related companies are unsecured and have a weighted average debt maturity profile of approximately three years (2023: approximately three years).

In addition, at 31 December 2024, there was an amount due from the Group to a fellow subsidiary (being a wholly-owned subsidiary of the ultimate controlling party of the Group) of HK$66,215 million (2023: HK$62,448 million) which is unsecured, interest-bearing and has no fixed repayment terms. The funds advanced from such fellow subsidiary to the Group were used to replace bank loans which arose from the Group's land acquisitions during the year ended 31 December 2021.

At 31 December 2024, after taking into account the effect of swap contracts, 37% (2023: 52%) of the Group's total debt carried fixed interest rates.

The interest cover of the Group is calculated as follows:

	Year ended 31 December	
	2024	2023
	HK$ million	HK$ million
Profit from operations (including the cumulative fair value change (net of tax) of investment properties disposed of during the year, but before changes in fair value of investment properties and investment properties under development for the year) plus the Group's share of the underlying profits less losses of associates and joint ventures	**13,276**	12,232
Net interest expense (before interest capitalisation)	**6,251**	6,046
Interest cover (times)	**2.12**	2.02

With abundant banking facilities in place and the recurrent income generated from its operations, the Group has adequate financial resources in meeting the funding requirements for its ongoing operations as well as its future expansion.

Treasury and financial management

The Group is exposed to interest rate and foreign exchange risks. To efficiently and effectively manage these risks, the Group's financing and treasury activities are centrally co-ordinated at the corporate level. As a matter of policy, all transactions in derivative financial instruments are undertaken solely for risk management purposes and no derivative financial instruments were held by the Group at the end of the reporting period for speculative purposes.

The Group conducts its business primarily in Hong Kong with the related cash flows, assets and liabilities being denominated mainly in Hong Kong dollars. The Group's primary foreign exchange exposure at 31 December 2024 arose from its property developments and investments in mainland China which were denominated in RMB, the guaranteed notes ("Notes") which were denominated in USD, RMB and Japanese Yen ("¥") and the bank borrowings which were denominated in ¥ and RMB at 31 December 2024.

In respect of the Group's operations in mainland China, apart from its capital contributions and, in some cases, loan contributions to projects which are denominated in RMB and are not hedged, the Group endeavours to establish a natural hedge by maintaining an appropriate level of external borrowings in RMB. In respect of the Notes and bank borrowings in Hong Kong at each of 31 December 2024 and 31 December 2023, hedging arrangements had been made by the Group with certain counterparty banks which comprised (i) interest rate swap contracts; (ii) cross currency swap contracts; (iii) cross currency interest rate swap contracts; and (iv) foreign exchange forward contracts to hedge against interest rate risk and foreign currency risk during their tenure. Based on the abovementioned swap and forward contracts, the aggregate amount of the Notes and bank borrowings in Hong Kong which were hedged against the interest rate risk only, the foreign currency risk only and both the interest rate risk and foreign currency risk, was HK$21,775 million at 31 December 2024 (2023: HK$29,623 million) which represented 25% of the Group's total debt at 31 December 2024 (2023: 31%).

Material acquisitions and disposals

Save for the paragraph headed "Resumption of certain land lots by the HKSAR Government" below, there were no material acquisitions and disposals undertaken by the Group during the year under review.

Completion during the year ended 31 December 2024 of a significant transaction entered into during the previous year ended 31 December 2023

Reference is made to an agreement entered into by the Group with an independent third party on 10 December 2023 pursuant to which the Group transferred to such party its entire interest in and shareholder's loan to a wholly-owned subsidiary which owns "Harbour East", being an investment property at No. 218 Electric Road, North Point, Hong Kong, for a cash consideration of HK$2,208 million (subject to adjustment). The transfer was completed on 28 January 2024 and total proceeds of HK$2,221 million representing the full consideration (as adjusted) was received by the Group. The Group recognised a gain on disposal attributable to underlying profit in the amount of HK$1,407 million during the year ended 31 December 2024.

Resumption of certain land lots by the HKSAR Government

During the year ended 31 December 2024, there were resumptions by the HKSAR Government of the Group's land lots of approximately 3.85 million square feet held by the Group's subsidiaries and a joint venture in Hung Shui Kiu/Ha Tsuen New Development Area and approximately 1.45 million square feet held by the Group's subsidiaries in Fanling North and Kwu Tung North New Development Areas, both in the New Territories.

In April 2024, the Group had accepted the offer from the HKSAR Government for the said land lot resumption relating to Fanling North and Kwu Tung North New Development Areas at an aggregate cash compensation of approximately HK$1,860 million. Furthermore, during the period from July to December 2024, the Group had accepted the offer from the HKSAR Government for the said land lot resumption relating to Hung Shui Kiu/Ha Tsuen New Development Area at an aggregate attributable cash compensation of approximately HK$4,310 million.

The legal formalities of the abovementioned resumptions by the HKSAR Government of the Group's land lots held in Fanling North and Kwu Tung North New Development Areas and in Hung Shui Kiu/Ha Tsuen New Development Area, measuring an aggregate land area of approximately 5.3 million square feet, were completed during the year ended 31 December 2024. This resulted in the Group's recognition of an attributable share of aggregate pre-tax gain on the abovementioned land resumption attributable to underlying profit in the amount of HK$3,350 million for the year ended 31 December 2024 (2023: Nil).

Non-adjusting event after the reporting period

On 15 January 2025, a wholly-owned subsidiary of the Group (as the Vendor) together with the Company as the Vendor's guarantor entered into a conditional agreement with a wholly-owned subsidiary of Miramar (as the Purchaser) pursuant to which the Purchaser has agreed conditionally to acquire from the Vendor the entire issued share capital and the shareholder's loan of the Vendor's wholly-owned subsidiary who, through its indirect wholly-owned subsidiary (the "Subsidiary"), owns a land lot and the property erected thereon known as "Champagne Court (香檳大廈)" (the "Property") at No.16 Kimberley Road, Kowloon, Hong Kong, for a total consideration of HK$3,120 million (subject to adjustments), which is conditional upon (i) the approval of the transaction by Miramar's independent shareholders; and (ii) the Purchaser being satisfied with the Subsidiary's good title to the Property.

Charge on assets

The assets of the Group's subsidiaries were not charged to any party at 31 December 2024 and 31 December 2023.

Capital commitments

At 31 December 2024, capital commitments of the Group amounted to HK$19,030 million (2023: HK$20,130 million). In addition, the Group's attributable share of capital commitments undertaken by joint ventures and certain associates at 31 December 2024 amounted to HK$5,666 million (2023: HK$8,821 million).

The Group plans to finance its capital expenditure requirements for the year ending 31 December 2025 by way of the Group's own internally generated cash flow, bank deposits, banking facilities and funds raised and to be raised from the capital market.

Contingent liabilities

At 31 December 2024, the Group's contingent liabilities amounted to HK$14,635 million (2023: HK$12,387 million), which mainly included:

(i) an aggregate attributable amount of HK$245 million (2023: HK$890 million) relating to performance bonds, guarantees and undertakings for the due and proper performance of the obligations of the Group's projects held by subsidiaries and joint ventures, the decrease of which was mainly attributable to (i) the release of the Group's guarantees to certain banks in relation to the finance undertakings by such banks in favour of the HKSAR Government following the project completion in November 2023 and June 2024 of "Double Coast" and "The Knightsbridge" respectively, being the Group's joint venture residential development projects at The Kai Tak Development Area in Hong Kong under the terms and conditions of the relevant land grants; and (ii) the decrease in the amount of the Group's surety bond in favour of the joint venture project company of "The Knightsbridge" following the completion of the construction works undertaken by the Group for such joint venture project;

(ii) an amount of HK$2,647 million (2023: HK$1,394 million) relating to guarantees given by the Group to financial institutions on behalf of purchasers of property units of the Group's development projects in mainland China in relation to which the related Building Ownership Certificate (房產證) had not yet been issued at 31 December 2024 (and such guarantees will be released upon the issuance of the Building Ownership Certificate), and the increase of which is mainly attributable to the sales of properties of the completed phases of the Group's project in Shijiazhuang, mainland China;

(iii) amounts of HK$1,670 million (2023: HK$1,670 million), HK$2,100 million (2023: HK$2,100 million), HK$1,314 million (2023: HK$1,314 million) and HK$2,940 million (2023: HK$2,940 million) relating to the Group's attributable and proportional shares (in accordance with the Group's attributable interests in four joint ventures engaged in the development of residential properties at The Kai Tak Development Area, and in which the Group has 29.3% interest, 30% interest, 18% interest and 30% interest respectively) of contingent liabilities in respect of irrevocable, unconditional and several guarantees given by the Group to certain lending banks in relation to the maximum amounts which may be drawn down on certain loan facilities which were entered into on 8 July 2019, 4 December 2019, 1 June 2020 and 30 October 2020 respectively between such lending banks and the four joint ventures; and

(iv) an amount of up to HK$3,278 million (2023: up to HK$1,638 million) relating to the Group's attributable and proportional share (in accordance with the Group's attributable interest in a joint venture engaged in the development of a site owned by the Urban Renewal Authority at Bailey Street/Wing Kwong Street, To Kwa Wan, Kowloon, Hong Kong and in which the Group has 50% equity interest (the "Developer")) of contingent liabilities in respect of an irrevocable, unconditional and several guarantee given by the Group to two lending banks in relation to 50% of the maximum amount which may be drawn down by the Developer on a loan facility of up to HK$6,556 million which was entered into on 29 December 2023 between such lending banks and the Developer (and part of such proceeds refinanced the previous loan facility pursuant to the loan facility agreement dated 25 July 2022 of up to HK$3,276 million entered into between a lending bank and the Developer and which matured on 28 January 2024).

Employees and remuneration policy

At 31 December 2024, the Group had 9,970 (2023: 9,835) full-time employees. The remuneration of the employees is in line with the market and commensurate with the level of pay in the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees include medical insurance, retirement scheme, training programmes and education subsidies.

Total staff costs for the year ended 31 December 2024 amounted to HK$3,364 million (2023: HK$3,260 million).

Five Year Financial Summary

		Year ended 31 December				
		2020	2021	2022	2023	**2024**
	Note	HK$ million	HK$ million	HK$ million	HK$ million	**HK$ million**
Profit for the year	*1*	10,192	13,195	9,239	9,261	**6,296**
Underlying Profit for the year	*1&2*	14,899	13,624	9,629	9,706	**9,774**
		HK$	HK$	HK$	HK$	**HK$**
Earnings per share	*1*	2.11	2.73	1.91	1.91	**1.30**
Underlying earnings per share	*1&2*	3.08	2.81	1.99	2.00	**2.02**
Dividends per share	*1*	1.80	1.80	1.80	1.80	**1.80**

		At 31 December				
		2020 (restated)	2021	2022	2023	**2024**
	Note	HK$ million	HK$ million	HK$ million	HK$ million	**HK$ million**
Investment properties		186,593	260,241	260,124	264,404	**271,874**
Other property, plant and equipment		400	4,599	4,580	4,508	**4,389**
Interest in associates		64,838	53,955	50,013	51,903	**50,564**
Interest in joint ventures		70,043	80,887	79,911	78,933	**77,876**
Inventories		101,059	109,180	97,258	94,164	**85,608**
Net debt	*3*	83,749~	91,968	79,086	73,869	**67,989**
Net asset value	*1*	327,607	335,020	327,948	326,542	**322,147**
Net debt to net asset value		25.6%~	27.5%	24.1%	22.6%	**21.1%**
		HK$	HK$	HK$	HK$	**HK$**
Net asset value per share	*1*	67.67	69.20	67.74	67.45	**66.55**

~ *Restated as a result of the change in the presentation basis of Net debt as referred to in note 3 below.*

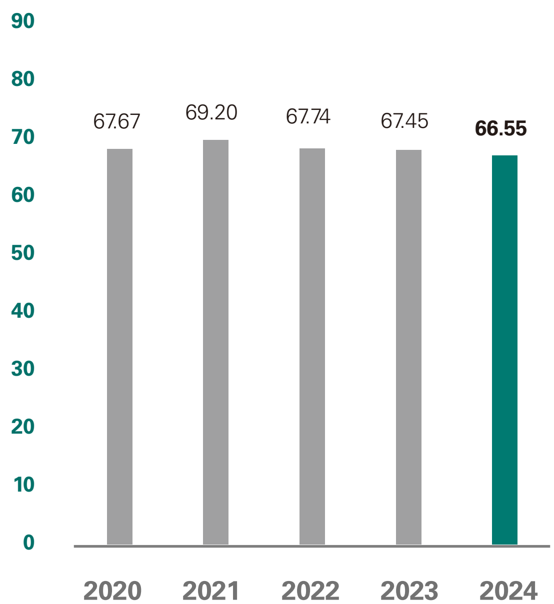
Notes:

1 *The profits, earnings, dividends and net asset values shown or referred to above were all attributable to equity shareholders of the Company.*

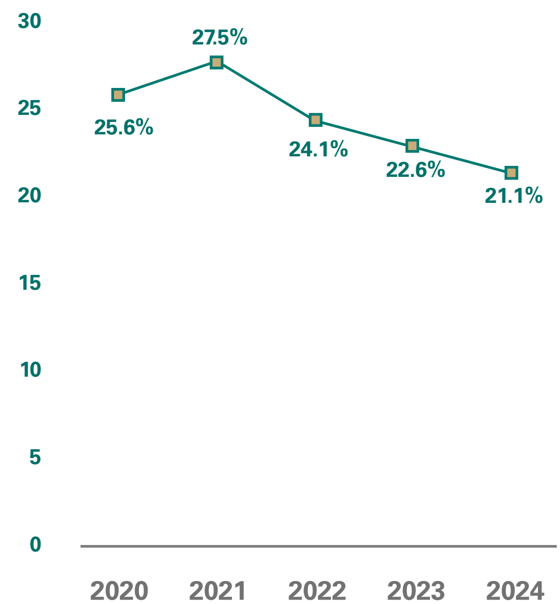
2 *"Underlying Profit" and "Underlying earnings per share" exclude the Group's attributable share of fair value change (net of deferred tax) of the investment properties and investment properties under development held by subsidiaries, associates and joint ventures. In order to fully exclude the aforesaid effects of changes in fair value from the Underlying Profit, the Group's attributable share of the cumulative fair value gain or loss (net of tax) of investment properties disposed of during the year (which has been included in calculating the net gain on disposal of investment properties and hence the profit attributable to equity shareholders of the Company during the year) was added or deducted in arriving at the Underlying Profit.*

3 *Net debt represents the total of bank loans, guaranteed notes and the amounts due to related companies minus cash and bank balances.*

Net asset value per share (HK$)

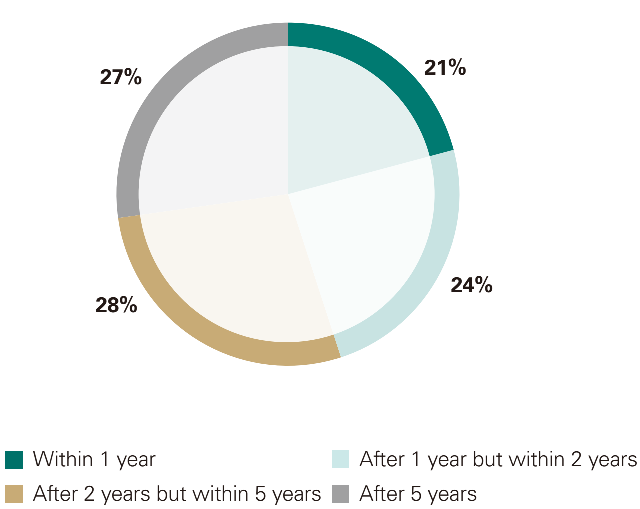


Net debt to net asset value (%)

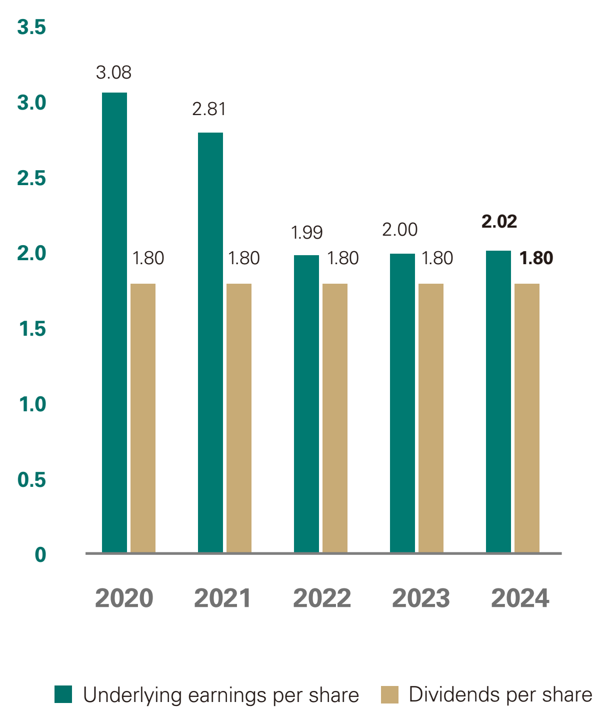


Maturity profile of the Group's bank and other borrowings repayable[note 1]

at 31 December 2024



Underlying earnings / dividends per share (HK$)



Note 1: Excluding the amounts due to related companies.

Sustainability

About This Section

This section is an overview of the Sustainability Report 2024 ("the Report") of Henderson Land Development Company Limited ("Henderson Land" or together with its subsidiaries, "the Group") and covers the period from 1 January 2024 to 31 December 2024.

Reporting boundary

Our disclosures in the Report reflect the boundaries of our operational control, which include descriptions and key statistics of the Group's sustainability performance and progress during the year of our businesses in construction, property management, food and beverage and hotels, as well as department stores, namely E Man Construction Company Limited[1] ("E Man"), Goodwill Management Limited[2] ("Goodwill"), Well Born Real Estate Management Limited ("Well Born") and Hang Yick Properties Management Limited ("Hang Yick")[3], Shanghai Starplus Property Management Company Limited[4] ("Starplus"), Henderson Investment Limited[5] ("HIL") and Miramar Hotel and Investment Company, Limited[6] ("Miramar Group").

We conducted a stakeholder engagement exercise to identify the material topics included in the Report. For details of our stakeholder engagement exercise, see section "Our Materiality Approach".

Reporting standards

The Report has been prepared in accordance with the latest Global Reporting Initiative ("GRI") Standards 2021, complies with the mandatory disclosure requirements and "comply or explain" provisions set out in Appendix C2 Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") of the Main Board Listing Rules issued by Hong Kong Exchanges and Clearing Limited ("HKEX") and is prepared with reference to IFRS S2 issued by International Sustainability Standards Board ("ISSB") in June 2023. Selected sustainability information in this Report has been verified by a third-party with respect to the GRI Standards and HKEX ESG Reporting Code, please refer to "Independent Limited Assurance Report" of the Report for more information.

During the reporting period, there were no non-compliance incidents or grievances about environmental protection, employment practices, health and safety, labour standards, human rights and anti-corruption that would have significant impact on the Group.

Availability of Report

Our sustainability reports are published online on an annual basis. The e-copy of the Report is available at https://sustainability.hld.com/en/reports-publications.

Note 1: E Man Construction Company Limited is responsible for managing the Group's construction sites
Note 2: Goodwill Management Limited is responsible for managing the Group's commercial properties
Note 3: Well Born Real Estate Management Limited and Hang Yick Properties Management Limited are responsible for managing residential and industrial/commercial properties
Note 4: Shanghai Starplus Property Management Company Limited specialises in offering premium management services for the Group's commercial properties in mainland China
Note 5: Henderson Investment Limited manages two wholly-owned subsidiaries for its retail business
Note 6: Miramar Hotel and Investment Company, Limited operates the hospitality and catering businesses

Our Sustainability Strategy and Highlights

2030 Sustainability Vision

Our 2030 Sustainability Vision comprises four primary drivers: Green for Planet, Innovation for Future, Value for People, and Endeavour for Community. These drivers are closely aligned with the United Nations ("UN") Sustainable Development Goals ("SDGs") pertinent to our industry and operations, serving as guiding principles for our sustainability initiatives.

GREEN FOR PLANET

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Building a Green Portfolio

Reducing our impact on the environment

Focus areas:

Climate Resilience
Adopt smart and climate-resilient building designs to enhance the adaptability of properties to the adverse effects of climate change

Environmental Impact
Reduce the environmental impact and carbon footprint of our business model

Highlights:

- Included in the **Dow Jones Best-in-Class Asia Pacific Index** for the first time, as well as the **S&P Global Sustainability Yearbook 2024** and **S&P Global Sustainability Yearbook (China Edition) 2024** for the second consecutive year
- Achieved a **5-Star Rating**, the highest qualification from the **Global Real Estate Sustainability Benchmark ("GRESB") Assessment** for two consecutive years
- Established **near-term, long-term and net-zero science-based targets** ("SBTs") and were validated by Science Based Targets initiative ("SBTi") to accelerate decarbonisation effort
- Devised **a climate transition plan** detailing strategic initiatives and resource allocation to achieve carbon reduction across operations
- Piloted **internal carbon pricing** in procurement decisions to assess carbon impacts and reallocate capital towards low-carbon investments and activities
- Performed asset-level **climate scenario analysis** to understand exposure to material climate risks at flagship properties
- Developed **a nature transition plan** for guiding us to take credible and impactful nature action
- Launched Hong Kong's **first commercial-school recycling programme**, transforming **7,000** old uniforms into **400** eco-friendly new school uniforms
- Cumulatively secured over **HK$50 billion** equivalent of green and sustainable finance facilities
- Cumulatively achieved **95** BEAM Plus, **19** BEAM, **27** LEED, **10** China Green Building Design Label, **4** TRUE Certification and **1** China Green Building Label

Under each driver, the Group has identified key focus areas where we intend to concentrate our efforts to maximise our positive impact by 2030. We assess our progress by using targets specifically tailored for each focus area. Please refer to the Report for more information on our sustainability targets and progresses.

INNOVATION FOR FUTURE

Shaping a Smarter Future

Creating a smart built environment enabled by innovation and technology

Focus areas:

Technology Innovation	Social Innovation
Create new ways of living and working with technology	Innovate to better serve our stakeholders and enhance living quality

Highlights:

- Proactively adopted **4S Smart Site Safety System** at four of our construction and demolition projects as **the first batch** of construction sites, to support the new construction safety initiative of the Development Bureau ("DEVB") and the Construction Industry Council ("CIC")
- Utilised **Building Information Modelling ("BIM")** as a single source of truth through construction to increase productivity of contractors by streamlining collaboration and improving accuracy
- Introduced **AI Patrolling Robots** to enhance security operations at managed properties
- Participated as a judge in the Hong Kong Science and Technology Park ("HKSTP")'s **Elevator Pitch Competition 2024**, supporting the growth of emerging tech startups
- Supported the **Po Leung Kuk Inno Makethon** aimed at enhancing mental well-being of youth through innovation
- Supported the Hang Seng University of Hong Kong ("HSUHK") **Innovation Project Competition 2024** to encourage the exploration of Artificial Intelligence ("AI") in financial technology
- Cumulatively achieved **1** SmartScore Certification, **1** WiredScore Certification and **1** China Smart Building Pre-certification

VALUE FOR PEOPLE

Creating a Caring Culture

Being a caring employer who looks after our people and our partners

Focus areas:

Health and Wellness	Our People, Partners and Customers
Ensure the health and well-being of stakeholders through our building designs, operations and services	Actively engage with our people, partners and customers to address their needs

Highlights:

- Introduced the **Sustainable Supply Chain Engagement and Management Guideline** at our construction department to promote sustainability throughout the supply chain
- Implemented **a series of initiatives to lower heat stress risks for construction workers**, including conducting heat stress assessments, issuing real-time alerts, providing hydration support, etc.
- Partnered with the **GDCD Association** to deliver sports training programmes led by **current and retired local athletes** across our residential properties
- Pledged support for the inaugural **Global Talent Summit** to highlight career prospects and provide a one-stop service platform for incoming talent
- Supported and participated in **various thought leadership and sustainability sharing events** through collaboration with diverse industries to raise public sustainability awareness
- Continued to **outperform the industry** with **accident frequency rate** of **4.6** per 1,000 workers
- Cumulatively achieved **33** WELL and **10** China Healthy Building Design Label

ENDEAVOUR FOR COMMUNITY

Establishing a Liveable Community

Providing a more liveable environment that enhances well-being and quality of life

Focus areas:

Sustainable Community and Liveable Community

Enhance the living standards and proactively address stakeholders' needs

Highlights:

Our collaborative efforts and charity projects have positively impacted over **160,000** individuals	The City University of Hong Kong has named its student hostel in Whitehead, Ma On Shan, the **"Lee Shau Kee Student Residence Village"** in honour of our Founder's generous donation. The hostel was officially opened in 2024
The **Po Leung Kuk Lee Shau Kee Youth Oasis** — the largest youth hostel in Hong Kong with its site provided by the Lee Shau Kee Foundation*, was officially opened, serving as a dynamic platform for young people to cultivate innovative thinking and expand their networks	Provided **over 2,000 square feet** of free space for set up of the **Nam Cheong Community Living Room**, alleviating the living conditions of subdivided units' households
Presented the **Henderson Arts @ Central** campaign, joining forces with international and local artists to introduce a series of arts activities in the city and support local arts development	Became the **Community Education Partner of Hong Kong Dance Company** ("HKDance"), fully supporting the establishment of the HKDance ArtSpace and the H·Dance Community Education Fund, which fully subsidises young dancers' professional dance training
Title sponsored **Hong Kong Ballet's performance of "The Nutcracker"** and invited community members to enjoy the show	Launched **"Breaking New Ground" campaign** to bolster local sports development through four key themes: **Inspire, Engage, Play and Cheer**

** Non-group member charitable institution*

Our Corporate Governance

Governance structure

We have established a purposeful and strong corporate governance framework that enables the efficient exchange of information throughout the Group, promoting effective communication between management, departments, and business units.

The Board is actively involved in establishing and executing our sustainability strategy and policies, while also evaluating the impact of sustainability issues, including those related to climate and nature, on the Group's operations. The Head of Sustainability oversees these sustainability issues, ensuring that they are integrated into the Group's overall strategy and operations. Through the oversight of the Audit Committee, the Group has put in place a risk management system (which covers sustainability issues) that integrates suitable and efficient risk management and internal control mechanism to address sustainability risks including both climate and nature-related risks.

The Board, with the aid of the Sustainability Committee and other relevant committees, approves and monitors the implementation of our sustainability policies. It reviews and approves the Sustainability Report on an annual basis, covering the Group's sustainability strategy, outcomes of stakeholder materiality assessment, and progress towards our sustainability objectives and targets.

Chaired by the Group's Chairman, Dr Lee Ka Shing, Martin and comprising several directors and department heads, the Sustainability Committee regularly communicates with and supports the Board in supervising sustainability issues by:

- Evaluating, prioritising and managing material sustainability issues
- Managing Henderson Land's overall approach to sustainability
- Overseeing the identification of material sustainability issues
- Developing the Group's sustainability strategy and policies
- Regularly evaluating the Group's sustainability performance and progress made against sustainability targets

During the Sustainability Committee meeting held in 2024, key topics discussed included the new HKEX ESG Reporting Code, Taskforce on Nature-related Financial Disclosures ("TNFD") assessment, climate transition plan, and endorsement of revised and new policies for the Board's approval.

To enhance internal involvement and effectively convey our sustainability strategy and objectives across all departments, a Sustainability Working Group, composed of committed team members acting as sustainability advocates and representatives, plays a pivotal role in planning, executing, and assessing our sustainability initiatives. They facilitate company-wide communication on diverse sustainability issues, while also exchanging knowledge and trends on sustainability among internal stakeholders who actively endorse our sustainability strategy.

The Group has established four operational sub-committees focusing on particular sustainability domains. These sub-committees are tasked with executing policies and initiatives related to sustainability, thereby enhancing our dedication to sustainable practices.

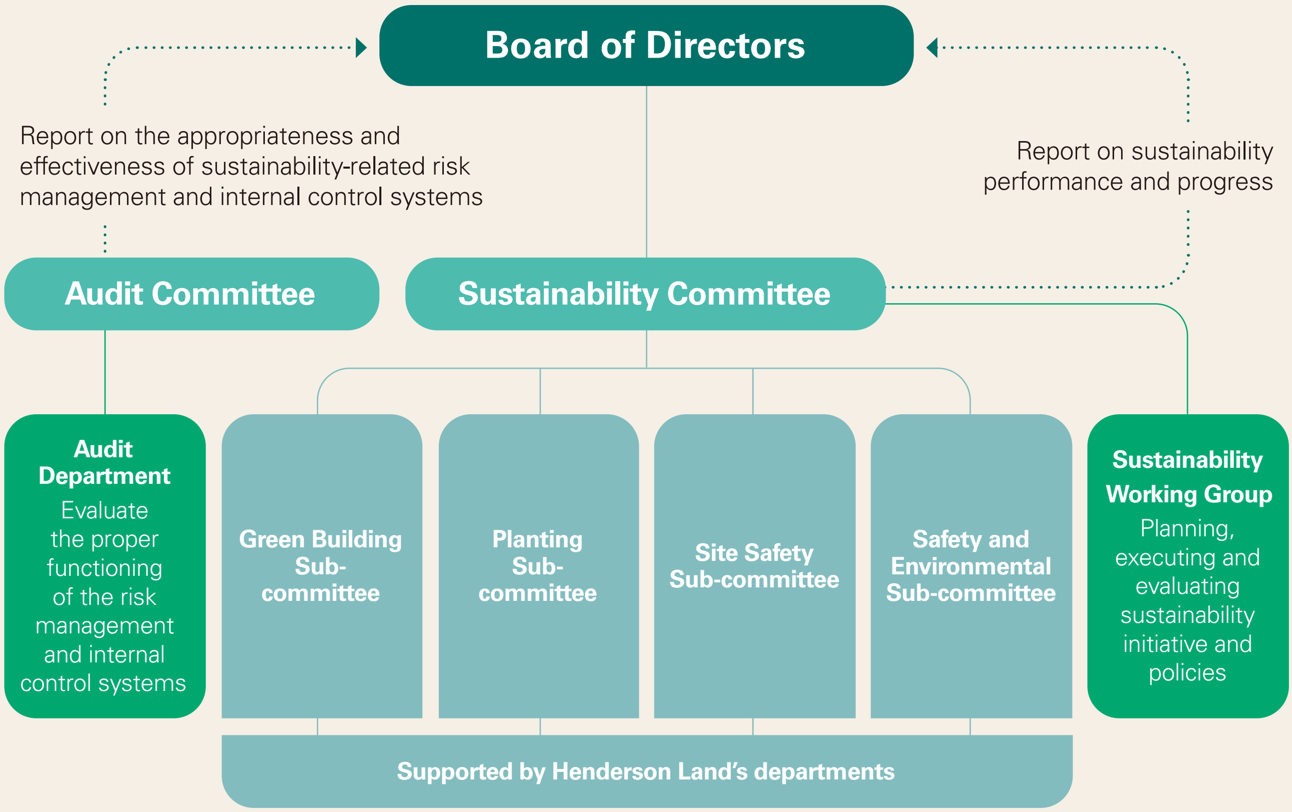
Green Building Sub-committee: Set corporate green building goals, encourage innovation, provide knowledge sharing and learning opportunities

Planting Sub-committee: Develop corporate landscape design standard and advise the design and planting effect for ongoing development projects

Site Safety Sub-committee: Conduct site safety inspections and oversee rectification measures at all ongoing construction sites

Safety and Environmental Sub-committee: Monitor and improve safety and environmental performance at construction sites

Our sustainability efforts are further backed by various departments within the organisation, such as Company Secretarial, Human Resources, Corporate Communications, Project Management, Construction, Property Management, and other departments. With sustainability intricately woven into our daily operations, all departments play an active role in implementing and fulfilling our sustainability initiatives.



Policies

Henderson Land is dedicated to upholding workplace excellence, environmental conservation, ethical operational procedures, and community investment, as demonstrated in the Group's detailed policies covering a range of sustainability issues. These policies undergo regular evaluation and revision to remain proactive in response to changing external influences and community needs.

The Board has approved the following key policies that articulate and define important principles and values of the Group.

Environmental

- Biodiversity Policy
- Climate Change Policy
- Corporate Social Responsibility Policy
- Environmental Policy
- Sustainable Procurement Policy

Social

- Anti-Corruption and Bribery Policy
- Anti-Discrimination Policy
- Business Ethics and Code of Business Conduct Policy
- Customers Services Code of Conduct Policy
- Director and Employee Remuneration Policy
- Health and Safety Policy
- Human Rights and Equal Employment Opportunity Policy REVISED
- Stakeholder Engagement Policy NEW
- Supplier Code of Conduct Policy REVISED

Governance

- Anti-Money Laundering and Counter-Terrorist Financing Policy
- Board Diversity Policy
- Dividend Policy
- Inside Information Policy
- Nomination Policy
- Risk Management Policy
- Shareholders Communication Policy

Risk management

The Board conducts annual reviews of significant operational risks, while individual departments are responsible for identifying their own risks and for establishing, implementing, and monitoring the appropriate risk management and internal control systems. The Audit Department maintains its independence and reports its findings directly to the Audit Committee, which reviews the effectiveness of our overall risk management and submits its findings to the Board at least yearly.

Additionally, the Group encourages departments to proactively identify and report potential risks across the organisation, as well as any necessary improvements to the Group's risk management practices, through an annual risk assessment and a dedicated feedback channel. Sustainability risks are also monitored regularly to ensure they are considered in the Group's product development and decision-making processes. To safeguard investors' interests, the Group assesses sustainability risks, incorporates a range of climate and biodiversity risks into our risk register, and disclosures on climate-related and nature-related risks and opportunities in our Sustainability Report.

Cybersecurity

As part of our risk management framework, the Audit Committee receives relevant updates on cybersecurity issues from the Audit and Information Technology ("IT") Departments. These departments are tasked with conducting annual internal audits focused on protecting customer privacy data, implementing appropriate corrective measures afterward. Additionally, the Group has established an Incident Response Management Guideline to proactively prepare for potential cybersecurity incidents, aiming to mitigate the effects of cyberattacks.

To highlight the significance of cybersecurity, relevant policies and guidelines are readily available to all employees on the Intranet. The seriousness with which we take these policies is underscored by our stance that any breaches will result in disciplinary actions. An internal hotline is also in place for employees to report any suspicious activities or anomalies detected within the Group's IT systems.

The governance of data security is strengthened by our Data Security Committee, which comprises of managers from the IT Department and is tasked with the upkeep of database security configuration, data loss prevention tools, and data backup arrangement. A Data Governance and Management ("DGM") Policy is in place for newly introduced systems as well as promoting security of our IT systems. Our current cybersecurity controls align with global standards and are structured to align with the National Institute of Standards and Technology ("NIST") Cybersecurity Framework.

To foster a culture of cybersecurity awareness, the Group offers training such as the IT Department's Information Security Introduction video during orientation for new hires, along with regular training sessions and webinars for all staff on the Group's IT security policies. The IT Department also regularly shares cybersecurity information and updates via the Intranet, ensuring that our staff remain informed and vigilant regarding potential cybersecurity risks.

In 2024, the IT Department collaborated with the Audit Department to carry out DGM reviews on workflows that involve personal data, including recruitment, membership programmes, and property leasing. The findings from the assessment were summarised, and the proposed corrective actions were shared with the relevant departments for follow-up.

Our Materiality Approach

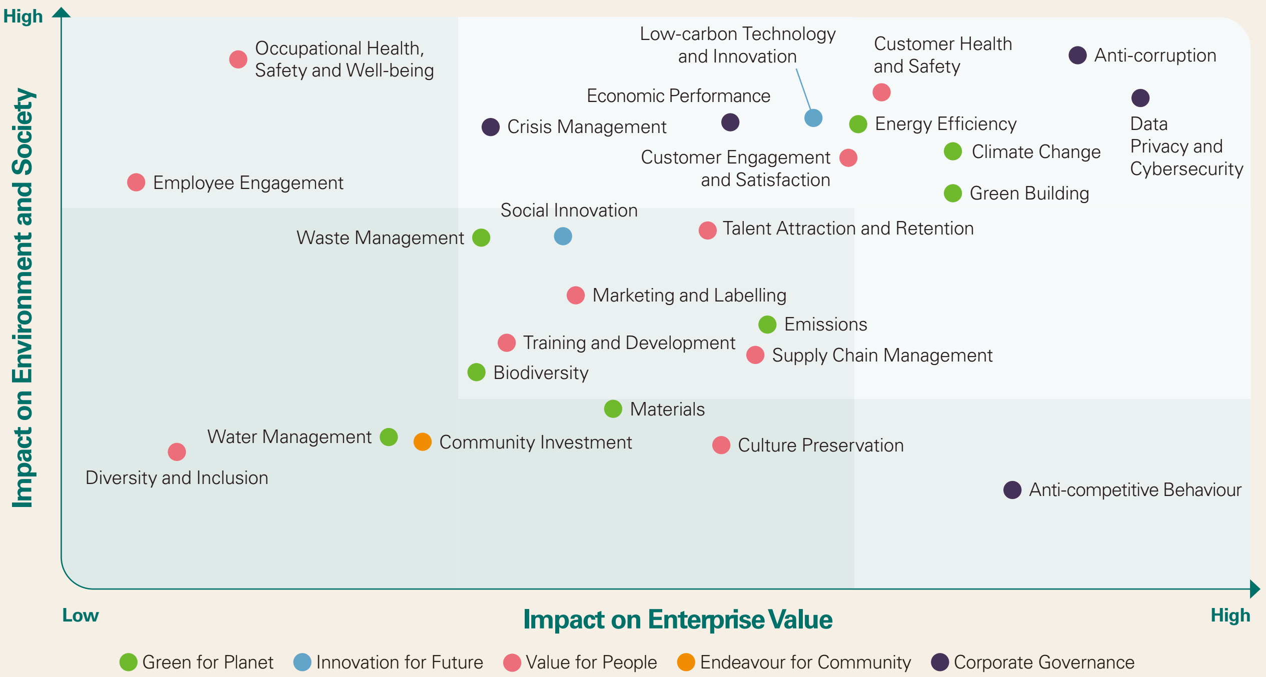
The Group recognises the importance of stakeholders' expectations in shaping our sustainability strategy effectively and annually reassesses and refreshes our list of material issues, taking into account the views from both internal and external stakeholders.

Since 2023, the Group adopted a double materiality approach, which takes into account the importance of issues in terms of both financial and stakeholder impact to formulate our materiality matrix. This approach not only enables the Group to gain insights into the financial impact of economic, environmental, and social issues that are pertinent to the enterprise, it also facilitates understanding on the Group's impact and responsibilities on the economy, environment and society.

	Financial materiality	Impact materiality
What is the meaning of it?	ESG issues prioritised based on their potential impact on enterprise value	ESG issues prioritised based on their influence on the economy, environment and society
How it offers help?	Offers ESG-specific inputs for strategic decision-making aimed at mitigating risks and maximising returns for shareholders	Establishes priority areas for managing our impacts and outlines our approach to sustainability
For whom is it intended for?	Investors, lenders, and creditors who anticipate sustainable returns	A diverse range of stakeholders seeking to comprehend our impacts and contributions to sustainable development

The updated materiality matrix this year highlights a shift in sustainability priorities within our business and the broader real estate industry. "Anti-corruption" and "Data Privacy and Cybersecurity" continue to be the most significant sustainability issues in 2024, underscoring our stakeholders' emphasis on corporate governance and cybersecurity amid the growing dependence on IT systems in our operations. Additionally, "Customer Engagement and Satisfaction" has gained prominence compared to 2023, indicating the importance of maintaining our customers' trust and loyalty. In response, we have implemented various initiatives to better engage different customer groups, aiming to enhance their satisfaction rates.

Furthermore, a new topic, "Biodiversity", has been introduced in the 2024 materiality matrix, reflecting our commitment to assessing the impacts and dependencies of nature and biodiversity in our operations, which signifies our recognition of the critical role that biodiversity plays in supporting long-term business resilience and community well-being.



More information on how we have addressed each material topic can be found in the respective sections of the Report.

Green for Planet

The Group is committed to developing a green portfolio and minimising our impact on the natural environment. "Green for Planet" drives the Group to support UN SDGs across all areas of our influence by taking proactive measures against climate change and promoting sustainable consumption and production patterns.

As one of the leaders in the real estate industry and a frontrunner in sustainable development, the Group strives to incorporate sustainable features in our design and operations, encompassing areas such as energy efficiency and emissions reduction, material use, waste management, water conservation and management. In 2024, the Group achieved yet another milestone when we were newly included in the Dow Jones Best-in-Class Asia Pacific Index, as well as our inclusion in the S&P Global Sustainability Yearbook 2024 and S&P Global Sustainability Yearbook (China Edition) 2024. We are also Hong Kong's first and only developer joining as a Partner of the WorldGBC's Asia Pacific Network, supporting 16 Green Building Councils in the region. Locally, we were also recognised at the Hong Kong Sustainability Award 2024, garnering the Distinction Award in the Large Organisations Category, which honours leaders committed to sustainability across economic, social and environmental dimensions. These awards and accolades serve as a powerful affirmation of our steadfast commitment to creating green and sustainable buildings, motivating us to elevate our standards and make a more significant impact on our community, the industry, and beyond.

S&P Global

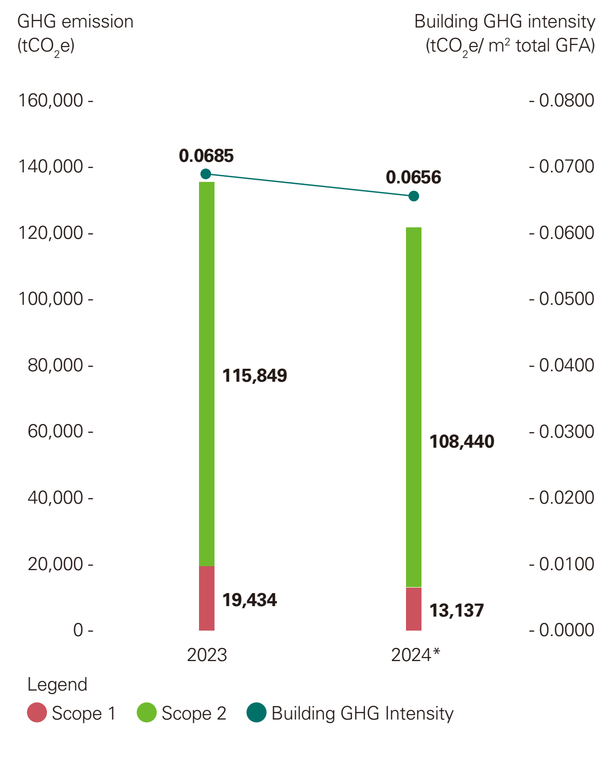
To illustrate the Group's long-term vision of achieving net zero and decarbonising in line with the objectives of the Paris Agreement[7] and Hong Kong's Climate Action Plan 2050, we have established our near-term, long-term and net-zero SBTs, which were approved by the SBTi in 2024, on top of those sustainability targets established in 2021 in the key areas of green building, energy, waste and water reduction. Guided by the SBTs, we have also prepared our climate transition plan, which lays out the transition levers to support our commitment to a lower-carbon future. In addition, we piloted internal carbon pricing in our procurement processes to encourage our business units to factoring low-carbon considerations into their decision-making.

Note 7: The Paris Agreement aims at keeping the rise in global temperature to well below 2°C above pre-industrial levels and at pursuing efforts to further limit global warming to 1.5°C

Notably, building on 2023's climate risk assessment, we further tested the resilience of our flagship properties against key climate-related risks and opportunities under distinct and plausible climate change scenarios, making reference to requirements of IFRS S2.

GHG Emissions

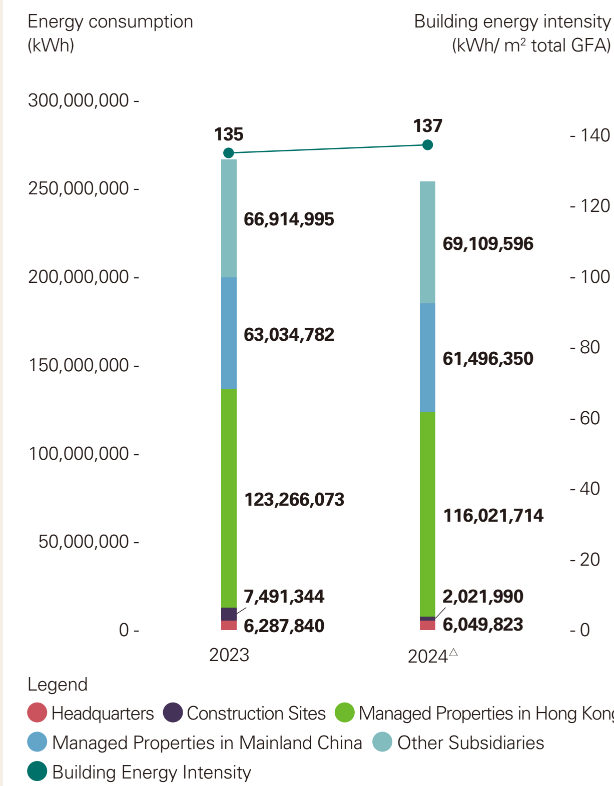
at our Headquarters, Construction Sites, Managed Properties and Subsidiaries



* *The significant decrease in scope 1 emissions in 2024 can be attributable to the decrease in consumption of refrigerants for maintenance projects, and decrease in construction activities*

Energy Consumption

at our Headquarters, Construction Sites, Managed Properties and Subsidiaries



△ *The decrease in energy consumption in 2024 can be attributable to the decrease in construction activities, decrease in activities such as maintenance projects carried out by managed properties in mainland China*

On the other hand, we have engaged in a number of cross-sector collaborations to spearhead changes within the industry. The Group has actively engaged in key initiatives such as Steering Committees of Business Environment Council and the Environmental Campaign Committee's Carbon Reduction Action. These collective actions signify our dedication to supporting Hong Kong's transformation towards a low-carbon economy.

Taskforce on Nature-related Financial Disclosures

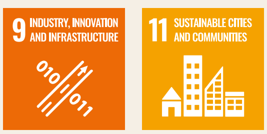
The Group is among the first developers in Hong Kong to begin aligning with the recommendations of the TNFD. Additionally, Henderson Land has officially committed to being an inaugural TNFD Early Adopter, reinforcing our dedication to making disclosures that align with TNFD recommendations by 2025. In 2024, building on the findings from the LEAP assessment initiated last year, we moved forward with Assess and Prepare phase, summarising a list of our nature-related dependencies, impacts, risks and opportunities. We are also developing a nature transition plan to align with the goals of the Global Biodiversity Framework.

Please refer to the Report for more information, particularly case studies relating to Green for Planet:

- Analysis on the Climate-related Risks of Our Flagship Properties
- Setting Emission Reduction Targets Aligning with Net-Zero Commitment to Science-Based Targets
- Our Climate Transition Plan Towards Net Zero
- Creating a Sustainable Energy Ecosystem for Biodiversity and a Low-Carbon Economy
- Incorporating Green and Innovative Building Designs at New Central Harbourfront Site 3 and The Henderson
- A Striking Façade Blending Warm, Neutral Tones to Foster Green Urban Spaces and Embrace Sustainable Lifestyle
- Sustainability Partnership with International Banking Community
- We CAN! ESG Christmas
- Bringing New Lives to Uniforms from Property Management and Contributing to the Community

Innovation for Future

Innovation lies at the heart of our approach to design, construction, and management. The Group is a front-runner in developing new solutions and technologies to create high-quality, intelligent living environments for users, tenants, and residents. "Innovation for Future" articulates the Group's strategic initiatives and measures aimed at promoting innovation and developing a sustainable community within our broad sphere of influence.



We are committed to making an impactful change in society at large by embracing advanced technologies and fostering social innovation to address and solve pressing problems.

Innovation	Our approach	Highlights
Technology innovations	The Group places strong emphasis on technology and smart solutions to achieve its sustainability goals. We invest in technologies and research to reduce our environmental footprint and to enhance interactions with our community and stakeholders. The Group is committed to optimising efficiency and performance throughout our value chain, from building to selling and managing properties, with various Property Technologies ("PropTech") advancements implemented across our operations and offerings. Apart from this, the Group sees research and development as a key to business development, and in 2024 we have increased our support for technology development.	• Piloted proactive 4S Smart Site Safety System and Building Information Modelling ("BIM") at our construction sites • Introduced AI Patrolling Robots at managed properties • Piloted Landlord-Individual-Tenant ESG Partnership Programme, conducted real-time collection and analysis of crucial ESG data, utilised various cutting-edge technologies such as OpenBIM, Common Data Environment at The Henderson • Transformed customer engagement through innovative adoption of Extended Reality ("XR") at the Belgravia Place showroom • PropTech is widely adopted at commercial and residential properties such as The Henderson and One Innovale for better homeowner and tenant experience

Innovation	Our approach	Highlights
Social innovations	Henderson Land is at the forefront of social innovation, forging alliances with experts from diverse industries to advance the well-being of society. Embracing the power of collaboration, we aim to develop cutting-edge solutions that leave a lasting positive impact on communities, paving the way for a better future.	• Supported the launch of The Hang Sang University of Hong Kong's Innovation Project Competition 2024 as well as established Martin Ka Shing Lee Innovation Award • Opening of The Hang Seng University of Hong Kong's Creative Humanities Hub • Gathered young innovators to develop innovative solutions of youth mental health issues through Po Leung Kuk Inno Makethon • Nurtured emerging tech ventures by serving as a judge at the Hong Kong Science and Technology Park Elevator Pitch Competition 2024 • Welcomed attendees of Hong Kong FinTech Week at The Henderson • Sponsored the Hong Kong SciTech Pioneers Award organised by Y-LOT Foundation

Please refer to the Report for more information, particularly case studies relating to Innovation for Future:

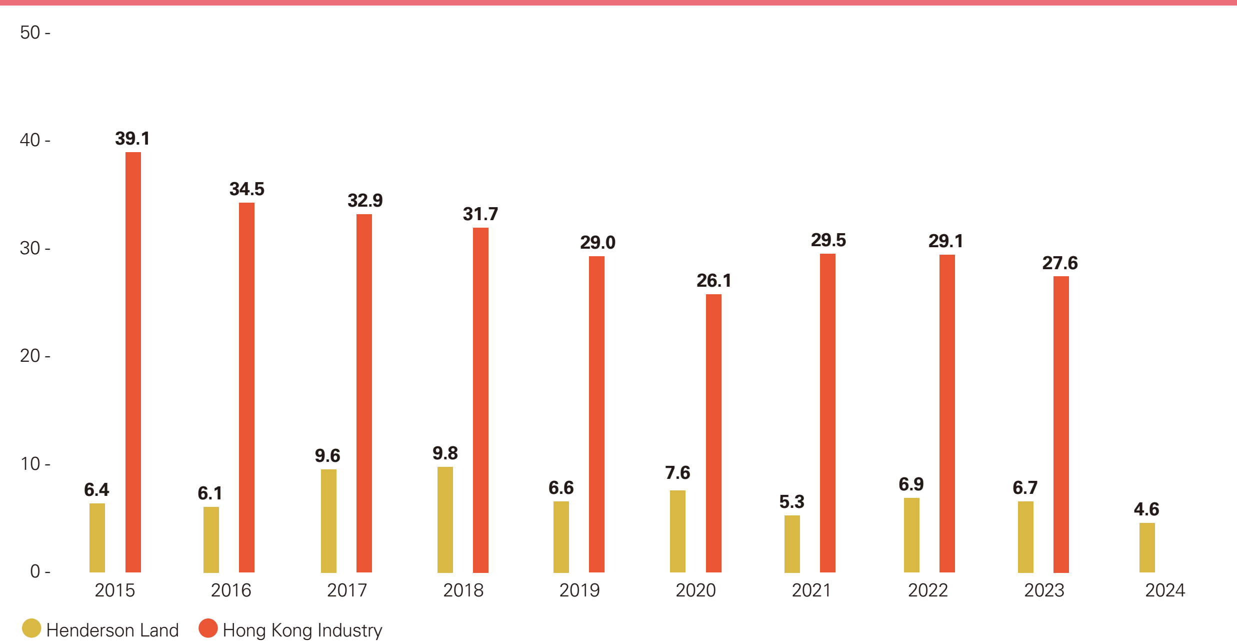
- Innovative Technologies for Safer and More Efficient Construction
- Introducing AI Patrolling Robots to Enhance Security Operations at Managed Properties
- Trailblazing the PropTech industry at The Henderson
- Shaping a Better Future Through Empowering Future Innovators
- Supporting Tech Ventures to Accelerate Businesses in the Region

Value for People

Henderson Land is dedicated to cultivating a culture of care in all our interactions with employees, customers, suppliers, and business partners. "Value for People" reflects our dedication to supporting the UN SDGs across our sphere of influence. We aim to promote health and well-being through our products and services, foster a productive workforce, and ensure a decent working environment for everyone who collaborates with us.

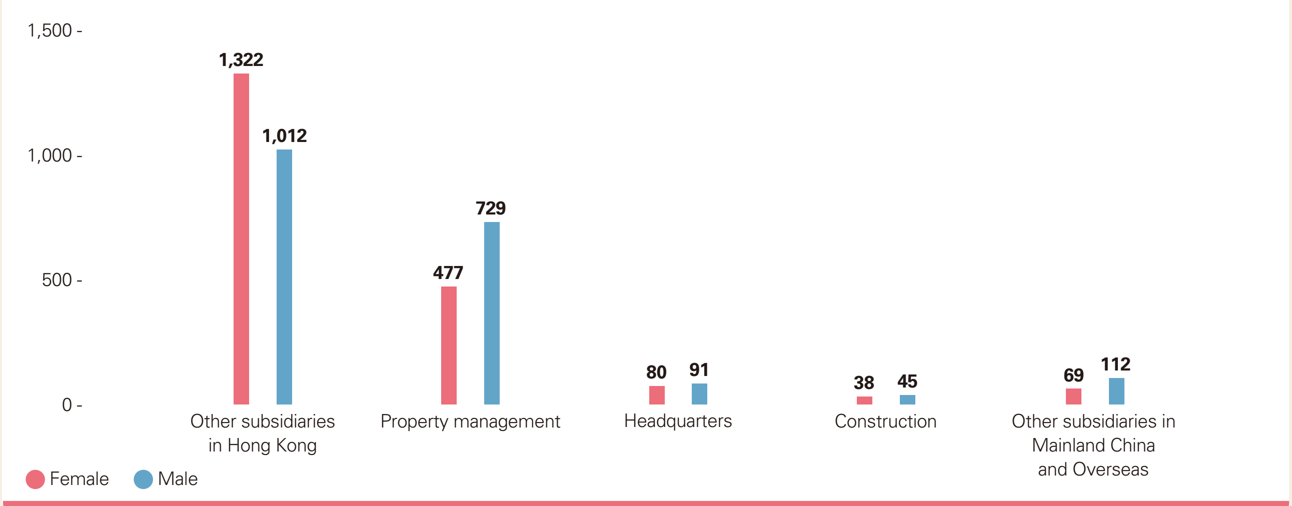
Our workforce is essential to our ongoing success. To ensure the well-being, health, and safety of our staff, our Safety and Environmental Sub-committee, along with the Site Safety Sub-committee made up of managers from various departments, oversee the monitoring and enhancement of occupational health and safety performance. They also engage in regular discussions with representatives from the Human Resources Department about any occupational health risks identified during inspections. Additionally, we have incorporated occupational health and safety targets into the performance appraisal and compensation of management. In 2024, the Group met the target accident frequency rate of less than 6.7 per 1,000 workers, at 4.6, which outperforms the industry average.

The historic accident frequency rate of Henderson Land compared to the industry



Note: 2024 accident frequency rate of the Hong Kong industry is not published by the Labour Department yet.

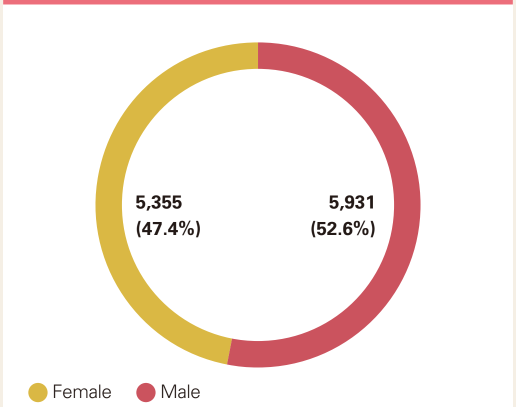
Total employee voluntary turnover in 2024, by gender



Furthermore, the Group is committed to fostering a workforce that celebrates diversity and teamwork, while actively supporting our staff's professional growth throughout their careers. Henderson Land places strong emphasis on attracting and retaining talent through utilising different types of recruitment methods. We encourage internal mobility to allow employees to seek new opportunities within the Group. In 2024, internal transfers accounted for approximately 4.9% of our job vacancies. The Group understands the needs of our staff by conducting an annual staff survey. Since 2022, the Group has also started disclosing voluntary turnover rate.

The Group prioritises customer wellness through our people-centric property designs. In addition to certifying our properties with internationally recognised health and safety standards, we have introduced a range of health and safety initiatives across many of our residential and commercial developments. These initiatives aim to promote green living and foster a closer connection to nature within the community, which encompass urban farming, health-focused seminars, and sports classes.

Workforce in 2024, by gender



Our approach to implementing the supplier ESG engagement programme, overseen by the Board, is built on a standardised, transparent, and equitable tendering and selection process. Specifically, our construction subsidiary, E Man, has established the Sustainable Supply Chain Engagement and Management Guideline, which mandates senior management to oversee suppliers' ESG programmes. During supplier screening, we evaluate various factors, including business relevance and past performance, while also considering environmental and social factors. Suppliers identified as having poor performance will have their qualification to tender suspended.

The Group continues to be actively involved in community outreach to enrich their understanding towards sustainability. In 2024, Henderson Land participated in various events to share our views and vision on sustainability. As a Platinum Sponsor of the One Earth Summit, Henderson Land and our associate, Towngas, are committed to addressing climate change and putting climate pledges into action through driving strategic partnerships that transcend cultural boundaries, divisions, and disciplines. At regional level, we were also honoured to join the GBA Carbon Neutrality Association's speaking session at Build4Asia 2024. Apart from taking part in a range of events, the Group regularly utilises various social media channels to raise public awareness about sustainability issues and initiatives.

Dr Lee Ka Kit delivers a speech at the One Earth Summit

As the premier destination for world-class office space, our newly operated property The Henderson has emerged as a sought-after venue for significant gatherings and events. In particular, it hosted several high-profile occasions during the year, such as Christie's Inaugural Sales at The Henderson, The Global Financial Leaders' Investment Summit, HSBC Privé Private Launch Event and more. By seamlessly integrating art, innovation, and sustainability, The Henderson has redefined the modern office environment, creating a space that inspires collaboration and hosts exceptional events while solidifying its role as an iconic addition to Hong Kong's skyline.

Please refer to the Report for more information, particularly case studies relating to Value for People:

- Precautionary Measures to Protect Our Construction Workers Working under Hot Weather
- Promoting Active Lifestyles for Residents and Supporting Local Athletes in Career Transition
- A One-stop Service Platform to Welcome Incoming Talent
- Enabling Partnerships across Industries to Advocate Sustainability
- Dance of the Balloon Swan in The Henderson
- Henderson Land Welcomes the First Batch of Tenants and Prestigious Events to The Henderson

Endeavour for Community

The Group is committed to enhancing the well-being and quality of life in our community. Through "Endeavour for Community", we commit to support sustainable and inclusive economic growth in the communities where we operate and collaborate, and our actions are aligned with UN SDGs 8 and 11. By focusing on these commitments, we aspire to foster a more prosperous and equitable future for our community.

Youth are the cornerstone upon which our future depends. With a continued focus on youth empowerment, Henderson Land is committed to helping young people unleash their infinite potential and open up new avenues of growth, in the hope of bringing a boost of vibrant energy to society. The Lee Shau Kee Student Residence Village at Whitehead, Ma On Shan, named in honor of the generous donations from our Founder Dr Lee Shau Kee, accommodates more than 2,000 student residents at the City University of Hong Kong and officially opened in 2024. The Group also continues to participate in the HKSAR Government's Scheme on Corporate Summer Internship on the Mainland and Overseas as well as the Strive and Rise Programme, which all aim to help young individuals unlock their boundless potential and explore new avenues for growth.

As a champion of arts and culture, Henderson Land is committed to fostering creativity and promoting social innovation in Hong Kong. In synergy with various leading arts events in March 2024, the Group presents Henderson Arts @ Central, joining forces with 10 international and local artists to introduce a series of arts activities at its iconic landmarks in Central. These exciting happenings aim to connect the community through art and bolster Hong Kong's development as an "East-meets- West centre for international cultural exchange". Henderson Land also collaborated with HKDance to set up "HKDance Art Space" and supported the establishment of "H • Dance Community Education Fund", which provides annual support to 20 talented and ambitious young dancers.

Opening and naming ceremony for the Lee Shau Kee Student Residence Village of City University of Hong Kong

Opening ceremony of St. James' Settlement Nam Cheong Community Living Room Project

Henderson Land has long been devoted to supporting the community. Our focus on creating a more just society is evident in our consistent initiatives aimed at enhancing the quality of life for community members. Recognising the housing challenges in Hong Kong, we are proud to support the HKSAR Government's Pilot Programme on Community Living Room in partnership with St. James' Settlement. In August 2024, the Nam Cheong Community Living Room in Sham Shui Po officially opened its doors, enhancing the quality of life for the residents of subdivided units. Furthermore, Henderson Land is the first developer in Hong Kong to support the transitional housing initiatives, the Group has offered land and temporary vacant units in both urban areas and the New Territories to relieve the pressure on those with urgent housing needs.

Henderson Land believes that fostering sports and well-being in the city is crucial for enhancing people's quality of life. As a committed community partner, we recognise the power of sports to bring people together, promote healthy lifestyles, and strengthen social bonds. During the Paris Olympics in July-August 2024, the Group launched the "Breaking New Ground" campaign, introducing a series of events and programmes around four key themes, namely "Inspire", "Engage", "Play" and "Cheer". These activities included a summer sports training programme led by Hong Kong athletes for secondary school students and a meet-and-greet with members of the Hong Kong, China Delegation at the Paris Olympics as well as other elite athletes, with an aim to encourage the local sports scene and the development of local athletes.

The Group continuously assesses prevailing social needs and actively contributes to the progress and welfare of society through a diverse array of community investment programmes. We collaborate with reputable non-governmental organisations ("NGOs") partners to provide assistance in the four priority areas: Empowering our Youth, Supporting Local Arts Development, Caring for Those in Need, Fostering Sports and Well-being in the City. The Group diligently evaluates the social impact and outcomes of all our programmes to ensure that they are generating positive long-term social outcomes. In 2024, a total of over 100,000 volunteering hours were contributed to support different charities.

Below are some of the community programmes within the four priority areas.

Priority area	Community programmes
Empowering our Youth	• City University of Hong Kong – Lee Shau Kee Student Residence Village • HKSAR Government's Scheme on Corporate Summer Internship • Supporting HKSAR Government's Strive and Rise Programme • Empowering Youth on Sustainable Living at Harvest Above • Various Student Development Scholarships to University of Hong Kong and the Hang Seng University of Hong Kong Students* • Official Opening of Po Leung Kuk Lee Shau Kee Youth Oasis* • Youth High Speed Rail Trip 2024 – Cultural Tour in Changsha • Chill Bazaar 2024 – Entrepreneurship Experience Day • HKSAR Government Space Sharing Scheme for Youth • Urban Land Institute – UrbanPlan Hong Kong • Summerbridge Hong Kong

** Sponsored by the Lee Shau Kee Foundation*

Priority area	Community programmes
Supporting Local Arts Development	• Henderson Arts @ Central Collaborating with Local Young Artists • Enriching Communities Through the Performing Arts • HART Initiatives – HART Award, HART Studio Programme, HART Artist-led Workshops, HART Curatorship Incubation Programme, HART International Artist Residency Exchange, Community and Student Outreach • Exhibitions and Cultural Workshops for the Baker Circle Development Project • "Dream with Mi"

Priority area	Community programmes
Caring for Those in Need	• Creating a "Homelike Spaces" – Our Support for the Nam Cheong Community Living Room • Transitional Housing Projects – Pok Oi Kong Ha Wai Village, The NAScenT in Kam Tin and the Ngau Tam Mei South Transitional Housing Project • Blood Donation Drive in Collaboration with Hong Kong Red Cross • Volunteering Activities – Visit to the Hong Kong Palace Museum, Chinese Tea House for The Elderly, Wellness Workshop for Elderly, Cookery Workshop for Children with Special Needs, Midday Radio, Fun Sports Day and Smiling Library • Home Market*

** Sponsored by the Lee Shau Kee Foundation*

Priority area	Community programmes
Fostering Sports and Well-being in the City	• "Breaking New Ground" Campaign • Henderson Land Inter-school Wushu Competition 2024 • Make Waves for Hong Kong • Tsuen Wan Dragon Boat Race 2024

Please refer to the Report for more information, particularly case studies relating to Endeavour for Community:

- City University of Hong Kong – Lee Shau Kee Student Residence Village
- Empowering Youth on Sustainable Living at Harvest Above
- Henderson Arts @ Central Collaborating with Local Young Artists
- Enriching Communities through the Performing Arts
- Creating "Homelike Spaces" – Our Support for the Nam Cheong Community Living Room
- "Breaking New Ground" Campaign

Our Project Accreditations

Henderson Land's commitment to sustainability is clearly demonstrated by the green building certifications and awards we have obtained, showcasing the environmentally friendly designs of our buildings.

Our cumulative achievements of local, regional and international green building certifications demonstrate our leadership in this space:

95	BEAM Plus
19	BEAM
27	LEED
10	China Green Building Design Label
4	TRUE Certification
1	China Green Building Label

Our accreditations in relation to innovation are as follows:

WiredScore Certification
- **Platinum** (The Henderson)

SmartScore Certification
- **Platinum** (The Henderson)

Parksmart Certification
- **Pioneer** (World Financial Centre, Beijing)

China Smart Building Pre-Certification
- **Three Star Pioneer** (The Henderson)

The cumulative number of healthy buildings certifications achieved demonstrates our leadership in this space:

33	10
WELL Project Accreditations	China Healthy Building Design Label

The Company acknowledges the importance of good corporate governance practices and procedures and regards a preeminent board of directors, sound risk management and internal controls, and accountability to all shareholders as the core elements of its corporate governance principles. The Company is committed to operating its businesses in full compliance with all applicable rules and regulations, and codes and standards, while upholding our ethos of being highly accountable and transparent.

Corporate Governance Code

During the year ended 31 December 2024, the Company complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") as stated in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), with the exception that the roles of the chairman and the chief executive officer of the Company have not been segregated as required by the CG Code. The Company is of the view that it is in the best interest of the Company that each of Dr Lee Ka Kit and Dr Lee Ka Shing, with his relevant in-depth expertise and knowledge in the Group's business, acts in the dual capacity as Chairman and Managing Director of the Company. Although the roles of the chairman and the chief executive officer of the Company have not been segregated, powers and authorities have not been over-concentrated as all major decisions are made in consultation with Board members as well as appropriate Board committees and senior management, who possess the relevant knowledge and expertise. Hence, the current arrangements are subject to adequate checks and balances notwithstanding the deviation.

Board of Directors

Responsibilities of and Support for Directors

The Board nourishes the Company's culture and strives to promote the desired culture at the Company, and ensures it aligns with the Company's purpose, values and strategy. The details of the Company's corporate culture, business model and strategic direction are set out on pages 78 and 79 of this Annual Report.

The Board has the responsibility for managing the Company, which includes formulating a corporate strategy and a long term business model, directing and supervising the Company's affairs, approving the Company's financial reports and the relevant results announcements, considering dividend policy and approving the issue, allotment or disposal, or grant of options, in respect of securities or debentures of the Company. It is also responsible for performing the corporate governance duties and reviewing the effectiveness of the risk management and internal control systems which include reviewing the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions, as well as those relating to the Company's environmental, social and governance ("ESG") performance and reporting. The Board makes broad policy decisions and has delegated the responsibility for detailed considerations and implementation of the above matters to the Board's standing committee (the "Standing Committee") and, where appropriate, other specific committees.

The day-to-day management, administration and operation of the Company are delegated to the management team. The Board gives clear directions to the management as to their powers of management, and circumstances in which the management should report back.

Every Director ensures that he/she gives sufficient time and attention to the affairs of the Company. Each Director shall disclose to the Company at the time of his/her appointment the directorships held in listed companies or nature of offices held in public organisations and other significant commitment, with the identity of such listed companies or public organisations. The Company has also requested Directors to provide in a timely manner any change on such information. Each Director is also required to disclose to the Company his/her time commitment. The details of the Directors' time commitment are disclosed under the sub-paragraph "Directors' Time Commitment and Training" below.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. The Directors will be notified of code provisions amendments in respect of the CG Code so as to be kept abreast of the latest requirements and be assisted in fulfilling their responsibilities. The Directors are also provided with monthly updates which contain periodic financials with summaries of key events, outlook and business related matters of the Group. The monthly updates present a balanced and understandable assessment of the Company's performance and position. The Non-executive Director and Independent Non-executive Directors may, after making a request to the Board, take independent professional advice at the Company's expense in carrying out their functions.

Board Composition

The Board currently comprises 16 members:

Executive Directors	**Non-executive Director**	**Independent Non-executive Directors**
Dr Lee Ka Kit *(Chairman and Managing Director)*	Lee Pui Ling, Angelina	Kwong Che Keung, Gordon
Dr Lee Ka Shing *(Chairman and Managing Director)*		Professor Ko Ping Keung
Dr Lam Ko Yin, Colin *(Vice Chairman)*		Wu King Cheong
Yip Ying Chee, John		Woo Ka Biu, Jackson
Fung Lee Woon King		Professor Poon Chung Kwong
Kwok Ping Ho		Au Siu Kee, Alexander
Suen Kwok Lam		
Wong Ho Ming, Augustine		
Fung Hau Chung, Andrew		

The biographical details of the Directors are set out on pages 174 to 180 of this Annual Report. Dr Lee Ka Kit and Dr Lee Ka Shing are siblings, and both are relatives of Madam Fung Lee Woon King. Save as aforesaid, none of the members of the Board is related to one another. A List of Directors and their Roles and Functions is available on the Company's website.

The Board comprises male and female Directors with diverse backgrounds and/or extensive expertise in the Group's businesses. The Board also has a balanced composition of Executive and Non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement. The Board considers that each of the Non-executive Director and Independent Non-executive Directors brings his/her own relevant expertise to the Board.

The Board has established mechanisms to ensure that independent views are available to the Board. The full text of the mechanisms is available on the Company's website and a summary of which is set out below:

(1) Composition

The Board ensures the appointment of at least three Independent Non-executive Directors and at least one-third of its members being Independent Non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time), with at least one Independent Non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, Independent Non-executive Directors will be appointed to Board Committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

(2) Independence Assessment

The Nomination Committee strictly adheres to the Nomination Policy with regard to the nomination and appointment of Independent Non-executive Directors, and is mandated to assess annually the independence of Independent Non-executive Directors to ensure that they can continually exercise independent judgement.

(3) Compensation

No equity-based remuneration with performance-related elements will be granted to Independent Non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

(4) Board Decision Making

Directors (including Independent Non-executive Directors) are entitled to seek further information from the management on the matters to be discussed at Board meetings and, where necessary, independent advice from external professional advisers at the Company's expense.

A Director (including Independent Non-executive Director) who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

During the year ended 31 December 2024, the Board at all times met the requirements of the Listing Rules relating to the appointment of Independent Non-executive Directors as mentioned in item (1) above.

The Company has received confirmation in writing of independence from each of the Independent Non-executive Directors and considers them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgement.

Appointment and Re-election of Directors

The Board is empowered under the Company's Articles of Association ("Articles") to appoint any person, as a Director, either to fill a casual vacancy on or to be an additional member of the Board. Only the most suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and exercise reasonable care, skill and diligence would be recommended to the Board for selection. Appointments are first considered by the Nomination Committee in accordance with its terms of reference with due regard to the Company's Nomination Policy and Board Diversity Policy, and recommendations of the Nomination Committee are then put to the Board for decision.

In accordance with the Articles, new appointments to the Board are subject to re-election at the next following annual general meeting of the Company ("AGM"). Furthermore, nearest one-third of the Directors shall retire from office by rotation but are eligible for re-election at the AGM. The Board will ensure that every Director (including every Non-executive Director) is subject to retirement by rotation at least once every three years. Each Director was appointed by a letter of appointment setting out the key terms and conditions of his/her appointment.

The appointment of Independent Non-executive Directors adheres to the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules. Mr Au Siu Kee, Alexander ("Mr Au"), an Independent Non-executive Director, has the following directorships which fall within the independence guideline in Rule 3.13(7) of the Listing Rules:

(1) Mr Au is currently the chairman and a non-executive director of Henderson Sunlight Asset Management Limited ("HSAM"), a subsidiary of the Company and the manager of the publicly-listed Sunlight Real Estate Investment Trust ("Sunlight REIT"). Sunlight REIT is regarded as a core connected person of the Company for the purpose of the Listing Rules. As Mr Au plays a non-executive role in HSAM, and Sunlight REIT is not a subsidiary of the Company, the Company considers that such non-executive role in HSAM has no bearing on Mr Au's independence.

(2) Mr Au is currently also a non-executive director of Hong Kong Ferry (Holdings) Company Limited, an associated company of the Company. As a non-executive director, Mr Au has not taken part in the day-to-day management of and has had no executive role in such company. The Company considers that Mr Au's role in such company has no impact on his independence as an Independent Non-executive Director of the Company.

Board Meetings

Number of Meetings and Directors' Attendance

The Board meets from time to time and at least four times a year to discuss and exchange ideas on the affairs of the Company. During the year ended 31 December 2024, the Board held four meetings to approve interim/final results announcements and interim/annual reports, to determine the level of dividends, to consider the assessment results of the board performance evaluation, to discuss significant issues and the general operation of the Company, and to approve matters and transactions specifically reserved to the Board for its decision. The attendance of the Directors is set out in the table on page 139.

During the year, the Independent Non-executive Directors held a meeting among themselves. In addition, the Chairmen held a meeting with the Independent Non-executive Directors without the presence of other Directors in accordance with the CG Code.

Practices and Conduct of Meetings

Notices of regular Board meetings are given to all Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given. Meeting agenda and accompanying Board papers are sent to all Directors in a timely manner and at least three days before the Board/committee meetings.

The Company Secretary of the Company is responsible for taking and keeping minutes of all Board and committee meetings. Draft minutes are circulated to Directors for comment within a reasonable time after each board meeting and the final signed version is open for Directors' inspection with copies sent to all Directors for their records.

Conflict of Interest

If a Director has a material interest in a matter of significant nature to be considered by the Board, a physical meeting or meeting by video conference will be held to discuss such matter instead of seeking Directors' written consent by way of circulation of written resolution. In accordance with the Articles, such Director who is considered to be materially interested in the matter shall abstain from voting and not be counted in the quorum. The Company was not aware of any case of breach of conflict of interest by the Directors during the year.

Board Performance

Board performance evaluation in respect of the year ended 31 December 2023 had been conducted in 2024. Based on the performance evaluation results, the Directors are satisfied with the performance of the Board and acknowledged that the Board plays an effective role in the development and determination of the Group's corporate culture, strategic direction and overall business objectives. It is intended to carry out such board performance evaluation once every two years and the next evaluation is expected to be conducted in 2026.

Director's and Officer's Liability Insurance

The Company has arranged director's and officer's liability insurance to indemnify the Directors and senior management against any potential liability arising from the Company's business activities which such Directors and senior management may be held liable.

The Company also keeps Directors indemnified against any claims to the fullest extent permitted by the applicable laws and regulations arising out of the Directors' proper discharge of duties except for those attributable to any gross negligence or wilful misconduct.

Directors' Time Commitment and Training

Each Director had ensured that he/she had given sufficient time and attention to the affairs of the Company for the year. Directors have disclosed to the Company the nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies and organisations and an indication of the time involved. Directors are encouraged to participate in professional, public and community organisations. They are also reminded to notify the Company of any change of such information in a timely manner. Other details of Directors, including their directorships held in listed public companies in the past three years, are set out in the biographical details of Directors on pages 174 to 180 of this Annual Report.

During the year, presentations for the Board on "geopolitical risks affecting Hong Kong and the Mainland" and "sustainable and intelligent building technology and practices", and in-house briefings on various topics at monthly managers meetings where Executive Directors attended were arranged. Legal and regulatory updates are provided from time to time to the Directors for their reading. Directors are also encouraged to attend outside talks and seminars to enrich their knowledge in discharging their duties as a director. On a regular basis, information on seminars organised by professional bodies is provided to the Directors, and the seminar enrolments are handled by the Company Secretarial Department.

The Group observes a strict code of ethics in all spheres and has no tolerance for any form of corruption or other misconduct, and recognises that the overall responsibility for risk management lies with the Board. In order to reinforce awareness of our Directors on preventing corruption and their knowledge on risk management, we regularly provide anti-corruption and risk management training for all Directors which include legal and regulatory updates as well as anti-corruption and risk management training materials made by the Independent Commission Against Corruption.

According to the training records provided by the Directors to the Company, they participated in continuous professional development in 2024 which included attending seminars and talks, and reading legal and regulatory updates and other reference materials. The seminars, talks and other reference materials covered a wide range of topics on cybersecurity, application of artificial intelligence, continuing obligations of listed companies, ESG disclosures, sustainable and intelligent building, market and regulatory updates, impact of geopolitics, anti-corruption, risk management, etc. During the year, the training undertaken by each Director are summarised as follows:

	Attending Seminars, Talks and Briefings	Reading Legal and Regulatory Updates and other Reference Materials
Executive Directors		
Dr Lee Ka Kit *(Chairman and Managing Director)*	✓	✓
Dr Lee Ka Shing *(Chairman and Managing Director)*	✓	✓
Dr Lam Ko Yin, Colin *(Vice Chairman)*	✓	✓
Dr Lee Shau Kee	×	✓
Yip Ying Chee, John	✓	✓
Fung Lee Woon King	✓	✓
Kwok Ping Ho	✓	✓
Suen Kwok Lam	✓	✓
Wong Ho Ming, Augustine	✓	✓
Fung Hau Chung, Andrew	✓	✓
Non-executive Director		
Lee Pui Ling, Angelina	✓	✓
Independent Non-executive Directors		
Kwong Che Keung, Gordon	✓	✓
Professor Ko Ping Keung	✓	✓
Wu King Cheong	✓	✓
Woo Ka Biu, Jackson	✓	✓
Professor Poon Chung Kwong	✓	✓
Au Siu Kee, Alexander	✓	✓

Board Committees

The Board has six Board Committees, namely, the Standing Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance Committee and the Whistleblowing Committee for overseeing particular aspects of the Company's affairs. The Standing Committee of the Board operates as a general management committee with delegated authority from the Board.

The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Audit Committee was established in December 1998 and reports to the Board. The members of the Audit Committee are:

Independent Non-executive Directors

Kwong Che Keung, Gordon *(Chairman)*
Professor Ko Ping Keung
Wu King Cheong
Au Siu Kee, Alexander

Both the chairman and Mr Au Siu Kee, Alexander have the appropriate professional qualifications as required under the Listing Rules, and Mr Au also possesses enterprise risk management expertise. None of the members of the Audit Committee was a former partner of the Company's existing external auditor within two years immediately prior to the dates of their respective appointments. All members have appropriate skills and experience in reviewing financial statements as well as addressing significant control and financial issues of public companies. The Board expects the Committee members to exercise independent judgement in conducting the business of the Committee.

The written terms of reference include the authority and duties of the Audit Committee and amongst its principal duties are the review and supervision of the Company's financial reporting process and risk management and internal control systems. The terms of reference of the Audit Committee are available on the Company's website.

During the year, the Audit Committee held three meetings with the management and the auditors. Its responsibilities performed relate to the following areas:

(1) Financial Reporting

In respect of the financial year ended 31 December 2024, the Committee reviewed the interim and annual results announcements and reports, discussed the financial highlights, explanations and analysis on operational and financial performance given by the management. The Committee gave careful consideration to the accounting policies adopted, significant accounting judgements applied, compliance with applicable regulatory requirements and accounting standards, as well as adequacy of reporting disclosures. Significant accounting issues relating to the financial statements were discussed amongst the Committee, the management and the external auditor for a proper accounting treatment or disclosure. The Committee also discussed with the management to ensure that the Company is having adequate resources, qualified and experienced staff, training programmes and budget of the Company's accounting and financial reporting function, as well as those relating to the Company's ESG performance and reporting.

(2) External Auditor

The Committee considered and approved the appointment of external auditor after having reviewed the terms of engagement, the level of remuneration in relation to audit and non-audit services and the confirmation of independence provided by the external auditor. The Committee assessed the effectiveness of the audit process, including the audit plan, the audit approach and scope, key audit matters identified and addressed, as well as the application of information technology audit.

(3) Risk management and internal controls

The Committee reviewed the works and reports of the Group's Audit Department on audit of the internal controls function and the rectification procedures taken by the management in respect of any deficiencies. The Committee also assessed the effectiveness of the risk management (including ESG risk) and internal control systems as set out in the paragraph headed "Internal Audit, Risk Management and Internal Controls" below.

Remuneration Committee

The Remuneration Committee which was established in January 2005 comprises:

Executive Directors	Independent Non-executive Directors
Dr Lee Ka Kit	Wu King Cheong *(Chairman)*
Dr Lee Ka Shing	Kwong Che Keung, Gordon
Dr Lam Ko Yin, Colin	Professor Ko Ping Keung
	Au Siu Kee, Alexander

Each member is sufficiently experienced and is appropriately skilled in the issues of determining executive compensations in public companies. The Board expects the committee members to exercise independent judgement in conducting the business of the committee.

The written terms of reference include the specific duties of determining, with delegated responsibility, the remuneration package of the individual Executive Director and senior management and making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management. The terms of reference of the Remuneration Committee are available on the Company's website.

During the year ended 31 December 2024, the Remuneration Committee held a meeting to review the salary structure of the employees of the Company and the level of salary increment for 2025 as well as the remuneration of senior management staff and the Directors with reference to the remuneration level of directors of comparable listed companies. The Company's policy serves a guide to the Remuneration Committee in considering the directors' remuneration and a summary thereof is set out in the paragraph headed "Board Policies" below.

Particulars of the Directors' emoluments disclosed pursuant to the Companies Ordinance (Cap. 622) and Appendix D2 of the Listing Rules are set out in note 9 to the financial statements on pages 252 to 254 while the analysis of the senior management's emoluments by band is set out in note 10 to the financial statements on page 255. The Director's fees are fixed at the rate of HK$150,000 per annum for each Executive Director/Non-executive Director and HK$250,000 per annum for each Independent Non-executive Director. In the event that an Independent Non-executive Director serves on Board committees, he will be paid an additional fee of HK$250,000 per annum for acting as a member of the Audit Committee, and HK$100,000 per annum for acting as a member of each of the Nomination Committee, the Remuneration Committee and the Corporate Governance Committee. The above remuneration remains unchanged until the Company in general meetings otherwise determines. Other emoluments shall from time to time be determined with reference to the Directors' duties and responsibilities.

Nomination Committee

The Nomination Committee which was established in December 2011 comprises:

Executive Directors	Independent Non-executive Directors
Dr Lee Ka Kit	Wu King Cheong *(Chairman)*
Dr Lee Ka Shing	Kwong Che Keung, Gordon
Dr Lam Ko Yin, Colin	Professor Ko Ping Keung
	Au Siu Kee, Alexander

Each member is sufficiently experienced and is appropriately skilled in the issues of nomination of directors to the Board. The Company has provided the Nomination Committee with sufficient resources to perform its duties. The Nomination Committee may seek independent professional advice, at the Company's expense, to perform its responsibilities.

The written terms of reference include the specific duties of reviewing the structure, size and composition of the Board with due regard to the Board Diversity Policy and making recommendation on any proposed changes to the Board to complement the Company's corporate policy. Nominations will be made in accordance with the Nomination Policy and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The terms of reference of the Nomination Committee are available on the Company's website.

The Nomination Committee held two meetings during the year ended 31 December 2024. The major work performed by the Nomination Committee during the year included assessing the independence of Independent Non-executive Directors of the Company, making recommendation to the Board on the retiring Directors' eligibility for re-election at the AGM, considering the assessment results of the board performance evaluation and reviewing the structure and gender diversity of the Board. It also reviewed the Board Diversity Policy and Nomination Policy, and was satisfied that the said policies were appropriate and effective, and had been properly implemented.

Mr Kwong Che Keung, Gordon ("Mr Kwong"), Mr Wu King Cheong ("Mr Wu") and Mr Au Siu Kee, Alexander (collectively, the "Retiring INEDs") are required to retire by rotation at the forthcoming AGM, among whom Mr Kwong and Mr Wu have been serving as Independent Non-executive Directors of the Company for more than nine years. In considering the nomination of the Retiring INEDs for re-election, the Nomination Committee has reviewed their overall contribution and service with regard to a number of factors, including the principles set out in the Nomination Policy and the Board Diversity Policy. The factors considered by the Committee are more specifically set out in the circular to shareholders accompanying this Annual Report.

Based on the recommendation of the Nomination Committee and the Retiring INEDs' past performance and contribution, the Board considered that the Retiring INEDs are eligible for re-election.

Corporate Governance Committee

The Corporate Governance Committee which was established in October 2012 comprises:

Independent Non-executive Directors

Kwong Che Keung, Gordon *(Chairman)*
Professor Poon Chung Kwong
Au Siu Kee, Alexander

Each member is sufficiently experienced and is appropriately skilled in the issues of corporate governance. The Company has provided the Corporate Governance Committee with sufficient resources to perform its duties.

The written terms of reference include the duties of developing and reviewing the Company's policies and practices on corporate governance and monitor such policies and practices on compliance with legal and regulatory requirements. The terms of reference of the Corporate Governance Committee are available on the Company's website.

During the year, the Corporate Governance Committee held a meeting to formulate the work plan for the 2024 Corporate Governance Report; review the training and continuous professional development of the Directors and senior management, the Shareholders' Communication Policy and the mechanisms for ensuring independent elements on the Board; consider the adoption of and revision to certain Group policies; and receive and accept the Audit Department's review report on the Group's compliance with the adopted policies, practices and codes of conduct as well as the applicable legal and regulatory requirements.

On the basis that the Company had strictly adhered to the principles set out in the Shareholders' Communication Policy, including timely dissemination of corporate information to shareholders via "Investor Information" platform on its website, arranging briefings to investors and analysts, and making available different channels for shareholders to communicate their views to the Company, the Committee was satisfied that the Shareholders' Communication Policy was appropriate and effective, and had been properly implemented.

Upon reviewing the existing mechanisms adopted by the Company for ensuring independent elements on the Board, the Committee generally agreed that the mechanisms, which was in conformity with the requirements of the Listing Rules, was appropriate and effective, and had been complied with.

Whistleblowing Committee

The Whistleblowing Committee was established in March 2022 and reports to the Board. The members of the Whistleblowing Committee comprises:

Executive Director	Independent Non-executive Directors
Dr Lam Ko Yin, Colin *(Chairman)*	Professor Ko Ping Keung Wu King Cheong

The Company has established systems for employees and those who deal with the Group to raise concerns about possible improprieties in any matters relating to the Group, in confidence and anonymity, to be dealt with by the Whistleblowing Committee. Each member is appropriately skilled in handling alleged improprieties reported by whistleblowers.

The written terms of reference include monitoring the effectiveness of the whistleblowing arrangements, ensuring proper procedures for fair and independent investigation of the reported improprieties as well as warranting the confidentiality of the information received and findings of the investigation. The whistleblowing policy has been duly incorporated in Business Ethics and Code of Business Conduct Policy which sets out the high ethical standard and whistleblowing framework.

Attendance Record at Board Meetings, Committee Meetings and AGM

The attendance of the individual Director at the meetings of the Board, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance Committee and the AGM during the year ended 31 December 2024 is set out in the following table:

	No. of meetings attended/No. of meetings held					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Governance Committee	AGM
Executive Directors						
Dr Lee Ka Kit *(Chairman and Managing Director)*	4/4	N/A	1/1	2/2	N/A	1/1
Dr Lee Ka Shing *(Chairman and Managing Director)*	4/4	N/A	1/1	2/2	N/A	1/1
Dr Lam Ko Yin, Colin *(Vice Chairman)*	4/4	N/A	1/1	2/2	N/A	1/1
Dr Lee Shau Kee	0/4	N/A	N/A	N/A	N/A	0/1
Yip Ying Chee, John	4/4	N/A	N/A	N/A	N/A	1/1
Fung Lee Woon King	4/4	N/A	N/A	N/A	N/A	1/1
Kwok Ping Ho	4/4	N/A	N/A	N/A	N/A	1/1
Suen Kwok Lam	4/4	N/A	N/A	N/A	N/A	1/1
Wong Ho Ming, Augustine	4/4	N/A	N/A	N/A	N/A	1/1
Fung Hau Chung, Andrew	4/4	N/A	N/A	N/A	N/A	1/1
Non-executive Director						
Lee Pui Ling, Angelina	4/4	N/A	N/A	N/A	N/A	1/1
Independent Non-executive Directors						
Kwong Che Keung, Gordon	4/4	3/3	1/1	2/2	1/1	1/1
Professor Ko Ping Keung	4/4	3/3	1/1	2/2	N/A	1/1
Wu King Cheong	4/4	3/3	1/1	2/2	N/A	1/1
Woo Ka Biu, Jackson	4/4	N/A	N/A	N/A	N/A	1/1
Professor Poon Chung Kwong	4/4	N/A	N/A	N/A	1/1	1/1
Au Siu Kee, Alexander	4/4	3/3	1/1	2/2	1/1	1/1

Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2024, which give a true and fair view of the state of affairs of the Company and of the Group at that date and of the Group's results and cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the statutory requirements and applicable accounting standards.

The statement of the Auditor of the Company about their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on pages 186 to 191.

Auditor's Remuneration

For the year ended 31 December 2024, the Auditor of the Company agreed to receive approximately HK$16.6 million for audit and audit related services (2023: HK$16.5 million) as well as approximately HK$2.7 million for non-audit services (2023: HK$1.4 million) covering tax services, corporate, and advisory services and other reporting services. The remuneration of the Auditor in respect of audit and non-audit services was reviewed by the Audit Committee.

Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in the Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors (the "Model Code"). Having made specific enquiry, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code.

Continuing Connected Transactions

The Independent Non-executive Directors and the Audit Department of the Company in the role of internal auditor have reviewed and the Auditor of the Company has reported on the continuing connected transactions as disclosed in the Report of the Directors of this Annual Report (the "Continuing Connected Transactions"). The Audit Department of the Company has also reported to the Independent Non-executive Directors of the Company that the Continuing Connected Transactions were conducted in accordance with the pricing mechanism under the relevant agreements.

Board Policies

The following as required by the Listing Rules or otherwise are the summaries of certain policies adopted by the Company:

(1) Inside Information Policy

The Inside Information Policy contains the guidelines to the directors, officers and all relevant employees (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to public in equal and timely manner in accordance with the applicable laws and regulations.

(2) Board Diversity Policy

The Board Diversity Policy provides that selection of candidates during nomination process will be based on a range of diversity perspectives. These perspectives include but not be limited to gender, age, race, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

(3) Nomination Policy

The Nomination Policy sets out the principles guiding the Nomination Committee to identify and evaluate a candidate for nomination to the Board for appointment or to the shareholders of the Company for election as a Director of the Company. The policy contains a number of factors to which the Nomination Committee has to adhere when considering nominations. These factors include the candidate's skills and experience, diversity perspectives set out in the Board Diversity Policy, the candidate's time commitment and integrity, and the independence criteria under Rule 3.13 of the Listing Rules if the candidate is proposed to be appointed as an Independent Non-executive Director. The policy also lays down the following nomination procedures: the Nomination Committee (i) will take appropriate measures to identify and evaluate a candidate; (ii) may consider a candidate recommended or offered for nomination by a shareholder of the Company; and (iii) will, on making the recommendation, submit the candidate's personal profile to the Board for consideration.

(4) Dividend Policy

The Dividend Policy incorporates the guidelines for the Board to determine whether to pay a dividend and the level of such dividend to be paid. In general, it is the policy of the Company to allow its shareholders to participate in the Company's profits whilst retaining adequate reserves for future growth. Normally, the Company pays dividends twice a year, which are the interim dividend and final dividend. The Board may also declare special dividends in addition to such dividends as it considers appropriate. The policy also contains a number of factors for which the Board has to consider in determining the frequency, amount and form of any dividend in any financial year/period. The Board may also consider the issuance of bonus shares on a basis as permitted by the applicable laws and regulations.

(5) Anti-Money Laundering and Counter-Terrorist Financing Policy

The Anti-Money Laundering and Counter-Terrorist Financing Policy is in place to combat money laundering and terrorist financing activities, and formalise such procedures and systems. Compliance with the policy by operational departments is monitored and administered by the Audit Department.

(6) Director and Employee Remuneration Policy

The Director and Employee Remuneration Policy sets out the general principles which guide the Group to deal with the remuneration matters. As a general principle, a fair market level of remuneration will be provided to retain and motivate high quality directors, senior management and employees, and attract experienced people of high calibre to oversee the business and development of the Group. Executive Directors' remuneration packages shall comprise fixed and variable components linking to individual and the Group's performance and comparable to major Hong Kong based companies with special emphasis on the real estate industry. As for Non-executive Directors, only fixed remuneration/fee shall be paid and be set at an appropriate level by reference to the relevant time commitment and the size and complexity of the Group and benchmarked against a peer group.

The full text of the above policies are available on the Company's website.

ESG and Sustainable Development

Sustainability

The Company is a founding constituent member of the Hang Seng Corporate Sustainability Index Series launched in July 2010.

A Sustainability Committee, previously named as Corporate Social Responsibility Committee, was formed in 2012 and chaired by Dr Lee Ka Shing with certain Directors and department heads as members to assist the Board in overseeing the corporate social responsibility and sustainability issues including the formulation and review of policies and strategy, compliance with regulatory requirements and evaluation of performance.

During the year, the Sustainability Committee held a meeting to review the terms of reference, the Group's overall sustainability performance and policies, discuss the reporting trend and determine the sustainability strategy and plan. Having regard to the latest development in ESG initiatives, the Group adopted a new Stakeholder Engagement Policy and revised the existing Human Rights and Equal Employment Opportunity Policy and Supplier Code of Conduct Policy.

The written terms of reference of the Sustainability Committee and the ESG policies are available on the Company's website.

An overview of the Sustainability Report 2024 is set out on pages 98 to 127 of this Annual Report and the standalone Sustainability Report 2024 is available on the Company's website and HKEXnews website.

Diversity

Diversity and inclusion are important elements to a company's sustainability efforts. The Company recognises the benefits of having a diverse Board and has adopted the Board Diversity Policy to achieve it. Having considered the Board structure and various factors, the Nomination Committee is satisfied that the Board has an appropriate structure with a diversity of members in terms of knowledge, skills and experience. Gender diversity has also been achieved by having two female directors on the Board which exceed the minimum requirement of the Listing Rules. In striving to maintain gender diversity, the Company aims to continue to have at least two female Directors on the Board.

As regards succession planning, the Nomination Committee will deploy multiple channels to identify suitable director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms as and when appropriate. The Board is committed to further enhancing gender diversity as and when suitable candidates are identified.

The Company places tremendous emphasis on gender diversity across all levels of the Group. As at 31 December 2024, the proportion of female representation at the workforce of the Group (including senior management) was approximately 47%. The overall workforce gender of the Group is relatively balanced and the Company will strive to maintain a gender balanced workforce.

Internal Audit, Risk Management and Internal Controls

Internal Audit

The Board is responsible for ensuring sound and effective risk management and internal control systems to safeguard the shareholders' interests and the Company's assets.

The Audit Department of the Company in the role of internal auditor, which reports directly to the Audit Committee and is independent of the Company's daily operations, is responsible for conducting regular audits on the major activities of the Company. Its objective is to ensure that all material controls, including financial, operational and compliance controls and risk management (including ESG risks) functions are in place and functioning effectively. It is also considered that the resources, staff qualifications and experience and training programmes are adequate.

Policies for Whistleblowing and Anti-corruption

The Company has established a system for employees and any person to report concerns about any suspected or actual improprieties relating to the Group and the relevant details are set out in the Business Ethics and Code of Business Conduct Policy. The Group will take appropriate actions against such improprieties and, where appropriate, report the cases to the relevant enforcement authorities.

Moreover, the Company has adopted the Anti-Corruption and Bribery Policy which provides guidance to our employees on how to recognise and deal with bribery and corruption. Every employee has a duty to report any potential violations of the policy to the Company through the channels set out therein.

Apart from the channels set out in the relevant policies, an email link has been set up in the webpage of the intranet of the Company for employees to express their opinions or concerns about the Group's operations directly to the Vice Chairman. In addition, the Company has provided a separate email link on its website, by which stakeholders can freely provide comments and suggestions on the operations of the Company so that proper actions can be taken to address issues being raised.

The reported cases, where necessary, will be escalated to the Whistleblowing Committee which is established specifically to deal with alleged improprieties reported by whistleblowers.

Risk Management and Internal Controls

The successful management of risks is essential for the long-term growth and sustainability of the Group's business. The Board is responsible for setting strategies, business objectives and risk appetite as well as ensuring a review of effectiveness of the risk management and internal control systems, and overseeing the design, implementation and monitoring of the risk management and internal control systems.

Risk management is proactive to ensure that significant risks are:

- identified;
- assessed by considering the impacts and likelihoods of their occurrence; and
- effectively managed by identifying suitable controls and countermeasures, and assessing the cost effectiveness of the mitigating actions proposed.

Approach to Risk Management

The risk management of the Group adopts "three lines of defence" model in risk governance which defines clear responsibilities and structure in ensuring accountability and transparency in our risk management practices. This model combines a top-down strategic view with a bottom-up operational process. The Board, by the top-down approach, has oversight on the risk management process and focuses on determining the nature and extent of significant risks it is willing to take in achieving the strategic objectives of the Group.

First Line of Defence

Each department of the Group is responsible for identifying its own risks and designing, implementing, managing and monitoring the relevant risk management and internal control systems. The process involves the maintenance of risk register setting out the particulars of material risks together with the control measures as reported by significant departments of the Group. This bottom-up approach is embedded in the operations of the Group and complements the top-down strategic view by identifying the principal risks and ensuring the significant risks to be considered by the Board in determining the risk appetite. The above risk exposure review process is conducted on an annual basis.

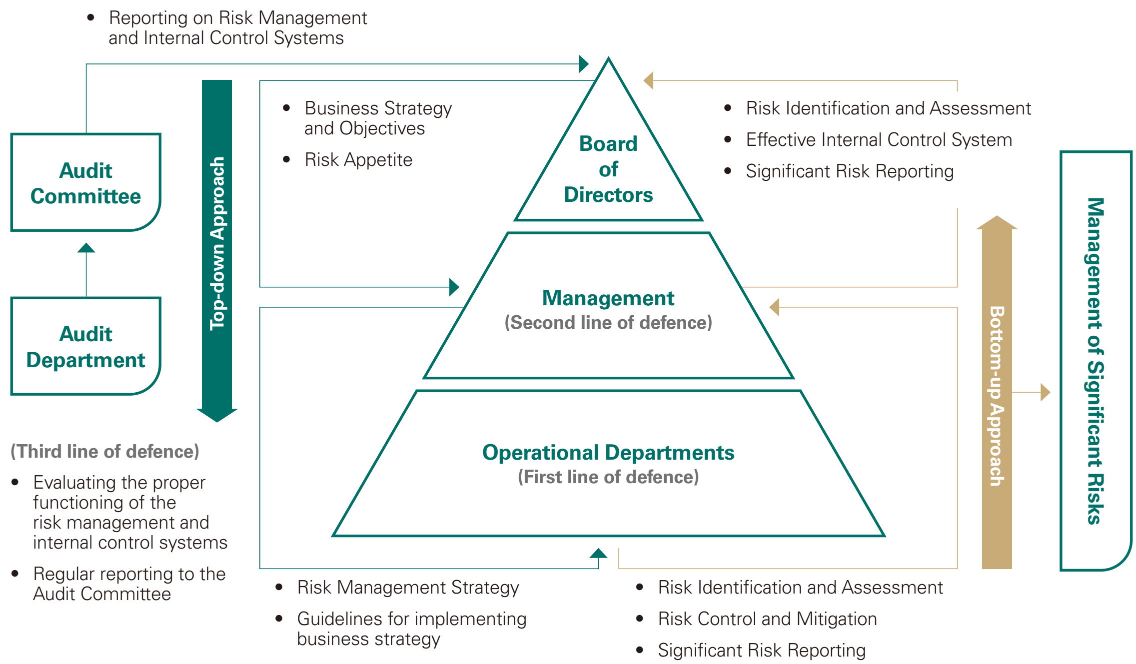
Second Line of Defence

Departmental management and task-specific groups have the responsibility of reviewing the risk management and control systems. This includes setting control standards and monitoring departments' compliance with the set standards. In addition, a risk management policy has been adopted to serve as a guideline for risk management and internal control systems and such policy is available on the Company's website.

Third Line of Defence

The Audit Department in the role of internal auditor performed independent audits to evaluate the adequacy and proper functioning of the risk management and internal control systems and provided the improvement suggestions for the financial year ended 31 December 2024. It is intended to carry out this evaluation process on an ongoing basis. The Audit Committee, after reviewing the findings submitted by the Audit Department in the role of internal auditor, reported and confirmed to the Board that the risk management and internal control systems are effective and adequate.

The diagram below summarises the complementary top-down and bottom-up aspects of the integrated approach of the Group to risk management.



Significant Risks and Control/Mitigation

Certain significant risks have been identified through the process of risk identification and assessment. A summary on such significant risks of the Group and the respective risk movement together with the relevant internal control measures or mitigation in place is listed below:

Significant Risks and Possible Impacts	Risk Movement*	Control/Mitigation Measures
(1) Regulatory and Compliance Risk As a listed and diversified property development and investment, construction and real estate developer company, the Group is exposed to and subject to extensive government policies and regulations of mainland China and Hong Kong. These include the Companies Ordinance, financial and tax legislations, Residential Properties (First-hand Sales) Ordinance, construction legislations and regulations, Occupational Safety and Health Ordinance and the Listing Rules in Hong Kong; as well as new property promoting measures by the central and/or local government authorities in the mainland China. Any non-compliance with these policies and regulations may cause damage to the Group, delay its project developments and affect its ability to deliver its primary objectives.	→	• The Group is committed to complying with the relevant policies, regulations and guidelines applicable to its operations through internal guidelines, staff training, review process, compliance monitoring by experienced and professional staff as well as by consultation with external experts.

Significant Risks and Possible Impacts	Risk Movement*	Control/Mitigation Measures
(2) Economic Risk The Group is dependent on the regional economy in which the Group is active. Global economic uncertainty, prospect of interest rates fluctuation, and geo-political conflicts etc. might affect the Group's business.	↑	• The Group reviews and optimises its asset portfolio to ensure that it is sufficiently cost effective and efficient. • The risk of adverse economic conditions is managed by ensuring proper monitoring of the business performance, and constant assessment of economic conditions and the appropriateness of the prevailing investment and business strategy.
(3) Market Risk The Group operates in areas that are highly competitive, and failure to compete effectively in terms of price, product quality and specification or levels of service can have an adverse impact on the Group's results. The market demand and supply condition is also one of the significant factors impacting the Group's performance.	↑	• The Group manages market risks by keeping track of the property market conditions, strengthening its brand names and product quality, and setting sales strategies commensurate with the market demand.

Significant Risks and Possible Impacts	Risk Movement*	Control/Mitigation Measures
(4) Financial Risk An effective and sound financial management system is essential to the Group's operations. The Group may be exposed and impacted by factors such as shortage of fund flow, increase in costs of funding and currency fluctuation.	→	• The Group's finance team provides financial management support by monitoring the financial market conditions and setting an appropriate financial strategy. • The Group maintains an open and proactive relationship with the banking community, arranges different terms of loan facilities from different sources with different tenures and ensures continuous assessment of counterparty risks.
(5) Image/Reputation Risk The Group's reputation is one of its most valuable assets, playing a major part in the continued success of the business. The image of the Group may be affected by delayed handover of residential units and quality issues.	→	• The Group is committed to employing, training, developing and retaining a diverse and talented workforce to cope with potential complaints and ensuring proper quality delivery. • The Group frequently organises brand name promotion events and maintains good public relations.
(6) Sales, Leasing, Construction and Property Development Risk Whilst the Group ensures that strong management controls are in place and monitoring systems are enforced, it has occasionally encountered increases in development and selling costs, delays in property development, contractors' incapability, contract disputes and safety issues.	↑	• The Group continues to develop its well-planned property development and construction projects. • Various measures have been well established to ensure that the development projects are built with high quality standards, on time and within budget. • The Group provides relevant training to employees and conducts inspections in accordance with the Occupational Safety and Health Ordinance.

Significant Risks and Possible Impacts	Risk Movement*	Control/Mitigation Measures
(7) Cyber Security Risk The Group may suffer loss resulting from a cyber-attack or data breach on the Group. Data breaches can result in the loss of sensitive information such as personal and financial data, leading to reputational damage and financial losses.	→	• The Group continues to monitor and improve risk management in cyber security and information technology development. • The Group manages the risks by employing experienced information technology personnel and/or engaging the services of external cyber security consultants to improve the system controls. • The Group provides regular network security training for employees.
(8) ESG Risk The variables related to ESG factors can potentially affect the operational efficiency and financial performance of the Group.	→	• A Sustainability Committee led by senior management has established clear sustainability strategies and coverage as well as performs on-going monitoring of the Group's ESG initiatives. • The Group has engaged external ESG consultants to provide professional advices.
(9) Climate Risk The climate change may create adverse consequences for human or ecological systems. This may cause impacts on lives, livelihoods, health and wellbeing, economic, social and cultural assets and investments, infrastructure, services provision, ecosystems and species.	→	• The Group provides guidelines for implementing emergency response measures. • The Group provides relevant training for employees. • The Group purchases appropriate insurance.

* *Risk Movement (Change from last year)*
↑: *Risk level increased*
↓: *Risk level decreased*
→: *Risk level remained broadly the same*

Company Secretary

The Company Secretary is to support the Board by ensuring that there is good information flow and the board policies and procedures are strictly followed. The Company Secretary is responsible for advising the Board on governance matters and also facilitating the induction and professional development of Directors.

During the year, the Company Secretary took no less than 15 hours of the relevant professional training.

Shareholder Rights and Investor Relations

The Board is committed to promoting effective communications with shareholders and providing timely disclosure of material information to shareholders and investors.

Shareholders' Rights

The AGM of the Company provides a forum for communication between shareholders and the Board. The notice of AGM is despatched to all shareholders at least 21 days prior to the AGM. The Chairmen of all Board Committees are invited to attend the AGM. The Chairmen of the Board and the Chairmen of all the Board Committees, or in their absence, other members of the respective Committees, are available to answer questions at the AGM. The Auditor is also invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor's independence. The Company's policy is to involve shareholders and to communicate with them in the Company's affairs at the AGM.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting will be taken by poll. Detailed procedures for conducting a poll will be explained to the shareholders at the general meeting to ensure that shareholders are familiar with such voting procedures. The poll results will be posted on the websites of The Stock Exchange of Hong Kong Limited and the Company on the day of the general meeting. Moreover, separate resolution will be proposed by the chairman of a general meeting in respect of each substantially separate issue.

Under Section 566 of the Companies Ordinance, shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings are entitled to send a request to the Company to convene a general meeting. Such requisition must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may be sent to the Company in hard copy form or in electronic form and must be authenticated by the shareholder(s) making it and deposited at the registered office of the Company or sent to the Company's email address at ir@hld.com. Besides, in relation to an annual general meeting which a company is required to hold, Sections 615 and 616 of the Companies Ordinance provide that shareholders representing at least 2.5% of the total voting rights of all shareholders of the company having a right to vote on the resolution at the annual general meeting or at least 50 shareholders having a right to vote on the resolution at the annual general meeting, may request the company to circulate a notice of the resolution for consideration at the annual general meeting, by sending a request, which must be authenticated by the shareholder(s) making it, in a hard copy form or in electronic form. Such request must be deposited at the registered office of the Company or sent to the Company's email address at ir@hld.com. The request made under Section 615 must also identify the resolution of which notice is to be given and be received by the Company not later than six weeks before the AGM to which the request relates, or if later, the time at which notice is given of the AGM.

Shareholders' Communication Policy

The Company has maintained a Shareholders' Communication Policy which aims at promoting effective communication with the Company's shareholders and enabling them to exercise their rights in an informed manner. The Shareholders' Communication Policy includes multiple channels for shareholders to communicate with the Company and vice versa. It is the Company's general policy to maintain an on-going dialogue with shareholders and the investment community, including the Company's potential investors and analysts. Designated senior management maintains regular communication and dialogue with shareholders, investors and analysts. A meeting with analysts will be held after the announcement of interim or annual results which strengthens the communication with investors. Enquiries from investors are dealt with in an informative and timely manner.

The Company also ensures effective and timely dissemination of information to shareholders and the investment community. As a channel to further promote effective communication, the Group maintains a website at www.hld.com where the Company's announcements and press releases, business developments and operations, financial information, corporate governance report and other information are posted.

The full text of the Shareholders' Communication Policy, which is available on the Company's website, includes channels for shareholders to communicate their views on various matters affecting the Company. In particular, shareholders may make enquiries to the Board through the Company's Investor Relations on telephone number (852) 2908 8392 or by email at ir@hld.com or directly by raising questions at general meetings.

Report of the Directors

The Directors have pleasure in submitting to shareholders their annual report together with the audited financial statements for the year ended 31 December 2024.

Principal Activities

The Company is an investment holding company and the principal activities of its subsidiaries during the year were property development and investment, construction, project management, property management, hotel operation, department store operation and investment holding.

An analysis of the Group's revenue and contribution from operations by business and geographical segments is set out in note 15 to the financial statements on pages 263 to 270.

Business Review

A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the Chairmen's Statement and Review of Operations on pages 12 to 77 of this Annual Report. Possible risks and uncertainties that the Group may be facing are set out in the Financial Review on pages 80 to 95 and the Corporate Governance Report on pages 128 to 151. Particulars of important events affecting the Group since the end of the financial year (if any) are provided in the Chairmen's Statement on pages 12 to 47 and note 45 to the financial statements on page 311. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Five Year Financial Summary on pages 96 and 97 of this Annual Report. Environmental policy, biodiversity policy and climate change policy of the Group have been put in place to give due consideration to environmental issues and minimise the impact of business operations of the Group on environment. In addition, discussions on the aforesaid policies of the Group and the Group's relationships with employees, customers, suppliers and other stakeholders are contained in the Sustainability section and the Corporate Governance Report on pages 98 to 127 and pages 128 to 151 of this Annual Report respectively as well as the standalone Sustainability Report. The Chairmen's Statement, the Review of Operations, the Financial Review, the Sustainability section and the Corporate Governance Report form part of this report.

The Residential Properties (First-hand Sales) Ordinance (Cap. 621) ("RPFSO") regulates the sales and marketing activities in relation to the first-hand residential properties in Hong Kong, with a view to enhancing the transparency, fairness and consumer protection of the sales of first-hand residential properties. The Group takes particular care to comply with the requirements of the RPFSO through established internal procedures, as well as by engaging external professional advisors including architects, surveyors and solicitors in the checking of the accuracy of the information contained in sales brochures and other relevant documents made available to the public in connection with such sales.

The Group is also committed to safeguarding the security and proper use of personal data. When collecting, processing and using such data in the course of leasing, sale and marketing of properties, the Group complies with the Personal Data (Privacy) Ordinance (Cap. 486) and the guidelines issued by the Office of the Privacy Commissioner for Personal Data from time to time, with a view to protecting the privacy of, amongst others, the purchasers of its properties, in relation to personal data under its management.

In addition, the Group observes the requirements of trademarks, copyrights and other intellectual properties by obtaining the trademark and copyright owners' consent before the use of their products and artworks for the sale promotion of residential units. For the proper use and the protection of the Group's interests, chosen prestige brand names and chosen property names are registered under the Trade Marks Ordinance (Cap. 559) in Hong Kong. Moreover, in order to protect some of our inventions and inventions made by our consultants, the Group applies, from time to time, for patents for the said inventions under the Patents Ordinance (Cap. 514) in Hong Kong.

The Company has complied with the requirements under the Companies Ordinance (Cap. 622), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Securities and Futures Ordinance (Cap. 571) for, among other things, the disclosure of information and corporate governance. The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as the code of dealing in securities of the Company by the Directors.

In operating its businesses in mainland China, the Group has complied with the applicable laws, regulations and related legislation currently in effect in all material respects, including but not limited to the Civil Code of the People's Republic of China, the Company Law, Foreign Investment Law, Environmental Protection Law, Labour Law, Labour Contract Law, regulations in relation to natural resources protection and pollution prevention, etc. So far, no particular laws and regulations materially impact on the Group's businesses in mainland China in their ordinary course of operations.

Subsidiaries

Particulars of the principal subsidiaries of the Company as at 31 December 2024 are set out on pages 312 to 318.

Group Profit

The profit of the Group for the year ended 31 December 2024 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 192 to 320.

Dividends

An interim dividend of HK$0.50 per share was paid on 17 September 2024. The Directors have recommended the payment of a final dividend of HK$1.30 per share to shareholders whose names appear on the Register of Members of the Company on Wednesday, 11 June 2025, and such final dividend will not be subject to any withholding tax in Hong Kong.

The proposed final dividend is expected to be distributed to shareholders on Friday, 20 June 2025.

Charitable Donations

Charitable donations made by the Group during the year amounted to HK$33,000,000 (2023: HK$52,000,000).

Investment Properties and Other Property, Plant and Equipment

Particulars of the movements in investment properties and other property, plant and equipment during the year are set out in note 16 to the financial statements on pages 271 to 277.

Bank Loans, Guaranteed Notes and Medium Term Note Programme

Particulars of bank loans, Guaranteed Notes and Medium Term Note Programme of the Group as at 31 December 2024 are set out in notes 31 and 32 to the financial statements on pages 297 and 298.

Interest Capitalised

The amount of interest capitalised by the Group during the year ended 31 December 2024 is set out in note 8(a) to the financial statements on page 250.

Reserves

Particulars of the movements in reserves of the Company during the year ended 31 December 2024 are set out in note 44(b) to the financial statements on page 310.

Share Capital

Details of the Company's share capital are set out in note 44(c) to the financial statements on page 310. There were no movements during the year.

Group Financial Summary

The results, assets and liabilities of the Group for the last five years ended 31 December 2024 are summarised on pages 96 and 97.

Development and Investment Properties

Particulars of development and investment properties of the Group are set out on pages 48 to 77.

Directors' Emoluments

Particulars of the Directors' emoluments disclosed pursuant to the Companies Ordinance (Cap. 622) and Appendix D2 of the Listing Rules are set out in note 9 to the financial statements on pages 252 to 254.

Directors

The Directors of the Company during the financial year and up to the date of this report were:

Executive Directors	Non-executive Director	Independent Non-executive Directors
Dr Lee Ka Kit *(Chairman and Managing Director)*	Lee Pui Ling, Angelina	Kwong Che Keung, Gordon
Dr Lee Ka Shing *(Chairman and Managing Director)*		Professor Ko Ping Keung
Dr Lam Ko Yin, Colin *(Vice Chairman)*		Wu King Cheong
Dr Lee Shau Kee *(passed away on 17 March 2025)*		Woo Ka Biu, Jackson
Yip Ying Chee, John		Professor Poon Chung Kwong
Fung Lee Woon King		Au Siu Kee, Alexander
Kwok Ping Ho		
Suen Kwok Lam		
Wong Ho Ming, Augustine		
Fung Hau Chung, Andrew		

Dr Lam Ko Yin, Colin, Mr Kwok Ping Ho, Mr Wong Ho Ming, Augustine, Mr Kwong Che Keung, Gordon, Mr Wu King Cheong and Mr Au Siu Kee, Alexander shall retire by rotation at the forthcoming annual general meeting in accordance with Article 116 of the Company's Articles of Association and the Corporate Governance Code and, being eligible, have offered themselves for re-election.

The list of directors of the subsidiaries of the Company during the financial year and up to the date of this report is kept at the Company's registered office and available for inspection by the Company's shareholders during office hours.

Disclosure of Interests

Directors' Interests in Shares

As at 31 December 2024, the interests and short positions of each Director 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 ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Ordinary Shares (unless otherwise specified)

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Henderson Land Development Company Limited	Lee Shau Kee	1 & 19	15,548,667		3,509,782,778		3,525,331,445	72.82
	Lee Ka Kit	1 & 19				3,509,782,778	3,509,782,778	72.50
	Lee Ka Shing	1 & 19				3,509,782,778	3,509,782,778	72.50
	Lee Pui Ling, Angelina	2	64,554				64,554	0.00
	Fung Lee Woon King	3	2,493,138				2,493,138	0.05
	Woo Ka Biu, Jackson	4		3,896			3,896	0.00
Henderson Investment Limited	Lee Shau Kee	5 & 19			2,110,868,943		2,110,868,943	69.27
	Lee Ka Kit	5 & 19				2,110,868,943	2,110,868,943	69.27
	Lee Ka Shing	5 & 19				2,110,868,943	2,110,868,943	69.27
The Hong Kong and China Gas Company Limited	Lee Shau Kee	6 & 19			7,748,692,715		7,748,692,715	41.53
	Lee Ka Kit	6 & 19				7,748,692,715	7,748,692,715	41.53
	Lee Ka Shing	6 & 19				7,748,692,715	7,748,692,715	41.53
	Poon Chung Kwong	7				243,085	243,085	0.00

Ordinary Shares (unless otherwise specified) (continued)

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Hong Kong Ferry (Holdings) Company Limited	Lee Shau Kee	8 & 19	799,220		119,017,090		119,816,310	33.63
	Lee Ka Kit	8 & 19				119,017,090	119,017,090	33.41
	Lee Ka Shing	8 & 19				119,017,090	119,017,090	33.41
	Lam Ko Yin, Colin	9	150,000				150,000	0.04
	Fung Lee Woon King	3	465,100				465,100	0.13
Miramar Hotel and Investment Company, Limited	Lee Shau Kee	10 & 19			345,999,980		345,999,980	50.08
	Lee Ka Kit	10 & 19				345,999,980	345,999,980	50.08
	Lee Ka Shing	10 & 19				345,999,980	345,999,980	50.08
Towngas Smart Energy Company Limited	Lee Shau Kee	11 & 19			2,379,921,776		2,379,921,776	68.38
	Lee Ka Kit	11 & 19				2,379,921,776	2,379,921,776	68.38
	Lee Ka Shing	11 & 19				2,379,921,776	2,379,921,776	68.38
Sunlight Real Estate Investment Trust *	Lee Shau Kee	12 & 19			755,584,058		755,584,058	43.76
	Lee Ka Kit	12 & 19				755,584,058	755,584,058	43.76
	Lee Ka Shing	12 & 19				755,584,058	755,584,058	43.76
	Lee Pui Ling, Angelina	2	2,307				2,307	0.00
	Au Siu Kee, Alexander	13	2,300,000				2,300,000	0.14

* *Sunlight Real Estate Investment Trust is a collective investment scheme authorised under Section 104 of the SFO. All references to the term "shares" in this section shall also mean units of the Sunlight Real Estate Investment Trust as the context may require.*

Ordinary Shares (unless otherwise specified) (continued)

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Henderson Development Limited	Lee Shau Kee	14 & 19			8,190 (Ordinary A Shares)		8,190 (Ordinary A Shares)	100.00
	Lee Shau Kee	14 & 19			3,510 (Non-voting B Shares)		3,510 (Non-voting B Shares)	100.00
	Lee Shau Kee	15 & 19	35,000,000 (Non-voting Deferred Shares)		15,000,000 (Non-voting Deferred Shares)		50,000,000 (Non-voting Deferred Shares)	100.00
	Lee Ka Kit	14 & 19				8,190 (Ordinary A Shares)	8,190 (Ordinary A Shares)	100.00
	Lee Ka Kit	14 & 19				3,510 (Non-voting B Shares)	3,510 (Non-voting B Shares)	100.00
	Lee Ka Kit	15 & 19				15,000,000 (Non-voting Deferred Shares)	15,000,000 (Non-voting Deferred Shares)	30.00
	Lee Ka Shing	14 & 19				8,190 (Ordinary A Shares)	8,190 (Ordinary A Shares)	100.00
	Lee Ka Shing	14 & 19				3,510 (Non-voting B Shares)	3,510 (Non-voting B Shares)	100.00
	Lee Ka Shing	15 & 19				15,000,000 (Non-voting Deferred Shares)	15,000,000 (Non-voting Deferred Shares)	30.00

Ordinary Shares (unless otherwise specified) (continued)

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Feswin Investment Limited	Lee Ka Kit	16			5,000	5,000	10,000	100.00
Fordley Investment Limited	Fung Lee Woon King	3	2,000				2,000	20.00
Furnline Limited	Lee Shau Kee	17 & 19			100 (A Shares)		100 (A Shares)	100.00
	Lee Shau Kee	18 & 19			1 (B Share)		1 (B Share)	100.00
	Lee Ka Kit	17 & 19				100 (A Shares)	100 (A Shares)	100.00
	Lee Ka Kit	18 & 19				1 (B Share)	1 (B Share)	100.00
	Lee Ka Shing	17 & 19				100 (A Shares)	100 (A Shares)	100.00
	Lee Ka Shing	18 & 19				1 (B Share)	1 (B Share)	100.00

Ordinary Shares (unless otherwise specified) (continued)

Long Positions

Name of Company	Name of Director	Note	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	% Interest
Perfect Bright Properties Inc.	Lee Shau Kee	17 & 19			100 (A Shares)		100 (A Shares)	100.00
	Lee Shau Kee	18 & 19			1 (B Share)		1 (B Share)	100.00
	Lee Ka Kit	17 & 19				100 (A Shares)	100 (A Shares)	100.00
	Lee Ka Kit	18 & 19				1 (B Share)	1 (B Share)	100.00
	Lee Ka Shing	17 & 19				100 (A Shares)	100 (A Shares)	100.00
	Lee Ka Shing	18 & 19				1 (B Share)	1 (B Share)	100.00

Save as disclosed above, none of the Directors or the Chief Executive of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations as defined in the SFO, other than the deemed interests of Dr Lee Shau Kee, Dr Lee Ka Kit and Dr Lee Ka Shing in the shares, underlying shares and debentures of the unlisted associated corporations of the Company which are solely derived from their deemed interests in Henderson Development Limited, Henderson Investment Limited, Miramar Hotel and Investment Company, Limited and/or the Company and not from any separate personal interests of their own, in respect of which a waiver from strict compliance with the disclosure requirements under paragraph 13 of Appendix D2 to the Listing Rules has been applied to, and granted by the Stock Exchange.

Substantial Shareholders' and Others' Interests

As at 31 December 2024, the interests and short positions of every person, other than Directors of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long Positions

	No. of shares in which interested	% Interest
Substantial Shareholders		
Rimmer (Cayman) Limited *(Notes 1 & 19)*	3,509,782,778	72.50
Riddick (Cayman) Limited *(Notes 1 & 19)*	3,509,782,778	72.50
Hopkins (Cayman) Limited *(Notes 1 & 19)*	3,509,782,778	72.50
Henderson Development Limited *(Notes 1 & 19)*	3,506,860,733	72.44
Yamina Investment Limited *(Notes 1 & 19)*	1,580,269,966	32.64
Believegood Limited *(Notes 1 & 19)*	797,887,933	16.48
South Base Limited *(Notes 1 & 19)*	797,887,933	16.48
Persons other than Substantial Shareholders		
Cameron Enterprise Inc. *(Notes 1 & 19)*	371,145,414	7.67
Richbond Investment Limited *(Notes 1 & 19)*	475,801,899	9.83

Notes:

1. *Of these shares, Dr Lee Shau Kee was the beneficial owner of 15,548,667 shares, and for the remaining 3,509,782,778 shares, (i) 1,450,788,868 shares were owned by Henderson Development Limited ("HD"); (ii) 475,801,899 shares were owned by Richbond Investment Limited which was a wholly-owned subsidiary of HD; (iii) 371,145,414 shares were owned by Cameron Enterprise Inc.; 797,887,933 shares were owned by Believegood Limited which was wholly-owned by South Base Limited; 152,897,653 shares were owned by Prosglass Investment Limited which was wholly-owned by Jayasia Investments Limited; 140,691,961 shares were owned by Fancy Eye Limited which was wholly-owned by Mei Yu Ltd.; 117,647,005 shares were owned by Spreadral Limited which was wholly-owned by World Crest Ltd.; and Cameron Enterprise Inc., South Base Limited, Jayasia Investments Limited, Mei Yu Ltd. and World Crest Ltd. were wholly-owned subsidiaries of Yamina Investment Limited which in turn was 100% held by HD; and (iv) 2,922,045 shares were owned by Fu Sang Company Limited ("Fu Sang"). Hopkins (Cayman) Limited ("Hopkins") as trustee of a unit trust (the "Unit Trust") owned all the issued ordinary shares of HD and Fu Sang. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of respective discretionary trusts, held units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick were owned by Dr Lee Shau Kee. Dr Lee Shau Kee was taken to be interested in these shares by virtue of the SFO. As Directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Dr Lee Ka Kit and Dr Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.*

2. *Mrs Lee Pui Ling, Angelina was the beneficial owner of these shares.*

3. *Madam Fung Lee Woon King was the beneficial owner of these shares.*

4. *These shares were owned by the wife of Mr Woo Ka Biu, Jackson.*

5. *Of these shares, 843,249,284 shares, 602,398,418 shares, 363,328,900 shares, 217,250,000 shares and 84,642,341 shares were respectively owned by Banshing Investment Limited, Markshing Investment Limited, Covite Investment Limited, Gainwise Investment Limited and Darnman Investment Limited, all of which were wholly-owned subsidiaries of Kingslee S.A. which in turn was 100% held by the Company. Dr Lee Shau Kee was taken to be interested in the Company as set out in Note 1 and Henderson Investment Limited by virtue of the SFO. As Directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Dr Lee Ka Kit and Dr Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.*

6. *Of these shares, 4,313,717,809 shares and 1,675,475,274 shares were respectively owned by Disralei Investment Limited and Medley Investment Limited, both of which were wholly-owned subsidiaries of Timpani Investments Limited; 1,759,499,632 shares were owned by Macrostar Investment Limited, a wholly-owned subsidiary of Chelco Investment Limited; and Timpani Investments Limited and Chelco Investment Limited were wholly-owned subsidiaries of Faxson Investment Limited which in turn was 100% held by the Company. Dr Lee Shau Kee was taken to be interested in the Company as set out in Note 1 and The Hong Kong and China Gas Company Limited ("HKCG") by virtue of the SFO. As Directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Dr Lee Ka Kit and Dr Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.*

7. These shares were owned by Professor Poon Chung Kwong and his wife jointly.

8. Of these shares, Dr Lee Shau Kee was the beneficial owner of 799,220 shares, and for the remaining 119,017,090 shares, 48,817,090 shares were held by Wiselin Investment Limited, 23,400,000 shares each were respectively owned by Graf Investment Limited, Mount Sherpa Limited and Paillard Investment Limited, all of which were wholly-owned subsidiaries of Pataca Enterprises Limited which in turn was 100% held by the Company. Dr Lee Shau Kee was taken to be interested in the Company as set out in Note 1 and Hong Kong Ferry (Holdings) Company Limited by virtue of the SFO. As Directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Dr Lee Ka Kit and Dr Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.

9. Dr Lam Ko Yin, Colin was the beneficial owner of these shares.

10. Of these shares, 120,735,300 shares, 128,658,680 shares and 96,606,000 shares were respectively owned by Higgins Holdings Limited, Multiglade Holdings Limited and Threadwell Limited, all of which were wholly-owned subsidiaries of Aynbury Investments Limited which in turn was 100% held by the Company. Dr Lee Shau Kee was taken to be interested in the Company as set out in Note 1 and Miramar Hotel and Investment Company, Limited by virtue of the SFO. As Directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Dr Lee Ka Kit and Dr Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.

11. These shares representing 68.38% of the total issued shares in Towngas Smart Energy Company Limited were taken to be interested by Hong Kong & China Gas (China) Limited (as to 2,174,914,524 shares), Planwise Properties Limited (as to 201,577,233 shares) and Superfun Enterprises Limited (as to 3,430,019 shares), all being wholly-owned subsidiaries of HKCG. Dr Lee Shau Kee was taken to be interested in HKCG as set out in Note 6 and Towngas Smart Energy Company Limited by virtue of the SFO. As Directors of the Company and discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust, Dr Lee Ka Kit and Dr Lee Ka Shing were taken to be interested in these shares by virtue of the SFO.

12. Of these units, 224,443,625 units were owned by Uplite Limited and 149,629,083 units were owned by Wintrade Limited, both were wholly-owned subsidiaries of Financial Enterprise Properties Limited, which in turn was wholly-owned by Shau Kee Financial Enterprises Limited ("SKFE"). SKFE was wholly-owned by Lee Financial (Cayman) Limited ("Lee Financial") as the trustee of a unit trust ("SKFE Unit Trust"), the units of which were held by Leesons (Cayman) Limited ("Leesons") and Leeworld (Cayman) Limited ("Leeworld") as the respective trustees of two discretionary trusts. Therefore, each of Lee Financial, Leesons and Leeworld was taken to be interested in the total of 374,072,708 units owned by Uplite Limited and Wintrade Limited. Apart from the aforesaid, 76,533,345 units were owned by Cobase Limited, 67,378,972 units were owned by Richful Resources Limited and 237,599,033 units were owned by Henderson Sunlight Asset Management Limited, all of which were wholly-owned subsidiaries of the Company. Dr Lee Shau Kee was taken to be interested in the Company as set out in Note 1. By virtue of the SFO and being the beneficial owner of the entire issued share capital of the trustees of the Unit Trust, SKFE Unit Trust and the aforementioned discretionary trusts, Dr Lee Shau Kee was taken to be interested in the total of 755,584,058 units. As Directors of the Company and discretionary beneficiaries of the aforementioned discretionary trusts holding units in the Unit Trust and SKFE Unit Trust, Dr Lee Ka Kit and Dr Lee Ka Shing were taken to be interested in these units by virtue of the SFO.

13. Mr Au Siu Kee, Alexander was the beneficial owner of these units.

14. These shares were held by Hopkins as trustee of the Unit Trust.

15. Of these shares, Dr Lee Shau Kee was the beneficial owner of 35,000,000 shares, and Fu Sang owned the remaining 15,000,000 shares.

16. Of these shares, (i) 5,000 shares were owned by Applecross Limited which was wholly-owned by Dr Lee Ka Kit; and (ii) 5,000 shares were owned by Henderson (China) Investment Company Limited, a wholly-owned subsidiary of Andcoe Limited which was wholly-owned by Henderson China Holdings Limited, an indirect wholly-owned subsidiary of the Company.

17. These shares were owned by Jetwin International Limited. Triton (Cayman) Limited ("Triton") as trustee of a unit trust owned all the issued share capital of Jetwin International Limited. Triumph (Cayman) Limited ("Triumph") and Victory (Cayman) Limited ("Victory"), as trustees of respective discretionary trusts, held units in the unit trust. The entire share capital of Triton, Triumph and Victory were owned by Dr Lee Shau Kee who was taken to be interested in such shares by virtue of the SFO. As Directors of the Company and discretionary beneficiaries of the discretionary trusts holding units in such unit trust, Dr Lee Ka Kit and Dr Lee Ka Shing were taken to be interested in such shares by virtue of the SFO.

18. This share was owned by Sunnice Investment Limited, a wholly-owned subsidiary of Profit Best Development Limited which in turn was wholly-owned by the Company.

19. Dr Lee Shau Kee passed away on 17 March 2025 and his sons, each of Dr Lee Ka Kit and Dr Lee Ka Shing will inherit certain shares in Rimmer, Riddick, Hopkins, Leeworld, Leesons, Lee Financial, Triumph, Victory and Triton. Rimmer & Riddick, Leeworld & Leesons and Triumph & Victory (the relevant trustees of the respective discretionary trusts) hold units in the respective unit trusts but each is not entitled to any interest in their trust assets which are, in the ordinary course of business, held by the relevant trustees independently without any reference to shareholders of such trustees, and each of Dr Lee Ka Kit and Dr Lee Ka Shing remains to be one of the discretionary beneficiaries of such discretionary trusts.

Share Schemes

The Company and its subsidiaries have no share schemes.

Arrangements to Purchase Shares or Debentures

At no time during the year ended 31 December 2024 was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Equity-linked Agreements

No equity-linked agreements entered into by the Company were subsisting as at 31 December 2024 and the Company did not enter into any equity-linked agreements during the year under review.

Interests in Transactions, Arrangements or Contracts and Connected Transactions/Continuing Connected Transactions

During the year under review, the Group had the transactions, arrangements and contracts as described below with persons who are "connected persons" for the purposes of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"):

(1) Henderson Finance Company Limited, a wholly-owned subsidiary of Henderson Development Limited, made unsecured advances from time to time to subsidiaries of the Company during the year, with interest chargeable on the balances outstanding from time to time by reference to HIBOR quoted by banks or fixed rates mutually agreed between the parties. As at 31 December 2024, the aggregate sum owing by subsidiaries of the Company to Henderson Finance Company Limited amounted to approximately HK$66,215 million, which has been included in the financial statements under "Amount due to a fellow subsidiary".

    Dr Lee Shau Kee, Dr Lee Ka Kit and Dr Lee Ka Shing were taken to be interested in the transactions, arrangements and contracts referred to in the above as directors of the Company's ultimate holding company, Henderson Development Limited (and as more particularly described in the section "Disclosure of Interests" above) with respect to their interests in Henderson Development Limited or the trusts.

(2) The Company had the following continuing connected transactions, each of which, as previously disclosed by way of announcement, was subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules:

Transactions entered into with Sunlight Real Estate Investment Trust ("Sunlight REIT")

Sunlight REIT being a trust in accordance with the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong was regarded by the Stock Exchange as a connected person of the Company under the Listing Rules so long as the aggregate percentage unitholdings in Sunlight REIT held by the Group and the Shau Kee Financial Enterprises Limited group ("SKFE Group") (controlled by a family trust of Dr Lee Shau Kee, Director of the Company) is above 30%. Accordingly, the transactions between the Group and Sunlight REIT group constitute connected transactions of the Company under the Listing Rules.

As disclosed in the announcement dated 30 April 2024 (the "2024 Announcement"), fresh annual cap amounts in respect of each of the three financial years ending up to 31 December 2026 were set for the continuing connected transactions between the Group and Sunlight REIT group contemplated under the following agreements/deeds:

(a) a property management agreement dated 29 November 2006 was entered into between Henderson Sunlight Asset Management Limited ("HSAM"), a wholly-owned subsidiary of the Company, as manager of Sunlight REIT, and Henderson Sunlight Property Management Limited (the "Property Manager"), a wholly-owned subsidiary of the Company, as property manager of the Sunlight REIT, and the property holding companies under the Sunlight REIT group had also subsequently acceded thereto. The property management agreement was thereafter supplemented by six supplemental agreements dated 28 April 2009, 25 June 2012, 12 May 2015, 15 May 2018, 31 March 2021 and 30 April 2024 respectively. The agreement related to the provision by the Property Manager of certain property management and lease management as well as marketing services in respect of the properties of Sunlight REIT at a fee of not exceeding 3% per annum of the gross property revenue of the relevant properties of Sunlight REIT plus a commission on the base rent or licence fee for a tenancy or a licence secured. By the last supplemental agreement entered into between HSAM and the Property Manager, the term of the appointment of the Property Manager for the provision of the said property related management services (the "Property Management Transactions") has been extended to 31 December 2026;

(b) a trust deed dated 26 May 2006 (which has been amended and restated from time to time) was entered into between Uplite Limited, a subsidiary of SKFE Group, as settlor, HSAM as manager, and HSBC Institutional Trust Services (Asia) Limited as trustee in respect of, among other things, the appointment of HSAM as the manager of Sunlight REIT for the management and operation of Sunlight REIT at a base fee not exceeding 0.4% per annum of the property values of Sunlight REIT for the relevant financial year and a variable fee of 3% per annum of the relevant net property income and share of profits of joint venture entities (if any) of Sunlight REIT payable in the form of cash and/or Sunlight REIT units as HSAM may elect. HSAM is also entitled to an acquisition fee not exceeding 1% of the purchase price in respect of acquisition of real estate by Sunlight REIT, and a divestment fee not exceeding 0.5% of the sale price in respect of any real estate sold or divested by Sunlight REIT (where applicable) and certain reimbursement (the "Asset Management Transactions"); and

(c) a master services agreement dated 31 March 2021 (the "2021 Master Services Agreement") for a term of three years from 1 July 2021 to 30 June 2024 was entered into between the Company and HSAM, as manager of Sunlight REIT, in relation to the provision of security services and other property related ancillary services in respect of the properties of Sunlight REIT by the Group to the Sunlight REIT group ("Service Transactions"). As disclosed in the 2024 Announcement, in light of the expiry of the 2021 Master Services Agreement on 30 June 2024, the Company and HSAM on 30 April 2024 entered into a new master services agreement setting out the framework terms governing the Service Transactions for a term of two and a half years from 1 July 2024 to 31 December 2026 (the "2024 Master Services Agreement", together with the 2021 Master Services Agreement, collectively the "Master Services Agreements").

With respect to the services to be provided by the Group to the Sunlight REIT group under the Master Services Agreements, the Company and its subsidiaries and associates (excluding the Sunlight REIT group) and the relevant members of the Sunlight REIT group (or the Property Manager as agent for, or at the costs of, the relevant members of the Sunlight REIT group) shall enter into separate definitive service agreement(s) setting out the detailed terms (including the fee and the payment terms). The pricing for Service Transactions under each definitive service agreement shall be determined after arm's length negotiations or (where applicable) pursuant to the tender or quotation submitted by the Group, with regard to various factors including but not limited to the locations and types of the properties, the operational costs such as labour costs, administrative costs and material costs and with reference to the prevailing market rates.

Pursuant to the 2024 Master Services Agreement, the Property Manager and Megastrength Securities Services Company Limited, a subsidiary of the Company, entered into a definitive service agreement on 4 July 2024 in respect of provision of security and customer services relating to a property located at Tai Kok Tsui for a term of 17 months from 1 August 2024 to 1 January 2026 with a total contract sum of approximately HK$420,000 (excluding extra fees charged for on-demand customer services) to be paid on a monthly basis.

The maximum aggregate sums to be paid by the Sunlight REIT group to the Group under the Property Management Transactions, the Asset Management Transactions and the Service Transactions will not exceed the following:

Financial year ended 31 December 2024 (HK$ million)	**Financial year ending 31 December 2025 (HK$ million)**	**Financial year ending 31 December 2026 (HK$ million)**
180*	206	225

* *The above annual cap of HK$180 million for the financial year ended 31 December 2024 superseded the original annual cap for the same financial year of HK$268.8 million as disclosed in the Annual Report 2023.*

For the year ended 31 December 2024, the Group received approximately HK$47,567,000 for the Property Management Transactions, approximately HK$88,874,000 for the Asset Management Transactions and approximately HK$216,000 for the Service Transactions which in aggregate amounted to approximately HK$136,657,000 (collectively the "Sunlight REIT Transactions").

Transactions entered into with Union Medical Centre Limited ("Union Medical")

As disclosed in the announcement dated 10 June 2020, Smart Bright Development Limited ("Smart Bright", a wholly-owned subsidiary of the Company) as licensor/landlord (by itself or through its agent, Henderson Leasing Agency Limited) entered into certain licences and tenancy agreements with Union Medical (trading as Union Hospital) as licensee/tenant in relation to the licensing/leasing of certain premises located at H Zentre, No. 15 Middle Road, Tsim Sha Tsui, Kowloon, Hong Kong ("H Zentre").

As Dr Lee Shau Kee was a Director and a deemed controlling shareholder of the Company during the year, and Union Medical is a company ultimately controlled by the private family trusts of Dr Lee Shau Kee, Union Medical is a connected person of the Company under the Listing Rules. Accordingly, the licences and tenancy agreements set out below between Smart Bright as licensor/landlord and Union Medical as licensee/tenant constituted continuing connected transactions of the Company and the principal terms thereof are summarised below (collectively the "Union Medical Transactions"):

			Tenancy Term and Monthly Charges			
	Agreement Date	**Licence Period and Fee**	**1st Part of the Fixed Term – Duration and Monthly Rental** Note 2	**2nd Part of the Fixed Term – Duration and Monthly Rental** Note 2	**3rd Part of the Fixed Term – Duration and Monthly Rental** Note 2	**Remarks**
(a)	**The whole of 9th Floor, H Zentre (gross floor area: 15,287 sq.ft.)**					
(i)	Offer to Licence Date: 23 October 2019	3 months commencing on 9 September 2019 Note 1 Nominal fee of HK$1	Not applicable	Not applicable	Not applicable	For renovation and fitting out purpose
(ii)	Tenancy Agreement Date: 25 October 2019	Not applicable	8 years and 9 months commencing from 9 December 2019 to 8 September 2028			3 months' rent-free period Note 1
			1st-33rd month *HK$1,005,885*	34th-69th month *HK$1,077,705*	70th-105th month *Open market rent, which shall be not less than 85% and not more than 125% of the rent of the 69th month, to be agreed between the parties or, in case of no agreement, to be determined by an independent qualified surveyor*	The tenant shall be responsible for fitting out the interior of the premises at its own costs and expenses, save for landlord's fitting out works of not more than HK$1,400,000
			Miscellaneous charges (subject to review from time to time): *(i) Management fees: HK$145,226.5* *(ii) Air-conditioning charges: HK$45,861*			

Agreement Date	Licence Period and Fee	Tenancy Term and Monthly Charges			Remarks
		1st Part of the Fixed Term – Duration and Monthly Rental [Note 2]	2nd Part of the Fixed Term – Duration and Monthly Rental [Note 2]	3rd Part of the Fixed Term – Duration and Monthly Rental [Note 2]	
(b) The whole of 12th Floor, H Zentre, including Flat Roof on 12th Floor (gross floor area: 17,234 sq.ft.)					
(i) Offer to Licence Date: 10 June 2020	3 months commencing on 1 August 2020 (which was subsequently deferred to 30 September 2020 by a written notice served by the tenant on 17 July 2020 in accordance with the offer to licence) [Note 1] Nominal fee of HK$1	Not applicable	Not applicable	Not applicable	For renovation and fitting out purpose
(ii) Tenancy Agreement Date: 10 June 2020	Not applicable	8 years and 9 months commencing on the first day immediately following the expiration date of the above offer to licence			8 months' rent-free period [Note 1]
		1st-33rd month	34th-69th month	70th-105th month	
		HK$822,192	*HK$880,896*	*Open market rent, which shall be not less than 85% and not more than 125% of the rent of the 69th month, to be agreed between the parties or, in case of no agreement, to be determined by an independent qualified surveyor*	
		Miscellaneous charges (subject to review from time to time): *(i) Management fees: HK$163,723* *(ii) Air-conditioning charges: HK$51,702*			

Agreement Date		Licence Period and Fee	Tenancy Term and Monthly Charges: 1st Part of the Fixed Term – Duration and Monthly Rental Note 2	2nd Part of the Fixed Term – Duration and Monthly Rental Note 2	3rd Part of the Fixed Term – Duration and Monthly Rental Note 2	Remarks
(c)	**The whole of B1 Floor, H Zentre (gross floor area: 12,452 sq.ft.)**					
(i)	Offer to Licence Date: 10 June 2020	4 months and 15 days commencing on 1 September 2020 Note 1 Nominal fee of HK$1	Not applicable	Not applicable	Not applicable	For renovation and fitting out purpose
(ii)	Tenancy Agreement Date: 10 June 2020	Not applicable	10 years commencing on the first day immediately following the expiration date of the above offer to licence			3 months' rent-free period Note 1
			1st-3rd year *HK$1,169,293*	4th-6th year *HK$1,203,167*	7th-10th year *Open market rent, which shall be not less than 85% and not more than 125% of monthly rent of the 6th year, to be agreed between the parties or, in case of no agreement, to be determined by an independent qualified surveyor*	An amount of approximately HK$81,300,000 paid by the landlord as gross capital expenses on improvement of the property was incurred as part of the landlord's provision with such gross capital expenses having been amortised on a straight line basis over the 10-year fixed term and incorporated into the monthly rent
			Miscellaneous charges (subject to review from time to time): *(i) Management fees: HK$118,294* *(ii) Air-conditioning charges: HK$37,356*			

Notes:

1. *The tenant shall be responsible for Government rates, management fees, air-conditioning charges and all other outgoings during the relevant licence/rent-free periods.*

2. *The monthly rentals as referred to in the table above are payable in advance on the first day of each calendar month and exclusive of Government rates, management fees, air-conditioning charges, service charges and all other outgoings for which the tenant is responsible.*

As the term of tenancy for each of the premises under the aforesaid tenancy agreements entered into between Smart Bright as landlord and Union Medical as tenant exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed an independent financial adviser to explain why a period of longer than three years is necessary and to confirm if it is normal business practice to have leases exceeding three years. Having considered a number of factors, including substantial capital expenditures incurred by both Smart Bright and Union Medical as well as the custom-built nature of the premises for medical floor purpose, the independent financial adviser was of the view that the tenancy term (including the licence period) for each of the premises under the aforesaid tenancy agreements was necessary and it was normal practice for tenancy agreements of this type to be of such duration.

The aggregate amounts of rentals, management fees, air-conditioning charges, service charges and other miscellaneous charges (exclusive of Government rates) payable by Union Medical to Smart Bright under the Union Medical Transactions on an annual basis will not exceed the following maximum figures:

Financial year ended/ending 31 December	Annual caps (HK$ million)
2024	55
2025	57
2026	61
2027	67
2028	61
2029	37
2030	25
2031	6

For the year ended 31 December 2024, the Group received approximately HK$45,372,000 for the Union Medical Transactions.

The Audit Department has reviewed the Sunlight REIT Transactions and the Union Medical Transactions together with the relevant internal controls and confirmed to the Independent Non-executive Directors of the Company that the Sunlight REIT Transactions and the Union Medical Transactions were conducted in accordance with the pricing mechanism and the terms under the relevant agreements. The Independent Non-executive Directors of the Company have reviewed and confirmed that such transactions are (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms; and (c) in accordance with the terms of the respective licences/agreements/deeds relating to the transactions in question and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Auditor of the Company has also confirmed that nothing has come to the Auditor's attention that causes it to believe that the Sunlight REIT Transactions and the Union Medical Transactions (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies of the Group; (c) were not entered into, in all material respects, in accordance with the relevant licences/agreements/deeds governing such transactions; and (d) have exceeded the respective caps as aforesaid.

The Company's Auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this Annual Report in accordance with Rule 14A.56 of the Listing Rules.

The material related party transactions set out in note 43 to the financial statements on pages 306 to 308 include transactions that constitute connected transactions/continuing connected transactions for which the disclosure requirements under the Listing Rules have been met.

Save as disclosed above, no other transaction, arrangement or contract that is significant in relation to the Company's business to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had, directly or indirectly, a material interest, subsisted at the year end or at any time during the year.

Directors' Interests in Competing Business

Pursuant to Rule 8.10 of the Listing Rules, the interests of Directors of the Company in businesses which might compete with the Group during the year ended and as at 31 December 2024 were as follows:

Dr Lee Ka Kit and Dr Lee Ka Shing, Chairmen and Managing Directors of the Company, and Dr Lee Shau Kee, Director of the Company, held directorships and/or have deemed interests in companies engaged in the same businesses of property investment, development and management in Hong Kong and mainland China as the Group. As those companies which engage in the same businesses as the Group are involved in the investment, development and management of properties of different types and/or in different locations, and the Group has been operating independently of, and at arm's length from, the businesses of those companies, no competition is considered to exist.

Service Contracts

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

Management Contracts

No contracts (as defined in Section 543 of the Companies Ordinance (Cap. 622)) relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

Major Customers and Suppliers

For the year ended 31 December 2024:

(1) the aggregate amount of purchases attributable to the Group's five largest suppliers represented less than 30% of the Group's total purchases; and

(2) the aggregate amount of revenue attributable to the Group's five largest customers represented less than 30% of the Group's total revenue.

Discussion and Analysis of Performance

A discussion and analysis of the Group's performance for the year ended 31 December 2024 is shown on pages 80 to 95.

Sustainability

The standalone Sustainability Report is to be published on the same date of this Annual Report and posted on the Company's website.

Retirement Benefits Scheme

The Group's Hong Kong employees participate in certain defined contribution provident fund schemes (the "Funds") as defined in the Occupational Retirement Schemes Ordinance (Cap. 426) or in another defined contribution scheme (the "Scheme") as mentioned below or in schemes (the "MPF Schemes") registered under the Mandatory Provident Fund Scheme Ordinance (Cap. 485) ("MPFO").

Contributions to the Funds are made by the participating employers at rates ranging from 4% to 11%, and by the employees at rates ranging from 2% to 11%, of the employees' basic monthly salaries. The portion of employers' contributions to which the employees are not entitled and which has been forfeited shall not be used to reduce the future contributions of the participating employers.

As for the Scheme, contributions are made by both the employers and the employees at the rate of 5% of the employees' basic monthly salaries. Forfeited contributions can be applied towards reducing the amount of future contributions payable by the employers. There were no forfeited contributions of the Scheme utilised during the year ended 31 December 2024 (2023: Nil). As at 31 December 2024, there were no forfeited contributions that could be utilised to reduce the Group's contributions to the Scheme (2023: Nil).

No employees of the Group were eligible to join the Funds or the Scheme on or after 1 December 2000.

Employees of the Group who are not members of the Funds or the Scheme participate in the MPF Schemes. In addition to the minimum benefits set out in the MPFO, the Group provides certain voluntary top-up benefits to employees participating in the MPF Schemes. The portion of employer's contributions to which the employees are not entitled and which has been forfeited can be used by the Group to reduce the future contributions. The total amount so utilised during the year ended 31 December 2024 was HK$1,562,000 (2023: HK$3,001,000) and there was no balance available to be utilised as at 31 December 2024 (2023: HK$155,000).

The Group also participates in the state-organised pension scheme operated by the Government of the PRC for its PRC employees and contributes a certain percentage of the employees' covered payroll to fund the benefits.

The Group's retirement costs charged to the profit and loss account for the year ended 31 December 2024 were HK$129,000,000 (2023: HK$121,000,000).

Permitted Indemnity

The Articles of Association of the Company provide that every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance (Cap. 622)) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

In addition, the indemnity agreements made by the Company, which are currently in force and were in force throughout the financial year, contained permitted indemnity provisions (as permitted in Section 469(2) of the Companies Ordinance (Cap. 622)), for the benefit of the Directors of the Company. The Company has also taken out and maintained Director's liability insurance throughout the financial year, which provides appropriate cover for the Directors.

Financial Assistance to Affiliated Companies

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

	Combined statement of financial position HK$ million	Group's attributable interests HK$ million
Non-current assets	37,679	11,244
Current assets	124,608	43,716
Current liabilities	(79,721)	(26,872)
Total assets less current liabilities	82,566	28,088
Non-current liabilities	(66,213)	(23,291)
Net assets	16,353	4,797

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

Public Float

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

Auditor

A resolution for the re-appointment of KPMG as Auditor of the Company is to be proposed at the forthcoming annual general meeting.

Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 128 to 151.

On behalf of the Board

Dr Lee Ka Kit
Chairman

Dr Lee Ka Shing
Chairman

Hong Kong, 20 March 2025

Executive Directors

Dr the Hon LEE Ka Kit, *GBM, GBS, JP, DBA (Hon)*, aged 61, a Member of the Standing Committee of the 14th National Committee of the Chinese People's Political Consultative Conference, has been an Executive Director of the Company since 1985 and was the Vice Chairman of the Company from 1993 to May 2019. On 28 May 2019, he was appointed as Chairman and Managing Director, and a member of the Remuneration Committee and the Nomination Committee of the Company. He was awarded the Grand Bauhinia Medal (GBM) by the Government of the Hong Kong Special Administrative Region in 2024 in recognition of his dedicated service and tremendous contributions to the community. He was educated in the United Kingdom and has been primarily responsible for the development of the business of Henderson Land Group in the People's Republic of China since he joined the Company in 1985. He is the vice chairman of Henderson Development Limited ("Henderson Development"). He is also the vice chairman of Henderson Investment Limited as well as the chairman of The Hong Kong and China Gas Company Limited and Towngas Smart Energy Company Limited, all of which are listed companies. He is a member as well as the chairman of the Board of Directors of One Country Two Systems Research Institute. He was awarded an Honorary University Fellowship by The University of Hong Kong in 2009 and an Honorary Degree of Doctor of Business Administration by Edinburgh Napier University in 2014. He is a director of Rimmer (Cayman) Limited, Riddick (Cayman) Limited, Hopkins (Cayman) Limited and Henderson Development which have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance. He is the son of Dr Lee Shau Kee, the brother of Ms Lee Pui Man, Margaret and Dr Lee Ka Shing, the brother-in-law of Mr Li Ning and the relative of Madam Fung Lee Woon King and Ms Li Keng Yan, Kristine.

Dr LEE Ka Shing, *GBS, JP, DSSc (Hon)*, aged 53, a Member of the 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference, has been an Executive Director of the Company since 1993 and was the Vice Chairman of the Company from 2005 to May 2019. On 28 May 2019, he was appointed as Chairman and Managing Director, and a member of the Remuneration Committee and the Nomination Committee of the Company. He was educated in Canada. He is the vice chairman of Henderson Development Limited ("Henderson Development"). He is also the chairman and managing director of Henderson Investment Limited, the chairman and chief executive officer of Miramar Hotel and Investment Company, Limited as well as the chairman of The Hong Kong and China Gas Company Limited, all of which are listed companies. He is a member of the Court of The University of Hong Kong, the Court of The Hong Kong Polytechnic University and the Court of City University of Hong Kong. He was awarded an Honorary Fellowship by University College London in 2021 and an Honorary Degree of Doctor of Social Science by The Hang Seng University of Hong Kong in 2022. He is a director of Rimmer (Cayman) Limited, Riddick (Cayman) Limited, Hopkins (Cayman) Limited, Henderson Development, Believegood Limited, Cameron Enterprise Inc. and Richbond Investment Limited which have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance. He is the son of Dr Lee Shau Kee, the brother of Ms Lee Pui Man, Margaret and Dr Lee Ka Kit, the brother-in-law of Mr Li Ning and the relative of Madam Fung Lee Woon King and Ms Li Keng Yan, Kristine.

Dr LAM Ko Yin, Colin, *SBS, FCILT, FHKIoD, DB (Hon), DBA (Hon), DSocSc (Hon)*, aged 73, joined the Company in 1982 and has been an Executive Director since 1985 and the Vice Chairman since 1993. He is also the chairman of the Whistleblowing Committee, and a member of the Remuneration Committee and the Nomination Committee of the Company. Dr Lam holds a B.Sc. (Honours) degree from The University of Hong Kong and has over 51 years' experience in banking and property development. He is the chairman of Hong Kong Ferry (Holdings) Company Limited, the vice chairman of Henderson Investment Limited, a non-executive director of The Hong Kong and China Gas Company Limited and an executive director of Miramar Hotel and Investment Company, Limited, all of which are listed companies. He is the deputy chairman of The University of Hong Kong Foundation for Educational Development and Research, a director of Fudan University Education Development Foundation, an honorary Court member of Hong Kong Baptist University, a member of the Court of The Hong Kong University of Science and Technology and a member of the Court of City University of Hong Kong. Dr Lam was awarded an Honorary University Fellowship by The University of Hong Kong in 2008 and an Honorary Fellowship by The Chinese University of Hong Kong in 2019. He was also conferred a degree of Doctor of Business (Honoris Causa) by Macquarie University in 2015, a degree of Doctor of Business Administration (Honoris Causa) by The Hong Kong University of Science and Technology in 2021 and a degree of Doctor of Social Sciences (Honoris Causa) by The University of Hong Kong in 2023. He is a Fellow of The Chartered Institute of Logistics and Transport in Hong Kong and a Fellow of The Hong Kong Institute of Directors. Dr Lam is a director of Rimmer (Cayman) Limited, Riddick (Cayman) Limited, Hopkins (Cayman) Limited, Henderson Development Limited and Believegood Limited which have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance.

YIP Ying Chee, John, *LLB, FCG, FCA*, aged 76, has been an Executive Director of the Company since 1997. He graduated from The University of Hong Kong and the London School of Economics and is a solicitor, a certified public accountant and a chartered surveyor. He has over 45 years' experience in corporate finance, and corporate and investment management.

FUNG LEE Woon King, aged 86, has been an Executive Director of the Company since 1976. She joined Henderson Development Limited ("Henderson Development"), the parent company of the Company as treasurer in 1974 and has been an executive director of Henderson Development since 1979. She is also the Chief Treasurer of Henderson Development Group, Henderson Land Group and Henderson Investment Group. Madam Fung is a director of Rimmer (Cayman) Limited, Riddick (Cayman) Limited, Hopkins (Cayman) Limited, Henderson Development, Yamina Investment Limited, Believegood Limited, Cameron Enterprise Inc., South Base Limited and Richbond Investment Limited which have discloseable interests in the Company under the provisions of the Securities and Futures Ordinance. She is the sister of Dr Lee Shau Kee and the relative of Dr Lee Ka Kit, Dr Lee Ka Shing, Ms Lee Pui Man, Margaret, Mr Li Ning and Ms Li Keng Yan, Kristine.

KWOK Ping Ho, *BSc, MSc, Post-Graduate Diploma in Surveying, FRICS, ACIB*, aged 72, joined the Company in 1987 and has been an Executive Director since 1993. Mr Kwok holds a Bachelor of Science (Engineering) (Civil Engineering Group) Honours degree from the University of London and a Master of Science degree in Administrative Sciences from Cass Business School, City, University of London. He is also the holder of a Post-Graduate Diploma in Surveying (Real Estate Development) from The University of Hong Kong. Mr Kwok is a Fellow of the Royal Institution of Chartered Surveyors and he is also an Associate member of The Chartered Institute of Bankers (A.C.I.B.) of the United Kingdom. Mr Kwok had previously been a Part-time Lecturer for the MBA programme of The University of Hong Kong and he is also currently an Adjunct Professor of the Department of Real Estate and Construction, Faculty of Architecture of The University of Hong Kong. He had worked in the international banking field for more than 11 years with postings in London, Chicago, Kuala Lumpur, Singapore as well as in Hong Kong before joining the Company and has over 40 years of experience in the finance and business management areas which include responsibilities in the corporate investment, finance and treasury and project management activities of Henderson Land Group since 1987, including group re-organisation, privatisation proposals and corporate acquisitions. He is also a non-executive director of Henderson Sunlight Asset Management Limited, the manager of the publicly-listed Sunlight Real Estate Investment Trust. Mr Kwok is a director of Believegood Limited which has discloseable interests in the Company under the provisions of the Securities and Futures Ordinance.

SUEN Kwok Lam, *SBS, BBS, MH, JP, FHIREA*, aged 78, joined the Company in 1997 and has been an Executive Director of the Company since 2002. Mr Suen was an individual Member of The Real Estate Developers Association of Hong Kong from 1999 to 2022, the president of The Hong Kong Association of Property Management Companies from 2003 to 2007 and the vice president of Hong Kong Institute of Real Estate Administrators from 2006 to 2018. He has over 50 years' experience in property management.

WONG Ho Ming, Augustine, *JP, MSc, MEcon, FHKIS, MRICS, MCIArb, RPS (GP)*, aged 64, joined the Company in 1996 and has been an Executive Director of the Company since 2010. He is presently the General Manager of Property Development Department as well. He is a registered professional surveyor and has over 40 years' experience in property appraisal, dealing and development. He is the deputy chairman and member of the Council of Lingnan University, a member of the Consumer Council and a member of the Commission on Poverty.

FUNG Hau Chung, Andrew, *SBS, BBS, JP, BA, CMA (Australia), FIPA (Australia)*, aged 67, has been the Chief Financial Officer of the Company since 2017 and an Executive Director of the Company since 2020. He is also a non-executive director of The Hong Kong and China Gas Company Limited, a listed company. He holds the Bachelor of Arts Degree from The University of Hong Kong and the Honorary Fellowship awarded by Lingnan University. He was awarded the Silver Bauhinia Star (SBS) by the Government of the Hong Kong Special Administrative Region in 2024. Mr Fung served as an executive director and the Head of Global Banking and Markets of Hang Seng Bank Limited, a listed company, before he stepped down from such positions in July 2017. He has been engaged in the banking industry since graduation, serving at Societe Generale, The Hongkong and Shanghai Banking Corporation Limited, Commonwealth Bank of Australia, Hong Kong Branch and DBS Bank (Hong Kong) Limited. He has 43 years of experience in banking, capital markets and asset management. He is the Professor of Practice (Finance) in the School of Accounting and Finance of The Hong Kong Polytechnic University, the Adjunct Professor of The Hang Seng University of Hong Kong and a member of the school management committee of Buddhist Tai Hung College. Mr Fung is currently a trustee of The D.H. Chen Foundation, a member of the Cantonese Opera Advisory Committee and the Cantonese Opera Development Fund Advisory Committee, a member of the Banking Review Tribunal, a board member of The Community Chest of Hong Kong, a non-executive director of the Accounting and Financial Reporting Council, a member of the Working Group on Promoting Gold Market Development and a non-executive director of Insurance Authority.

Non-executive Director

LEE Pui Ling, Angelina, *SBS, JP, LLB, FCA*, aged 76, has been a Director of the Company since 1996 and was re-designated as Non-executive Director in 2004. Mrs Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Laws degree from and was awarded an Honorary Fellowship by University College London, University of London. Amongst her public appointments, Mrs Lee was a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a Non-executive Director of the Securities and Futures Commission. Mrs Lee is a Non-executive Director of CK Infrastructure Holdings Limited and TOM Group Limited and an Independent Non-executive Director of Great Eagle Holdings Limited, all of which are listed companies.

Independent Non-executive Directors

KWONG Che Keung, Gordon, *FCA*, aged 75, has been an Independent Non-executive Director of the Company since 2004. He is also the chairman of the Audit Committee and the Corporate Governance Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. He graduated from The University of Hong Kong with a bachelor's degree in social sciences in 1972 and qualified as a chartered accountant in England in 1977. He was a partner of Pricewaterhouse from 1984 to 1998 and an independent member of the Council of The Stock Exchange of Hong Kong from 1992 to 1997. He is an independent non-executive director of Henderson Investment Limited, Agile Group Holdings Limited, Chow Tai Fook Jewellery Group Limited, COSCO SHIPPING International (Hong Kong) Co., Ltd., FSE Lifestyle Services Limited and Piraeus Port Authority S.A. (listed in Greece), all of which are listed companies. Mr Kwong previously served as an independent non-executive director of CTF Services Limited (formerly known as NWS Holdings Limited) until 21 November 2022.

Professor KO Ping Keung, *PhD, FIEEE, JP*, aged 74, has been an Independent Non-executive Director of the Company since 2004. He is also a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Whistleblowing Committee of the Company. Professor Ko holds a Bachelor of Science (Honours) degree from The University of Hong Kong, a Doctor of Philosophy degree and a Master of Science degree from the University of California at Berkeley. He is an Adjunct Professor of Peking University and Tsinghua University and Emeritus Professor of Electronic and Computer Engineering and the former Dean of the School of Engineering of The Hong Kong University of Science and Technology. He was the vice chairman of Electrical Engineering and Computer Science Department of the University of California at Berkeley in 1991–1993 and a member of Technical staff, Bell Labs, Holmdel, in 1982-1984. Professor Ko is an independent non-executive director of Henderson Investment Limited, Q Technology (Group) Company Limited and VTech Holdings Limited, all of which are listed companies.

WU King Cheong, *BBS, JP*, aged 74, has been an Independent Non-executive Director of the Company since 2005. He is also the chairman of the Remuneration Committee and the Nomination Committee of the Company, and a member of the Audit Committee and the Whistleblowing Committee of the Company. Mr Wu is the Life Honorary Chairman of The Chinese General Chamber of Commerce, and the Permanent Honorary President of the Chinese Gold & Silver Exchange Society and the Hong Kong Securities Association Limited. He is an independent non-executive director of Henderson Investment Limited, Hong Kong Ferry (Holdings) Company Limited, Miramar Hotel and Investment Company, Limited and Yau Lee Holdings Limited, all of which are listed companies.

WOO Ka Biu, Jackson, *MA (Oxon)*, aged 62, has been an Independent Non-executive Director of the Company since 2012. He holds an MA degree in Jurisprudence from the Oxford University and is a qualified solicitor in England and Wales, Hong Kong Special Administrative Region and Australia. He is an honorary director of Tsinghua University, a China-Appointed Attesting Officer appointed by the Ministry of Justice, People's Republic of China and a Deputy Tribunal Convenor of the Solicitors Disciplinary Tribunal Panel in The Hong Kong Special Administrative Region. He is a member of the Takeovers and Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Commission, a member of the Listing Review Committee of The Stock Exchange of Hong Kong Limited as well as a member of the Honorary Advisory Panel and the Policy, Registration and Oversight Committee of Accounting and Financial Reporting Council. In addition, Mr Woo is a Panel Member of the Resolution Compensation Tribunal under the Financial Institutions (Resolution) Ordinance (Cap. 628) appointed by the Chief Executive. Mr Woo was a partner of Ashurst Hong Kong and a director of N M Rothschild & Sons (Hong Kong) Limited ("Rothschild"). Prior to joining Rothschild, Mr Woo was a partner in the corporate finance department of Woo Kwan Lee & Lo. Mr Woo was an alternate to Sir Po-shing Woo, in Sir Po-shing Woo's capacity as a non-executive director of the Company. He is a director of Kailey Group of Companies, a steward of The Hong Kong Jockey Club and a consultant of Guantao & Chow Solicitors and Notaries. He also previously served as an independent non-executive director of China Pacific Insurance (Group) Co., Ltd. until 17 July 2023. He is the son of Sir Po-shing Woo.

Professor the Hon POON Chung Kwong, *GBM, GBS, JP, OBE, PhD, DSc*, aged 85, has been an Independent Non-executive Director and a member of the Corporate Governance Committee of the Company since 2012. Professor Poon obtained a Bachelor of Science (honours) degree from the University of Hong Kong, a Doctor of Philosophy degree and a Higher Doctor of Science degree from the University of London. He was a postdoctoral fellow at the California Institute of Technology, University of Southern California and University of Toronto. He also held the Honorary Degree of Doctor of Humanities from The Hong Kong Polytechnic University in 2009. Professor Poon is currently the chairman of Virya Foundation Limited (a registered non-profit charitable organisation) and he is the President Emeritus and Emeritus Professor of The Hong Kong Polytechnic University and had devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at The Hong Kong Polytechnic University. Professor Poon received the "Leader of the Year Awards 2008 (Education)". In addition, Professor Poon was appointed a member of the Legislative Council (1985–1991) and a member of the National Committee of the Chinese People's Political Consultative Conference (1998–2013). Professor Poon is an independent non-executive director of The Hong Kong and China Gas Company Limited and Chevalier International Holdings Limited, both of which are listed companies. He previously served as a non-executive director of Lee & Man Paper Manufacturing Limited until 9 May 2023.

AU Siu Kee, Alexander, *OBE, FCA, FCCA, FCPA, FCIB, FHKIB*, aged 78, rejoined the Company as an Independent Non-executive Director in December 2018. He is also a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee of the Company. Mr Au was an Executive Director and the Chief Financial Officer of the Company from December 2005 to June 2011. He stepped down from the position of Chief Financial Officer and was re-designated as a Non-executive Director of the Company on 1 July 2011. On 18 December 2012, Mr Au was re-designated as an Independent Non-executive Director of the Company until his retirement on 2 June 2015. A banker by profession, Mr Au was the chief executive officer of Hang Seng Bank Limited from October 1993 to March 1998 and of Oversea-Chinese Banking Corporation Limited in Singapore from September 1998 to April 2002. He was formerly a non-executive director of a number of leading companies including The Hongkong and Shanghai Banking Corporation Limited, MTR Corporation Limited and Hang Lung Group Limited. Currently, Mr Au is an independent non-executive director of Henderson Investment Limited, Wharf Real Estate Investment Company Limited and Miramar Hotel and Investment Company, Limited, and a non-executive director of Hong Kong Ferry (Holdings) Company Limited, all of which are listed companies. He is also the chairman and a non-executive director of Henderson Sunlight Asset Management Limited, a wholly-owned subsidiary of the Company, which is the manager of the publicly-listed Sunlight Real Estate Investment Trust. An accountant by training, Mr Au is a Fellow of The Institute of Chartered Accountants in England and Wales, The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. As a professional accountant, he is a staunch advocate as well as a practitioner of enterprise risk management, with extensive experience particularly in financial risk management in both the financial services sector and the property sector.

Senior Management

YU Wai Wai, *JP, BA (AS), B Arch, FHKIA, HonFHKIPM, Authorised Person (Architect), Registered Architect (HK)*, aged 64, joined the Company in 2013 and is presently the General Manager of Project Management (1) Department. He is a Fellow member of the Hong Kong Institute of Architects, an Honorary Fellow of the Hong Kong Institute of Project Management and an Authorised Person (Architect). Mr Yu has over 35 years of experience in property planning and design, project management, quality management, cost management, land acquisition and customer services. He also has experience in art and cultures, green building innovations, heritage and conservation developments.

KWOK Man Cheung, Victor, *BA (AS), B Arch (Dist), MSc (Con P Mgt), EMBA, FHKIA, MAPM, RIBA, Authorised Person (Architect), Registered Architect (HK)*, aged 71, joined the Company in 2005 and is presently the General Manager of Project Management (2) Department. He possesses professional qualifications of both a project manager and an architect. He holds a Bachelor of Architecture (Distinction) degree and a Master of Science in Construction Project Management degree from The University of Hong Kong, and an Executive Master of Business Administration degree from Tsinghua University. He is a Fellow Member of The Hong Kong Institute of Architects and a Member of Association of Project Management. He has over 46 years of professional experience in the property and construction industry of Hong Kong and mainland China.

LEUNG Kam Leung, *MSc, PGDMS, FHKIS, RPS (GP)*, aged 71, joined the Company in 1997 and is presently the General Manager of Property Planning Department. He has over 48 years' experience in land and property development. He joined the former Public Works Department in 1976 and qualified as a Chartered Surveyor in 1980. He was assigned to an international property consultancy firm in London in 1982 receiving professional training in valuation, town planning and property development. He was promoted to Senior Estate Surveyor and Chief Estate Surveyor of the Lands Department in 1986 and 1994 respectively. He holds an Associateship in General Practice Surveying, a Postgraduate Diploma in Management Studies and a Master of Science degree in International Real Estate. He was sponsored by the Hong Kong Government in 1992 to complete a one-year programme of studies at the Graduate School of Public Policy of the University of California, Berkeley. Mr Leung is a Fellow Member of The Hong Kong Institute of Surveyors and a Registered Professional Surveyor. He was a non-official member of the Business Facilitation Advisory Committee, the convenor of the Former Pre-construction Task Force, a member of the Review Panel under the Land (Miscellaneous Provisions) Ordinance, a member of the Real Estate Services Training Board of Vocational Training Council and an external examiner of Master of Science in Real Estate Programme of the Faculty of Architecture of The University of Hong Kong. He is now a member of the Land Sub-committee of the Land and Development Advisory Committee and the convenor of the Planning, Environment and Lands Sub-committee of The Real Estate Developers Association of Hong Kong.

WONG Wing Hoo, Billy, *BBS, JP, BSc, FICE, FHKIE, FIHT, FHKIHT, RPE*, aged 67, joined the Company in 2006 and is presently the General Manager of Construction Department. He is a fellow member of the Institution of Civil Engineers, Hong Kong Institution of Engineers, Institution of Highways and Transportation and Hong Kong Institution of Highways and Transportation. He is also a Registered Professional Engineer under the Engineers Registration Ordinance (Chapter 409). He previously served as president of Hong Kong Construction Association, chairman of Construction Industry Training Authority, chairman of Construction Industry Training Board, director of Hong Kong Science and Technology Parks Corporation and board member of the Airport Authority Hong Kong. Mr Wong is currently director of Hong Kong-Shenzhen Innovation and Technology Park Ltd., board member of the Hospital Authority, member of the Council of The Hong Kong University of Science and Technology and permanent supervisor of Hong Kong Construction Association.

CHAN Chu Fai, Edmond, *MBA, MSc (Eng), BSc (Eng), FHKIE, CEng, MIStructE, MICE, RPE (Civil, Structural), RSE, RI (E)*, aged 70, joined the Company in 2016 and is presently the General Manager of Engineering Department. He holds a Bachelor and a Master degree in Civil Engineering from The University of Hong Kong, and a Master of Business Administration degree from Heriot-Watt University. He is a fellow member of the Hong Kong Institution of Engineers, and a member of the Institution of Civil Engineers and the Institution of Structural Engineers. He has over 40 years of professional experience in structural, civil, and geotechnical engineering.

Dr WONG Man Wa, Raymond, *DFinTech, MSc (Real Estate), LLB, PCLL, Solicitor*, aged 59, joined the Company in 2012 and is presently the Senior General Manager of Sales Department. He possesses professional qualification as a solicitor in Hong Kong and is presently sitting on a number of professional, government consultative and advisory committees. He was an individual member of The Real Estate Developers Association of Hong Kong. He holds a Doctor of FinTech degree from The Hong Kong Polytechnic University, and a Master of Science in Real Estate degree with distinction, a Bachelor of Laws (LL.B) degree and a Postgraduate Certificate in Laws (PCLL) all from The University of Hong Kong. Dr Wong had over 30 years' practical experience in land and property development related works. Prior to joining the Company, Dr Wong was a partner of one of the largest international law firms in Hong Kong.

LAM Tat Man, Thomas, *MEM (UTS), DMS, MHIREA*, aged 65, joined the Company in 1983 and is presently the General Manager of Sales (1) Department. He holds a Master Degree in Engineering Management from the University of Technology, Sydney, Australia and a Diploma in Management Studies from The Hong Kong Polytechnic University. He is an Ordinary Member of Hong Kong Institute of Real Estate Administrators. He has over 41 years' experience in property sales and marketing.

HAHN Ka Fai, Mark, *BSc, MRICS, MHKIS, RPS (GP)*, aged 61, joined the company in 2013 and is presently the General Manager of Sales (2) Department. He is a member of both the Royal Institution of Chartered Surveyors and The Hong Kong Institute of Surveyors. He has over 38 years' experience in property acquisitions, developments, sales and marketing as well as fund raising involving projects in Hong Kong, mainland China, Taiwan and Japan. Prior to joining the Company, he held various senior posts with several leading international property consultancies, associate director at Sino Land and executive director, Asia/managing director, development at Grosvenor.

LEE Pui Man, Margaret, *BHum (Hons)*, aged 64, joined the Company in 1984 and is presently the Senior General Manager of Portfolio Leasing Department. She holds a B Hum (Honours) degree from the University of London and has over 40 years' experience in marketing development. She is the eldest daughter of Dr Lee Shau Kee, the spouse of Mr Li Ning, the mother of Ms Li Keng Yan, Kristine, the sister of Dr Lee Ka Kit and Dr Lee Ka Shing and the relative of Madam Fung Lee Woon King.

LI Keng Yan, Kristine, *BA, MSc (Real Estate)*, aged 36, joined the Company in 2012 and is presently the General Manager of Portfolio Leasing (1) Department. Ms Li holds a Master of Science in Real Estate from The University of Hong Kong and a Bachelor of Arts degree from Stanford University, USA. Prior to joining Henderson Land, she worked in the investment banking industry. Ms Li has over 12 years of experience in property leasing, marketing and asset management field. She currently serves as a global governing trustee of Urban Land Institute, and a committee member of Hong Kong Pei Hua Education Foundation and the Union Hospital Charity Program. Ms Li is the granddaughter of Dr Lee Shau Kee, the daughter of Mr Li Ning and Ms Lee Pui Man, Margaret and the relative of Dr Lee Ka Kit, Dr Lee Ka Shing and Madam Fung Lee Woon King.

CHAN Tak Ming, Terence, *MBA (Dist), MHousMan, BSc (Surv), FHKIS, RPS (BS), RPS (PD), RPHM*, aged 51, joined the Company in 2012 and is presently the General Manager of Portfolio Leasing (2) Department. He is a registered professional surveyor and has over 27 years' experience in property development, appraisal and planning for asset portfolios, asset branding, marketing, leasing and asset management. He holds a Master of Business Administration degree with distinction from The Hong Kong Polytechnic University, and a Master of Housing Management degree and a Bachelor of Science (Surveying) degree both from The University of Hong Kong. Mr Chan also holds certain public offices, namely panel member of the Administrative Appeals Board and member of the Appeal Tribunal Panel (Buildings).

LI Ning, *BSc, MBA*, aged 68, has been appointed an executive director of Henderson Investment Limited since 2014 and is also an executive director of Hong Kong Ferry (Holdings) Company Limited. He holds a B.Sc. degree from Babson College and an M.B.A. degree from the University of Southern California. Mr Li set up the business of Citistore Stores in 1989 and has been managing the business since then in the capacity as a director, being a veteran with 35 years' experience in the department store business. Mr Li is the son-in-law of Dr Lee Shau Kee, the spouse of Ms Lee Pui Man, Margaret, the father of Ms Li Keng Yan, Kristine, the brother-in-law of Dr Lee Ka Kit and Dr Lee Ka Shing and the relative of Madam Fung Lee Woon King.

Dr WONG Kim Wing, Ball, *BA (AS), B Arch, PhD (Finance), FHKIA, Registered Architect (HK), Authorised Person (List 1, HK)*, aged 63, joined the Company in 2011 as the group consultant and serves to advise Henderson Land Group in his expert areas of sales and marketing, leasing, and project management. He is also presently acting as the General Manager of Asset Development Department and Comm. & Ind. Properties Department and advises Henderson Land Group on its asset development and asset branding of investment portfolio. Dr Wong is a Registered Architect and Authorised Person in Hong Kong and holds a PhD Degree in Finance from the Shanghai University of Finance and Economics. Prior to joining Henderson Land Group, he was an executive director of CC Land Holdings Ltd., and was the director (Project and Planning) of The Link Management Limited (as Manager of The Link Real Estate Investment Trust). He had also served Sun Hung Kai Properties Group for over 10 years. Since 2017, Dr Wong has served as a manager of the School Management Committee at Hong Kong Institute of Contemporary Culture Lee Shau Kee School of Creativity; and in 2023, he was appointed vice chairman of Real Estate & Infrastructure Committee in The Hong Kong General Chamber of Commerce.

YU Ching Yan, Johnny, *BSc, MBA, ACA, CFA*, aged 54, is presently the Advisor to the Chairman and the Head of Sustainability Department at the Company. He joined in 2020, bringing with him 30 years of extensive experience across multiple disciplines, including sales and marketing, investment advisory, accounting, tax, and risk management and control. Prior to joining the Company, Mr Yu held various senior positions at UBS, Credit Suisse, and Price Waterhouse in both Hong Kong and London. Under his leadership, he successfully guided the Company to achieve the prestigious Business Leadership in Sustainability Award at the Asia Pacific Leadership in Green Building Awards 2022, organised by the World Green Building Council. Additionally, Mr Yu won the Sustainability Leader of the Year as well as the Distinguished Sustainability Leadership Award in Hong Kong Sustainability Award 2024, organised by the Hong Kong Management Association. Mr Yu graduated from The London School of Economics and Political Science, University of London with a bachelor's degree in Management Science and attained his MBA degree in Finance with City University of London. He is a member of The Institute of Chartered Accountants in England & Wales and Chartered Financial Analyst Institute.

LIU Cheung Yuen, Timon, *BEc, FCPA, CA (Aust), FCG, HKFCG*, aged 67, joined the Henderson Land Group in 2005 and is presently the Company Secretary of the Group. Mr Liu graduated from Monash University, Australia with a bachelor's degree in Economics. He is a fellow of both the Hong Kong Institute of Certified Public Accountants and The Hong Kong Chartered Governance Institute, and an associate of The Institute of Chartered Accountants in Australia. He has many years' experience in accounting, auditing, corporate finance, corporate investment and development, and company secretarial practice.

WONG Wing Kee, Christopher, *BSc (Econ), FCA*, aged 62, joined the Company in 2007 and is presently the General Manager of Accounts Department. Mr Wong graduated from The London School of Economics and Political Science, University of London and is a fellow of The Institute of Chartered Accountants in England & Wales. He has 40 years of experience in accounting, auditing, investment banking and corporate finance in the United Kingdom and in Hong Kong. Prior to joining the Company, Mr Wong was the chief financial officer of Kerry Properties Limited between December 2004 and May 2007.

LEUNG Mei Po, Cynthia, *BA, MA*, aged 55, joined the Company in 2023 and is presently the General Manager of Corporate Communications Department. She has extensive experience in corporate affairs, branding, global communications and customer experience management. Prior to joining the Company, she held a senior management position at the Hong Kong Tourism Board. She holds a Bachelor of Arts degree from The University of Hong Kong and a Master of Arts degree from The Hong Kong University of Science and Technology. She is currently a Community Sports Committee Member of the Culture, Sports and Tourism Bureau, a Committee Member of the Hong Kong Housing Authority, a Board Member of the Hong Kong Philharmonic Orchestra and an Executive Committee Member of Make-A-Wish Hong Kong.

Financial Statements

KPMG

Independent auditor's report to the members of Henderson Land Development Company Limited

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Henderson Land Development Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 192 to 320, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (CONTINUED)

Valuation of investment properties and investment properties under development

Refer to note 16 to the consolidated financial statements on pages 271 to 277 and the accounting policy 2(j)(i) on page 210.

The key audit matter	How the matter was addressed in our audit
The Group holds either directly or through its joint ventures and associates, a portfolio of investment properties and investment properties under development located in Hong Kong and in certain first and second-tier cities across mainland China. These properties comprise office premises, industrial premises, shopping malls, residential premises and car parking bays. The fair values of investment properties and investment properties under development as at 31 December 2024 were assessed by the management based on valuations prepared by a firm of qualified external property valuers. The net changes in fair value of investment properties and investment properties under development were recorded in the consolidated statement of profit or loss. We identified valuation of the investment properties and investment properties under development as a key audit matter because of the significance of investment properties and investment properties under development to the Group's total assets and the significance of changes in fair value of investment properties and investment properties under development to the Group's profit before taxation and because the valuation of investment properties and investment properties under development can be inherently subjective and requires significant management judgement and estimation which increases the risk of error or potential management bias, particularly given the number and the diverse nature and location of the investment properties and investment properties under development.	Our audit procedures to address the valuation of investment properties and investment properties under development, either directly held by the Group or through its joint ventures and associates, included the following: • obtaining and inspecting the valuation reports prepared by the external property valuers on which the management's assessment of the fair values of investment properties and investment properties under development was based; • assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity; • with the assistance of our internal property valuation specialists and utilising their industry knowledge and experience, discussing with the external property valuers, without the presence of management, their valuation methodologies; and assessing the key estimates and assumptions adopted in the valuation by comparing capitalisation rates, prevailing market rents and comparable market transactions with the available market data, on a sample basis; • comparing tenancy information, including committed rents and occupancy rates provided by the management to the external property valuers, with underlying contracts and related documentation, on a sample basis; and • conducting site visits to investment properties under development, on a sample basis, to observe the development progress and evaluating management's development budgets reflected in the latest forecasts with reference to market statistics about estimated construction costs, signed construction contracts and/or unit construction costs of recently completed projects.

KEY AUDIT MATTERS (CONTINUED)

Assessing the net realisable value of properties held for/under development for sale and completed properties for sale in mainland China

Refer to note 25 to the consolidated financial statements on page 288 and the accounting policies 2(p)(ii) and 2(p)(iii) on page 219.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2024, the Group held either directly or through its joint ventures and associates, properties held for/under development for sale and completed properties for sale located in certain cities across mainland China. These properties are stated at the lower of cost and net realisable value. The determination of the net realisable value of these properties requires estimations, including expected future selling prices and costs necessary to complete the sale of these properties, and is assessed by the management with reference to the valuations carried out by the external property valuers for certain properties. Changes in government policies, which affect interest rates, the required reserve ratio for banks and/or mortgage requirements for home buyers, could lead to volatility in property prices, particularly for properties in mainland China. We identified the assessment of the net realisable value of the properties in mainland China as a key audit matter because of the significance of these properties to the Group's total assets and because the assessment of net realisable value is inherently subjective and requires significant management judgement and estimation in relation to estimating future selling prices and future construction costs which increases the risk of error or potential management bias.	Our audit procedures to assess the net realisable value of properties held for/under development for sale and completed properties for sale in mainland China, either directly held by the Group or through its joint ventures and associates, included the following: • obtaining and inspecting management's valuation assessments and/or the external valuation reports prepared by external property valuers and on which the management's assessment of the net realisable value of the properties held for/under development for sale and completed properties for sale was based; • assessing the qualifications, experience and expertise of the management and/or the external property valuers in the nature and locations of the properties being valued; • with the assistance of our internal property valuation specialists and utilising their industry knowledge and experience, discussing with management and/or the external property valuers their valuation methodologies; and assessing the key estimates and assumptions adopted in the valuation, including expected future selling prices and costs to completion, by comparing expected future selling prices to, where available, recently transacted prices for similar properties or the prices of comparable properties located in the vicinity of each development, and publicly available construction cost information for properties of a similar nature and location, on a sample basis; and • conducting site visits to properties under development for sale, on a sample basis, to observe the development progress and evaluating the management's development budgets reflected in the latest forecasts with reference to market statistics about estimated construction costs, signed construction contracts and/or unit construction costs of recently completed projects.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yau Ngai Lun, Alan.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

20 March 2025

Consolidated Statement of Profit or Loss

for the year ended 31 December 2024

	Note	2024 HK$ million	2023 HK$ million
Revenue	6	**25,256**	27,570
Direct costs		**(16,163)**	(17,540)
		9,093	10,030
Other net income	7	**3,191**	1,508
Selling and marketing expenses		**(1,406)**	(1,326)
Administrative expenses		**(2,345)**	(2,305)
Profit from operations before changes in fair value of investment properties and investment properties under development		**8,533**	7,907
Decrease in fair value of investment properties and investment properties under development	16(a)	**(1,514)**	(1,700)
Profit from operations after changes in fair value of investment properties and investment properties under development		**7,019**	6,207
Finance costs	8(a)	**(2,331)**	(1,999)
Bank interest income		**452**	679
Net finance costs		**(1,879)**	(1,320)
Share of profits less losses of associates		**2,413**	2,794
Share of profits less losses of joint ventures		**685**	2,763
Profit before taxation	8	**8,238**	10,444
Income tax	11(a)	**(955)**	(666)
Profit for the year		**7,283**	9,778
Attributable to:			
Equity shareholders of the Company		**6,296**	9,261
Non-controlling interests		**987**	517
Profit for the year		**7,283**	9,778
Earnings per share based on profit attributable to equity shareholders of the Company (reported earnings per share)			
Basic and diluted	*14(a)*	***HK$1.30***	*HK$1.91*
Earnings per share excluding the effects of the Group's aggregate attributable share of changes in fair value of investment properties and investment properties under development (net of deferred tax) (underlying earnings per share)			
Basic and diluted	*14(b)*	***HK$2.02***	*HK$2.00*

The notes on pages 201 to 320 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 12.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

	Note	2024 HK$ million	2023 HK$ million
Profit for the year		**7,283**	9,778
Other comprehensive income for the year-net, after tax and reclassification adjustments:			
Items that will not be reclassified to profit or loss:			
– Investments in equity securities designated as financial assets at fair value through other comprehensive income (non-recycling) (note 13(b))		**46**	(92)
– Share of other comprehensive income of associates and joint ventures		**9**	30
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences (note 13(b))		**(919)**	(783)
– Cash flow hedges (note 13(b))		**(64)**	(415)
– Share of other comprehensive income of associates and joint ventures		**(1,098)**	(943)
Other comprehensive income for the year	13(a)	**(2,026)**	(2,203)
Total comprehensive income for the year		**5,257**	7,575
Attributable to:			
Equity shareholders of the Company		**4,268**	7,113
Non-controlling interests		**989**	462
Total comprehensive income for the year		**5,257**	7,575

The notes on pages 201 to 320 form part of these financial statements.

Consolidated Statement of Financial Position

at 31 December 2024

	Note	At 31 December 2024 HK$ million	At 31 December 2023 HK$ million
Non-current assets			
Investment properties	16	**271,874**	264,404
Other property, plant and equipment	16	**4,389**	4,508
Right-of-use assets	17	**981**	1,211
Goodwill	18	**262**	262
Trademarks	19	**94**	98
Interest in associates	21	**50,564**	51,903
Interest in joint ventures	22	**77,876**	78,933
Derivative financial instruments	23	**514**	743
Other financial assets	24	**4,611**	5,319
Deferred tax assets	11(c)	**1,082**	1,027
		412,247	408,408
Current assets			
Deposits for acquisition of properties		**369**	382
Inventories	25	**85,608**	94,164
Trade and other receivables	26	**14,023**	14,441
Cash held by stakeholders		**1,074**	1,206
Cash and bank balances	28(a)	**17,919**	21,623
		118,993	131,816
Assets of the disposal group classified as held for sale	37	**–**	2,326
		118,993	134,142
Current liabilities			
Trade and other payables	29	**26,811**	28,362
Amounts due to related companies	34	**97**	268
Lease liabilities	30	**262**	280
Bank loans	31	**8,001**	24,500
Guaranteed notes	32	**9,585**	6,244
Tax payable		**1,055**	441
		45,811	60,095
Liabilities associated with assets of the disposal group classified as held for sale	37	**–**	39
		45,811	60,134
Net current assets		**73,182**	74,008
Total assets less current liabilities		**485,429**	482,416

	Note	At 31 December 2024 HK$ million	At 31 December 2023 HK$ million
Non-current liabilities			
Bank loans	31	**54,626**	41,652
Guaranteed notes	32	**10,024**	19,439
Amount due to a fellow subsidiary	33	**66,215**	62,448
Amounts due to related companies	34	**3,575**	3,389
Derivative financial instruments	23	**996**	1,354
Lease liabilities	30	**757**	972
Provision for reinstatement costs		**14**	18
Deferred tax liabilities	11(c)	**8,645**	9,044
		144,852	138,316
NET ASSETS		**340,577**	344,100
CAPITAL AND RESERVES	36		
Share capital	44(c)	**52,345**	52,345
Other reserves		**269,802**	274,197
Total equity attributable to equity shareholders of the Company		**322,147**	326,542
Non-controlling interests	35	**18,430**	17,558
TOTAL EQUITY		**340,577**	344,100

Approved and authorised for issue by the Board of Directors on 20 March 2025.

Dr Lee Ka Kit
Dr Lee Ka Shing
Directors

The notes on pages 201 to 320 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Note	Share capital HK$ million	Property revaluation reserve HK$ million	Exchange reserve HK$ million	Fair value reserve (non-recycling) HK$ million	Hedging reserve HK$ million	Other reserves HK$ million	Retained profits HK$ million	Total HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
		Attributable to equity shareholders of the Company									
Balance at 1 January 2023		52,345	16	(2,062)	86	608	189	276,766	327,948	17,204	345,152
Changes in equity for 2023:											
Profit for the year		–	–	–	–	–	–	9,261	9,261	517	9,778
Other comprehensive income for the year	13(c)	–	–	(1,656)	(18)	(471)	–	(3)	(2,148)	(55)	(2,203)
Total comprehensive income for the year		–	–	(1,656)	(18)	(471)	–	9,258	7,113	462	7,575
Transfer to retained profits upon disposal of equity investments		–	–	–	4	–	–	(4)	–	–	–
Dividend approved and paid in respect of the previous financial year	12(b)	–	–	–	–	–	–	(6,294)	(6,294)	–	(6,294)
Dividend declared and paid in respect of the current year	12(a)	–	–	–	–	–	–	(2,421)	(2,421)	–	(2,421)
Share of reserves of associates and joint ventures		–	–	334	–	–	–	(138)	196	–	196
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(216)	(216)
Advance from non-controlling interests, net	28(b)	–	–	–	–	–	–	–	–	108	108
Balance at 31 December 2023		52,345	16	(3,384)	72	137	189	277,167	326,542	17,558	344,100

	Note	Attributable to equity shareholders of the Company									
		Share capital HK$ million	Property revaluation reserve HK$ million	Exchange reserve HK$ million	Fair value reserve (non-recycling) HK$ million	Hedging reserve HK$ million	Other reserves HK$ million	Retained profits HK$ million	Total HK$ million	Non-controlling interests HK$ million	Total equity HK$ million
Balance at 1 January 2024		**52,345**	**16**	**(3,384)**	**72**	**137**	**189**	**277,167**	**326,542**	**17,558**	**344,100**
Changes in equity for 2024:											
Profit for the year		–	–	–	–	–	–	6,296	6,296	987	7,283
Other comprehensive income for the year	13(c)	–	–	(2,037)	25	(43)	–	27	(2,028)	2	(2,026)
Total comprehensive income for the year		–	–	(2,037)	25	(43)	–	6,323	4,268	989	5,257
Transfer to retained profits upon disposal of equity investments		–	–	–	12	–	–	(12)	–	–	–
Dividend approved and paid in respect of the previous financial year	12(b)	–	–	–	–	–	–	(6,294)	(6,294)	–	(6,294)
Dividend declared and paid in respect of the current year	12(a)	–	–	–	–	–	–	(2,421)	(2,421)	–	(2,421)
Share of reserves of associates and joint ventures		–	–	(8)	–	–	–	60	52	–	52
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(239)	(239)
Advance from non-controlling interests, net	28(b)	–	–	–	–	–	–	–	–	122	122
Balance at 31 December 2024		**52,345**	**16**	**(5,429)**	**109**	**94**	**189**	**274,823**	**322,147**	**18,430**	**340,577**

The notes on pages 201 to 320 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2024

	Note	2024 HK$ million	2023 HK$ million
Operating activities			
Profit before taxation		**8,238**	10,444
Adjustments for:			
– Interest income		**(946)**	(1,373)
– Dividend income from investments designated as financial assets at fair value through other comprehensive income ("FVOCI") (non-recycling) and investments measured as financial assets at fair value through profit or loss ("FVPL")	8(d)	**(30)**	(60)
– Net loss on transfer of a subsidiary	7	**2**	–
– Net gain on disposal of investment properties	7	**(93)**	(64)
– Gain on de-recognition of investment measured as financial asset at FVPL and gain on bargain purchase net of fair value loss	7	**–**	(1,591)
– Provision on inventories, net	7	**193**	192
– Impairment loss on trade debtors, net	7	**36**	6
– Net fair value (gain)/loss on investments measured as financial assets at FVPL	7	**(43)**	2
– Net fair value loss on derivative financial instruments at FVPL:			
Interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and foreign exchange forward contracts (for which no hedge accounting was applied during the year)	7	**71**	83
– Decrease in fair value of investment properties and investment properties under development	16(a)	**1,514**	1,700
– Finance costs			
– On bank and other borrowings	8(a)	**6,844**	6,879
– On lease liabilities	8(a)	**40**	40
– Amount capitalised	8(a)	**(4,553)**	(4,920)
– Amortisation of trademarks	8(d)	**4**	4
– Depreciation			
– On other property, plant and equipment	8(d)	**190**	199
– On right-of-use assets	8(d)	**297**	336
– Share of profits less losses of associates		**(2,413)**	(2,794)
– Share of profits less losses of joint ventures		**(685)**	(2,763)
– Net foreign exchange (gain)/loss		**(40)**	135
– Other cash flows from operating activities		**57**	(49)
Operating profit before changes in working capital		**8,683**	6,406
Decrease in instalments and loans receivable		**1,462**	1,233
Decrease in deposits for acquisition of properties		**12**	19
Decrease in inventories (other than through acquisitions of subsidiaries and transfers to investment properties and investment properties under development)		**5,823**	3,915
Decrease in debtors, prepayments and deposits		**496**	678
Decrease in gross amount due from customers for contract work		**29**	61

	Note	2024 HK$ million	2023 HK$ million
Operating profit before changes in working capital (continued)			
Decrease in cash held by stakeholders		**133**	937
Decrease/(increase) in cash restricted for use		**59**	(135)
(Decrease)/increase in creditors and accrued expenses		**(1,067)**	1,056
(Decrease)/increase in gross amount due to customers for contract work		**(93)**	93
Increase in rental and other deposits received		**63**	65
Increase in forward sales deposits received and other contract liabilities		**815**	826
Cash generated from operations		**16,415**	15,154
Interest received		**306**	503
Tax paid			
– Hong Kong		**(683)**	(873)
– Outside Hong Kong		**(741)**	(324)
Net cash generated from operating activities		**15,297**	14,460
Investing activities			
Payment for purchase of investment properties and other property, plant and equipment		**(2,815)**	(4,568)
Proceeds from disposal of investment properties and other property, plant and equipment		**337**	569
(Advance to)/repayment from associates, net		**(265)**	311
Advance to joint ventures, net		**(2,350)**	(139)
Additional investments in associates		**(12)**	(4)
Capital reduction in associates		**194**	–
Additional investments in joint ventures		**–**	(165)
Capital reduction in joint ventures		**517**	–
Payment for purchase of investments in equity securities designated as financial assets at FVOCI (non-recycling) and investments measured as financial assets at FVPL		**(782)**	(442)
Proceeds from disposal of investments in equity securities designated as financial assets at FVOCI (non-recycling) and investments measured as financial assets at FVPL		**554**	26
Net cash (outflow)/inflow in respect of the acquisitions of subsidiaries	39(a)	**(338)**	112
Net cash inflow in respect of the transfer of a subsidiary	39(b)	**2,221**	–
Interest received		**612**	852
Dividends received from associates		**2,877**	2,969
Dividends received from joint ventures		**1,566**	1,665
Dividends received from investments in equity securities designated as financial assets at FVOCI (non-recycling) and investments measured as financial assets at FVPL		**30**	60
Increase in deposits with banks and other financial institutions over three months of maturity at acquisition		**(4,214)**	(1,230)
Net cash (used in)/generated from investing activities		**(1,868)**	16

Consolidated Cash Flow Statement
for the year ended 31 December 2024

	Note	**2024** **HK$ million**	2023 HK$ million
Financing activities			
Advance from non-controlling interests, net	28(b)	**122**	108
Proceeds from new bank loans	28(b)	**58,579**	56,067
Repayment of bank loans	28(b)	**(61,469)**	(50,539)
Proceeds from issue of guaranteed notes	28(b)	**300**	7,064
Repayment of guaranteed notes	28(b)	**(6,334)**	(9,274)
Increase in amount due to a fellow subsidiary	28(b)	**3,788**	6,420
Increase in amounts due to related companies	28(b)	**93**	729
Payments of principal portion of lease liabilities	28(b)	**(300)**	(329)
Interest and other borrowing costs paid	28(b)	**(7,024)**	(6,732)
Dividends paid to equity shareholders of the Company	12	**(8,715)**	(8,715)
Dividends paid to non-controlling interests		**(239)**	(216)
Net cash used in financing activities		**(21,199)**	(5,417)
Net (decrease)/increase in cash and cash equivalents		**(7,770)**	9,059
Cash and cash equivalents at 1 January	28(a)	**18,638**	9,662
Effect of foreign exchange rate changes		**(83)**	(83)
Cash and cash equivalents at 31 December	28(a)	**10,785**	18,638

The notes on pages 201 to 320 form part of these financial statements.

1 GENERAL INFORMATION

Henderson Land Development Company Limited ("the Company") is incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the Company's registered office and principal place of business is 72-76/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are property development and investment, operation and management of department stores and supermarket-cum-stores, hotel room operation and hotel management, construction, finance, investment holding, project management, property management, agency services, security guard and cleaning services, food and beverage operation and travel operation.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These consolidated financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance (Cap. 622) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). A summary of the material accounting policies adopted by the Company and its subsidiaries (collectively referred to as "the Group") is set out below.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Changes in accounting policies

(i) Amendments to HKFRSs and HKASs which are first effective for the current accounting period

The Group has applied the following amendments and interpretation to HKASs and HKFRSs issued by the HKICPA that are first effective for the current accounting period of the Group and the Company, and which are relevant to the Group's consolidated financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*

  In August 2020, the HKICPA issued amendments to HKAS 1 ("2020 HKAS 1 amendments") to clarify the requirements on determining whether a liability is current or non-current, in particular the determination over whether an entity has the right to defer settlement of the liability for at least twelve months after the reporting period. The 2020 HKAS 1 amendments:

  – specify that an entity's right to defer settlement must exist at the end of the reporting period;

  – clarify that the classification is unaffected by management's intentions or expectations about the entity's intention to exercise its right to defer settlement;

  – clarify how the lending conditions may affect classification; and

  – clarify the classification of liabilities that will or may be settled by the entity's issuance of its own equity instruments.

  In December 2022, the HKICPA published further amendments to HKAS 1 ("2022 HKAS 1 amendments") to clarify how an entity determines the current/non-current classification of a liability when its right to defer the settlement is subject to compliance with covenants.

  Under these amendments, both the 2020 HKAS 1 amendments and 2022 HKAS 1 amendments are to be applied as a package on a retrospective basis for annual reporting periods beginning on or after 1 January 2024.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Changes in accounting policies (continued)

(i) Amendments to HKFRSs and HKASs which are first effective for the current accounting period (continued)

- Hong Kong Interpretation 5 (Revised), *Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause*

  This interpretation specifies that the classification of a term loan as a current or non-current liability in accordance with paragraph 69(d) of HKAS 1 shall be determined by reference to the existence of the borrower's right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

  On this basis, a loan subject to loan agreement which includes a clause that gives the lender the unconditional right to require repayment of the loan from the borrower at any time shall be classified by the borrower as current in its statement of financial position.

- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*

  These amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction, and require that (i) on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction; and (ii) after initial recognition, the seller-lessee shall apply the general requirements for subsequent accounting of the lease liability in such a way that the seller-lessee does not recognise any gain or loss relating to the right of use over the sold asset which is retained by the seller-lessee under the sale and leaseback. The gain or loss on disposal of the sold asset shall be included in measuring the right-of-use asset upon initial recognition. The seller-lessee would reduce the lease liability as if the variable lease payments estimated at the date of the transaction had been paid, and any difference between the estimated variable lease payments and the amounts actually paid shall be recognised in profit or loss.

The directors of the Company ("Directors") have assessed and considered that none of the abovementioned amendments and interpretation has any material impact on the Group's financial position at 31 December 2024 or the Group's financial performance for the year then ended.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Changes in accounting policies (continued)

(ii) Amendments to HKFRSs and HKASs which are not yet effective for the current accounting period

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the financial year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group:

	Effective for annual periods beginning on or after
Amendments to HKAS 21, *Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9 and HKFRS 7, *Classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRSs – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	A date to be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements, except for HKFRS 18, where the presentation and disclosure of the consolidated financial statements are expected to change.

(c) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise those of the Company and its subsidiaries and have equity accounted for the Group's interests in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investments designated as financial assets at fair value through other comprehensive income (see note 2(g));

– investments measured as financial assets at fair value through profit or loss (see note 2(g));

– derivative financial instruments (see note 2(h)); and

– investment properties and certain investment properties under development (see note 2(j)(i)).

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Basis of preparation of the consolidated financial statements (continued)

The measurement basis of non-current assets held for sale and disposal groups is set out in note 2(l) below.

The preparation of these consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and the key sources of estimation uncertainty are discussed in note 3.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests' attributable share of the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)) or, where appropriate, the cost on initial recognition of an investment in an associate or a joint venture (see note 2(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(o)(iii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(l)).

(e) Associates and joint arrangements

(i) An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in financial and operating policy decisions.

A joint venture is a joint arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(l)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(o)). Any excess of acquisition-date fair value over cost, the Group's share of the post-acquisition post-tax results of the investee and any impairment loss for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investee's other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint arrangements (continued)

(i) (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not re-measured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)).

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see note 2(o)(iii)), unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(l)).

(ii) A joint operation is a joint arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognises its interest in the joint operation by combining the assets, liabilities, revenues and expenses attributable to its interest with similar items on a line-by-line basis. Consistent accounting policies are applied for like transactions and events in similar circumstances.

(f) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, and is tested annually for impairment (see note 2(o)(iii)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except for those investments measured at fair value through profit or loss for which transaction costs are recognised directly in profit or loss and where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

– Amortised cost, if the investment is held for the collection of contractual cash flows which represents solely payments of principal and interest. Interest income from the investment is calculated using the effective interest rate method (see note 2(y)(iii)).

– Fair value through other comprehensive income ("FVOCI") (recycling), if the contractual cash flows of the investment comprises solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income in the fair value reserve, except for the recognition in profit or loss of expected credit losses ("ECLs"), interest income (calculated using the effective interest rate method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– Fair value through profit or loss ("FVPL") if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividend income from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as dividend income in accordance with the accounting policy set out in note 2(y)(viii).

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period, the fair value is re-measured. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 2(i)).

(i) Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with changes in foreign exchange rate and variable rate of certain borrowings (cash flow hedges). The Group has elected to adopt the new general hedge accounting model in HKFRS 9, *Financial instruments* on 1 July 2020. Depending on the complexity of the hedge, this new accounting model allows a more qualitative approach to assessing hedge effectiveness compared to HKAS 39, *Financial instruments: Recognition and measurement*, and the assessment is always forward-looking. The adoption of HKFRS 9 has not had a significant impact on the consolidated financial statements of the Group in this regard because all the previous hedging relationships were revoked on 1 January 2020, prior to the Group's adoption of the new general hedge accounting model in HKFRS 9 on 1 July 2020.

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

Forward element of forward foreign exchange contracts and foreign currency basis spread of financial instruments may be separated and excluded from the designated hedging instruments. If the Group excludes the forward element of a forward foreign exchange contract or the foreign currency basis spread of a financial instrument (the "excluded elements") from the designation of a hedging instrument, then the excluded elements may be separately accounted for as a cost of hedging. The fair value changes of the excluded elements are recognised in a separate component of equity to the extent that it relates to the hedged items.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability.

For cash flow hedges other than those covered by the preceding policy statement, the associated gain or loss is reclassified from equity to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting (including when a hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point in time remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to profit or loss immediately.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Investment properties and other property, plant and equipment

(i) Investment properties and investment properties under development

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties and investment properties under development are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(y)(ii).

(ii) Other property, plant and equipment

The following items of other property, plant and equipment are stated at cost less accumulated depreciation (see note 2(k)) and impairment losses (see note 2(o)(iii)):

- hotel properties;
- other land and buildings (except for freehold land); and
- plant and equipment.

Freehold land is stated at cost less impairment losses (see note 2(o)(iii)).

The cost of self-constructed items of other property, plant and equipment includes the costs of materials and direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs capitalised (see note 2(aa)).

Gains or losses arising from the retirement or disposal of an item of other property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the property revaluation reserve to retained profits and is not reclassified to profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Depreciation

(i) Investment properties, investment properties under development and freehold land

No depreciation is provided on investment properties, investment properties under development and freehold land.

(ii) Other land and buildings (except for freehold land) and hotel properties

Depreciation is provided on the cost of the leasehold land of properties over the unexpired terms of the leases. Cost of buildings thereon is depreciated on a straight-line basis over the unexpired terms of the respective leases or 40 years, if shorter.

Hotel properties are depreciated on a straight-line basis over the remaining lease terms.

(iii) Plant and equipment

Depreciation is calculated to write off the cost of plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Leasehold improvements, furniture and fixtures	4 to 14 years
– Others	4 to 14 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(iv) Right-of-use assets

Depreciation charge on the right-of-use assets is recognised using the straight-line method over a period of 2 years to 8 years, being the period from the date of the commencement/modification of a lease (other than a short-term lease and a lease of low-value asset of which the Company or any of its subsidiaries is a lessee and in relation to which the recognition exemption under HKFRS 16, *Leases* is applicable) to the end of the term of the lease, taking into consideration any renewal options attaching thereto (if any).

(l) Non-current assets held for sale and disposal groups

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Non-current assets held for sale and disposal groups (continued)

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then on initial classification as held for sale and until the completion of the disposal, the non-current assets (except for certain assets as explained below) or the disposal group are recognised at the lower of their carrying amounts and fair value less costs to sell. The principal exceptions to this measurement policy, so far as the financial statements of the Group are concerned, are deferred tax assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent re-measurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

(m) Trademarks

Trademarks are recognised in relation to the hotel operation (comprising hotel room operation and hotel management), food and beverage operation and travel operation of Miramar Hotel and Investment Company, Limited ("Miramar"), a listed subsidiary of the Company.

The trademark of Miramar's hotel operation has an indefinite useful life, and is assessed for impairment (see note 2(o)(iii)) annually by measuring its recoverable amount at the end of each reporting period and by comparison against its carrying amount on the same date.

The trademarks of Miramar's food and beverage operation and travel operation have finite useful lives, and are stated at cost less accumulated amortisation which is provided to write off the cost of such trademarks using the straight-line method over (i) a period of 20 years in relation to the trademarks of food and beverage operation; and (ii) a period of 30 years in relation to the trademarks of travel operation, commencing from the date on which these trademarks were recognised in the Group's consolidated financial statements, and both the period and method of amortisation are reviewed annually.

(n) Leased assets

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for monetary consideration payable by the recipient of such right (i.e. the lessee). The right to control an identified asset is conveyed when the lessee has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Under HKFRS 16, at the lease commencement date, the Group (as the lessee) recognises a right-of-use asset and a lease liability, except for (i) short-term leases that have lease term of 12 months or less; and (ii) leases of low-value assets to which the "practical expedient" under HKFRS 16 is applicable. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Leased assets (continued)

When a lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest rate method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The lease liability is re-measured when there is (i) a change in the future lease payments arising from a change in an index or rate; (ii) a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or (iii) a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also re-measured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract (i.e. "lease modification") and which is not accounted for as a separate lease. In this case, the lease liability is re-measured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

When a lease is capitalised, the right-of-use asset recognised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset on the site at which it is located, discounted to their present value and less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(k)(iv) and 2(o)(iii) respectively), except for the right-of-use asset that meets the definition of an investment property (see note 2(j)) and an inventory (see note 2(p)). Depreciation on the right-of-use asset is determined over the period from the commencement date of the lease to the end of the term of the lease, taking into consideration any renewal options attaching thereto. The Group presents the right-of-use asset that does not meet the definition of an investment property separately from the lease liabilities in the consolidated statement of financial position.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for ECLs on the following items:

– financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans to associates and joint ventures, and corporate bonds, instalments receivable and loans receivable classified under non-current assets);

– contract assets as defined in HKFRS 15, *Revenue from contracts with customers* (see note 2(q));

– debt securities measured at FVOCI (recycling);

– lease receivables (which is included under "Trade receivables" within trade and other receivables); and

– loan commitments issued, which are not measured at FVPL.

Financial assets measured at fair value, including units in bond funds, equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling), unlisted investment fund and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan; and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate;

– lease receivables: discount rate used in the measurement of the lease receivable;

– loan commitments: current risk-free rate adjusted for risks specific to the cash flows.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Measurement of ECLs (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments issued), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Significant increases in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are re-measured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(y)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Basis of calculation of interest income (continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Credit losses from financial guarantees issued

The accounting policy for financial guarantees is set out in note 2(x)(i).

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in "Trade and other payables" in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increases in credit risk as described in note 2(o)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Credit losses and impairment of assets (continued)

(iii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- other property, plant and equipment;
- right-of-use assets;
- goodwill;
- trademarks; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position (except for those classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(l))).

If any such indication exists, the asset's recoverable amount is estimated. In addition, the recoverable amount of goodwill is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measureable), or value in use (if determinable).

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Credit losses and impairment of assets (continued)

(iii) Impairment of other assets (continued)

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iv) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the aforementioned interim period, the Group applies the same impairment testing, recognition and reversal criteria (see notes 2(o)(i), 2(o)(ii) and 2(o)(iii)) as it would at the end of the financial year.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which such interim period relates.

(p) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost and net realisable value are determined as follows:

(i) Leasehold land held for development for sale

The cost of leasehold land, which is held for development for sale, represents the cost of acquisition and the premium, if any, payable to the relevant government authorities. Net realisable value is determined by reference to management estimates based on prevailing market conditions.

(ii) Properties held for/under development for sale

The cost of properties held for/under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, and an appropriate proportion of production overheads and borrowing costs capitalised (see note 2(aa)). Net realisable value represents the estimated selling price, based on prevailing market conditions, less estimated costs of completion and costs to be incurred in selling the property.

(iii) Completed properties for sale

The cost of completed properties for sale comprises the total land and development costs for that project, being all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined by apportionment attributable to the unsold properties at the end of the reporting period. Net realisable value represents the estimated selling price, based on prevailing market conditions, less estimated costs to be incurred in selling the property.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Inventories (continued)

(iv) Retail, catering stocks, trading goods and consumable stores

Cost is calculated using the weighted average cost formula and comprises all costs of purchase. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(q) Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on real estate assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

A contract asset is recognised when the Group recognises contract revenue (see note 2(y)(iv)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 2(o)(i) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related contract revenue (see note 2(y)(iv)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related contract revenue. In such cases, a corresponding receivable would also be recognised (see note 2(r)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

(r) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(q)).

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, less allowance for credit losses (see note 2(o)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for credit losses.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest rate method.

(t) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost. They are classified as current liabilities if the payment is due within 12 months from the end of the reporting period (or in the normal operating cycle of the business if longer).

Except for financial guarantee liabilities measured in accordance with note 2(x)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(u) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the accounting policy set out in note 2(o)(i).

(v) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued for in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(w) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided that they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(j)(i), the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying value at the end of the reporting period, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets or liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Group intends either to realise the assets and settle the current tax liabilities on a net basis, or to realise the current tax assets and settle the current tax liabilities simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis, or to realise the current tax assets and settle the current tax liabilities simultaneously.

(x) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Financial guarantees issued, provisions and contingent liabilities (continued)

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(y) Revenue recognition

(i) Sale of properties

Revenue arising from the sale of properties held for sale is recognised in the Group's consolidated statement of profit or loss on the basis that control over the ownership of the property has been passed to the customer during the current accounting period, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all the benefits of ownership of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under forward sales deposits received.

(ii) Rental income from leases

Rental income receivable under leases is recognised in profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest rate method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of allowance) of the asset.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(y) Revenue recognition (continued)

(iv) Contract revenue

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in note 2(x)(ii).

(v) Hotel, food and beverage and travel operations

Income from hotel room operation is recognised over time whilst income from hotel management (other than hotel room operation) and income from food and beverage and travel operations are recognised at a point in time when the relevant services are provided.

(vi) Department stores and supermarket-cum-stores operations

Revenue arising from the sale of goods from department stores and supermarket-cum-stores operations is recognised at a point in time when the Group sells a product to the customer, which is taken to be the point in time when the customer has obtained control of the goods sold. Revenue is recognised after deduction of any trade discounts. Commission income from consignment and concessionaire counters is recognised at a point in time of the sale of goods by counter suppliers. Promotion income is recognised over time when the services are provided.

(vii) Property management, asset management, project management, trading, security guard and cleaning services

Revenue generated from property management, asset management, project management, security guard and cleaning services is recognised by the Group over time in accordance with the terms of the service contracts entered into between the Group's relevant subsidiary and the customer. Revenue generated from trading is recognised by the Group at a point in time when the products are sold by the Group to the customer.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(y) Revenue recognition (continued)

(viii) Dividend income

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(ix) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grants will be received and all the attached conditions (if any) will be complied with. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(z) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates on which the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the transaction dates. Items in the statement of financial position are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(aa) Borrowing costs

Borrowing costs that are directly attributable to the construction of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or are completed.

(ab) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of the Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(ac) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of businesses and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The key sources of estimation uncertainty and critical accounting judgements in applying the Group's accounting policies are described below.

(a) Valuation of investment properties and certain investment properties under development

As described in note 16, investment properties and certain investment properties under development are stated at fair value based on the valuation performed by a firm of professional surveyors.

In determining the fair value of investment properties, the valuers have based on a method of valuation which involves, inter alia, certain estimates including current market rents for similar properties in the same location and condition, appropriate discount rates and expected future market rents. In relying on the valuation report, management has exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

Certain investment properties under development are valued by estimating the fair value of such properties as if they were completed in accordance with the relevant development plan and then deducting from that amount the estimated costs to complete the construction, financing costs and a reasonable profit margin.

(b) Write-down of inventories for property development

Management performs a regular review on the carrying amounts of inventories for property development. Based on management's review, write-down of inventories for property development will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties for sale, management refers to prevailing market data such as recent sales transactions, market survey reports available from property surveyors and internally available information, as bases for evaluation.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Write-down of inventories for property development (continued)

In respect of leasehold land held for development for sale and properties held for/under development for sale, the estimate of net realisable value requires the application of a risk-adjusted discount rate to the estimated future cash flows to be derived from those properties. These estimates require judgement as to the anticipated selling prices by reference to recent sales transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

(c) Impairment of non-current assets

If circumstances indicate that the carrying amounts of non-current assets may not be recoverable, the assets may be considered impaired and are tested for impairment. An impairment loss is recognised when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the recoverable amount which requires significant judgements, the Group estimates the future cash flows to be derived from the continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows.

(d) Recognition of deferred tax assets

At 31 December 2024 and 31 December 2023, the Group has recognised deferred tax assets in relation to the unused tax losses as set out in note 11(c). The realisability of deferred tax assets mainly depends on whether it is probable that future taxable profits will be available against which related tax benefits under the deferred tax assets can be utilised, in which case a partial reversal of deferred tax assets may arise and which amount will be recognised in profit or loss for the period in which such a reversal takes place.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, foreign currency and interest rate risks arises in the normal course of the Group's business. The Group is also exposed to price risk arising from its financial investments. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to bank deposits, derivative financial instruments as well as instalments, loans, rental and other trade receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Transactions involving derivative financial instruments are also executed with counterparties of sound credit standing. Given their high credit ratings, management does not expect any of these financial institutions will fail to meet their obligations.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Regular review and follow-up actions are carried out on overdue amounts of instalments receivable from sale of properties and loans receivable which enable management to assess their recoverability and to minimise the exposure to credit risk. In relation to property sales for which the buyers have entered into mortgage loans advanced by the Group, management mitigates the credit risk by holding collateral in the form of properties to cover the amounts of mortgage loans advanced by the Group to the property buyers. In respect of rental income from leasing properties, monthly rents are received in advance and sufficient rental deposits are held to cover potential exposure to credit risk. For other trade receivables, credit terms given to customers are generally based on the financial strength and repayment history of each customer, and (i) for property sales transactions, credit terms are granted to buyers in accordance with the sales plans of the projects; and (ii) for property leasing transactions, credit terms granted to tenants generally ranged between 30 days and 60 days from the due date. As such, the Group does not obtain collateral from its customers. An ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise any credit risk associated with the receivables. Adequate allowances for impairment losses have been made for estimated irrecoverable amounts.

The Group has made advances to certain associates and certain joint ventures in Hong Kong and mainland China (included within the Group's interests in associates and joint ventures and loans receivable respectively) which are interest-bearing, unsecured, have no fixed repayment terms and have various repayment dates. Management assesses the credit risk on the loans receivable from such associates and joint ventures based on their financial conditions and the profitability of the projects operated by such associates and joint ventures, as well as the counterparty risks of the joint venture partners with reference to their credit ratings and market conditions.

The Group has no concentrations of credit risk in view of its large number of customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Except for the financial guarantees given by the Group as disclosed in note 42 to these financial statements, the Group does not provide any other guarantee which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 26 to these financial statements.

(b) Liquidity risk

The treasury function of the Group is arranged centrally to cover expected cash demands. The Group's policy is to regularly monitor its current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group has adopted appropriate policies for its liquidity risk management practices which take into account the use of alternative sources of funding where necessary. This includes the Group's available cash and bank balances (see note 28(a)), the Group's investments in listed securities (see note 24) which are realisable into cash, the committed and uncommitted banking facilities available to the Group under which bank loans have been drawn down (see note 31), the capacity for the issuance of guaranteed notes under the Group's Medium Term Note Programme (see note 32), advances from a fellow subsidiary (see note 33) and advances from related companies (see note 34).

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

Given the amount due to a fellow subsidiary (see note 33), amounts due to certain associates and certain joint ventures (see note 29) have no fixed terms of repayment, it is not practical to disclose their remaining contractual maturities at the end of the reporting period. Except for these, the following tables set out the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date on which the Group can be required to pay:

	2024 Contractual undiscounted cash outflow						2023 Contractual undiscounted cash outflow					
	Within 1 year or on demand HK$ million	More than 1 year but less than 2 years HK$ million	More than 2 years but less than 5 years HK$ million	More than 5 years HK$ million	Total HK$ million	Carrying amount HK$ million	Within 1 year or on demand HK$ million	More than 1 year but less than 2 years HK$ million	More than 2 years but less than 5 years HK$ million	More than 5 years HK$ million	Total HK$ million	Carrying amount HK$ million
Bank loans	**11,095**	**20,014**	**23,257**	**18,420**	**72,786**	**62,627**	27,187	16,962	16,157	13,604	73,910	66,152
Guaranteed notes	**10,055**	**3,027**	**4,468**	**3,825**	**21,375**	**19,609**	7,031	10,104	4,773	6,331	28,239	25,683
Lease liabilities	**293**	**252**	**555**	**–**	**1,100**	**1,019**	318	267	658	148	1,391	1,252
Creditors and accrued expenses	**8,597**	**–**	**–**	**–**	**8,597**	**8,597**	9,342	–	–	–	9,342	9,342
Rental and other deposits received	**754**	**514**	**587**	**152**	**2,007**	**2,007**	673	597	576	108	1,954	1,954
Amounts due to associates and joint ventures	**1,098**	**–**	**–**	**–**	**1,098**	**1,082**	2,540	–	–	–	2,540	2,503
Amounts due to related companies	**186**	**1,973**	**1,697**	**–**	**3,856**	**3,672**	365	93	3,455	–	3,913	3,657
	32,078	**25,780**	**30,564**	**22,397**	**110,819**	**98,613**	47,456	28,023	25,619	20,191	121,289	110,543

	2024 Contractual undiscounted cash inflow/(outflow)					2023 Contractual undiscounted cash inflow/(outflow)				
	Within 1 year or on demand HK$ million	More than 1 year but less than 2 years HK$ million	More than 2 years but less than 5 years HK$ million	More than 5 years HK$ million	Total HK$ million	Within 1 year or on demand HK$ million	More than 1 year but less than 2 years HK$ million	More than 2 years but less than 5 years HK$ million	More than 5 years HK$ million	Total HK$ million
Derivative settled net:										
Interest rate swap contracts held as cash flow hedging instruments	**121**	**70**	**154**	**11**	**356**	217	163	298	35	713
Other interest rate swap contracts	**46**	**23**	**34**	**7**	**110**	43	18	(13)	(33)	15
Derivative settled gross:										
Cross currency interest rate swap contracts held as cash flow hedging instruments:										
– outflow	**(7,158)**	**(3,284)**	**(4,017)**	**(162)**	**(14,621)**	(1,427)	(7,148)	(3,961)	(2,555)	(15,091)
– inflow	**6,377**	**2,846**	**3,516**	**101**	**12,840**	1,093	6,538	3,180	2,473	13,284
Other cross currency interest rate swap contracts and cross currency swap contracts:										
– outflow	**(1,524)**	**(659)**	**–**	**–**	**(2,183)**	(684)	(5,115)	(660)	–	(6,459)
– inflow	**1,470**	**614**	**–**	**–**	**2,084**	745	5,066	633	–	6,444

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management of the exposure of the Group's borrowings to foreign currency risk and interest rate risk

At 31 December 2024 and 31 December 2023, the Group's borrowings, namely, bank loans and guaranteed notes, were denominated in Hong Kong dollars ("HK$" or "HKD") as well as foreign currencies such as United States dollars ("US$" or "USD"), Renminbi ("RMB") and Japanese Yen ("¥" or "JPY"). Certain of these borrowings also bear floating interest rates during their tenure. Therefore, foreign currency risk and/or interest rate risk arise(s) during the tenure of these borrowings.

The Group hedges the foreign currency risk and the interest rate risk of its borrowings by way of (i) cross currency interest rate swap contracts; (ii) cross currency swap contracts; (iii) interest rate swap contracts; and (iv) foreign exchange forward contracts which were entered into between the Group and certain counterparty banks.

Set out below is a table which summarises the Group's hedging arrangement in relation to the Group's borrowings at 31 December 2024 and 31 December 2023:

	2024				2023			
			Notional amount				Notional amount	
Hedged item	**Denominating currency**	**Hedging risk category**	**in original currency million**	**in HKD million**	Denominating currency	Hedging risk category	in original currency million	in HKD million
(I) Hedging arrangement at the end of the reporting period								
(a) Under cash flow hedge								
Bank loans	**RMB**	**(ii)**	**1,000**	**1,063**	RMB	(ii)	1,000	1,101
	JPY	**(iii)**	**58,000**	**2,882**	JPY	(iii)	58,000	3,205
Guaranteed notes	**HKD**	**(i)**	**968**	**968**	HKD	(i)	968	968
	RMB	**(ii)**	**955**	**1,016**	RMB	(ii)	750	826
	USD	**(ii)**	**630**	**4,890**	USD	(ii)	630	4,922
	USD	**(iii)**	**300**	**2,329**	USD	(iii)	300	2,344
	JPY	**(iii)**	**1,994**	**99**	JPY	(iii)	1,994	110
Sub-total: under cash flow hedge				**13,247**				13,476
(b) Under economic hedge								
Bank loans	**HKD**	**(i)**	**2,700**	**2,700**	HKD	(i)	6,850	6,850
	RMB	**(ii)**	**–**	**–**	RMB	(ii)	3,850	4,240
Guaranteed notes	**HKD**	**(i)**	**3,815**	**3,815**	HKD	(i)	2,915	2,915
	USD	**(ii)**	**113**	**876**	USD	(ii)	168	1,311
	RMB	**(ii)**	**1,100**	**1,170**	RMB	(ii)	800	881
Sub-total: under economic hedge				**8,561**				16,197
Total: Hedging arrangement at the end of the reporting period				**21,808**				29,673

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management of the exposure of the Group's borrowings to foreign currency risk and interest rate risk (continued)

	2024				2023			
			Notional amount				Notional amount	
Hedged item	Denominating currency	Hedging risk category	in original currency million	in HKD million	Denominating currency	Hedging risk category	in original currency million	in HKD million
(II) No hedging arrangement at the end of the reporting period								
Bank loans	**HKD**		**50,896**	**50,896**	HKD		43,215	43,215
	RMB		**4,846**	**5,197**	RMB		6,936	7,643
Guaranteed notes	**HKD**		**4,472**	**4,472**	HKD		9,842	9,842
	RMB		**–**	**–**	RMB		1,455	1,602
Total: No hedging arrangement at the end of the reporting period				**60,565**				62,302
				82,373				91,975
Less: Deferred expenditure set-off				**(137)**				(140)
Total bank and other borrowings (in HKD equivalent)				**82,236**				91,835
Represented by:								
Bank loans			**(note 31)**	**62,627**			(note 31)	66,152
Guaranteed notes			**(note 32)**	**19,609**			(note 32)	25,683
Total bank and other borrowings (in HKD equivalent)				**82,236**				91,835

Notes:

Category (i): Interest rate risk was being hedged

Category (ii): Foreign currency risk was being hedged

Category (iii) : Foreign currency and interest rate risks were being hedged

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management of the exposure of the Group's borrowings to foreign currency risk and interest rate risk (continued)

As referred to in the table above, (i) "cash flow hedge" refers to the hedging relationship between the Group's hedging instrument (being the swap contract) and hedged item (being the borrowing) under which hedge effectiveness is ensured and hence the Group applies hedge accounting; and (ii) "economic hedge" refers to the hedging relationship between the Group's hedging instrument (being the swap contract and foreign exchange forward contract) and hedged item (being the borrowing) under which the Group does not apply hedge accounting.

Further details regarding the Group's financial risk management over the foreign currency risk and interest rate risk of the Group's financial assets and financial liabilities are referred to in note 4(d) and note 4(e) respectively.

(d) Foreign currency risk

The Group owns assets and conducts its businesses primarily in Hong Kong and mainland China with its cash flows substantially denominated in Hong Kong dollars and Renminbi, respectively. The Group reports its results in Hong Kong dollars.

The Group's primary foreign currency exposure arises from its property development and investment activities in mainland China, as the functional currency of these operations is Renminbi. Where appropriate and cost efficient, the Group seeks to finance these investments by Renminbi borrowings with reference to the future Renminbi funding requirements from the investments and the related returns to be generated therefrom, and thereby establishing a natural hedge against any foreign currency risk arising from assets and liabilities denominated in Renminbi.

The Group is also exposed to foreign currency risk in respect of cash deposits denominated in United States dollars, Australian dollars ("AUD"), Renminbi, Euro ("€"), Pound sterling ("£") and other currencies (save for certain cash deposits denominated in Euro as set out below, the entire amount of which was not hedged at 31 December 2024 and the equivalent amount of HK$4 million was not hedged at 31 December 2023). At 31 December 2024, the Group's cash deposits denominated in United States dollars amounted to US$1,222 million which was equivalent to HK$9,487 million (2023: US$797 million which was equivalent to HK$6,226 million). The Group does not expect that there will be any significant foreign currency risk associated with the aforementioned cash deposits denominated in United States dollars given that the Hong Kong dollar is pegged to the United States dollar. At 31 December 2024, the Group's cash deposits denominated in Renminbi, Australian dollars and Euro amounted to RMB2,083 million which was equivalent to HK$2,248 million, AUD32 million which was equivalent to HK$154 million and €1.5 million which was equivalent to HK$12 million respectively (2023: RMB2,183 million which was equivalent to HK$2,408 million, AUD0.1 million which was equivalent to HK$0.5 million, €153 million which was equivalent to HK$1,320 million (but of which an equivalent amount of HK$1,316 million was hedged by way of a foreign exchange forward contract at 31 December 2023) and £0.2 million which was equivalent to HK$2 million respectively). Since such cash deposits denominated in Renminbi, Australian dollar, Euro (except for the abovementioned amount which was hedged at 31 December 2023) and Pound sterling were not hedged against the foreign currency risk arising from the difference in the exchange rates between Renminbi, Australian dollar, Euro, Pound sterling and Hong Kong dollar at the beginning and the end of the reporting period, the Group recognises an exchange gain or loss in the event of an appreciation or a depreciation of Renminbi, Australian dollar, Euro or Pound sterling against Hong Kong dollar during the reporting period. For cash deposits denominated in other currencies, since the balances were insignificant, the Group considered the exposure to foreign currency risk to be low.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Foreign currency risk (continued)

(i) Hedging

The following tables summarise and demonstrate the profile of the Group's hedging instruments at 31 December 2024 and 31 December 2023, as referred to in note 23 to these financial statements, which provide cash flow hedge to the Group's bank loans and guaranteed notes during the years then ended.

	2024		
Currency	**Weighted average fixed interest rate**	**Weighted average exchange rate against HKD**	**Maturity profiles**
RMB	**3.61%**	**1.087**	**1 to 2 years**
USD	**2.68%**	**7.783**	**Within 1 year or 2 to 5 years**
JPY	**2.54%**	**0.072**	**Within 1 year, 1 to 2 years, 2 to 5 years or after 5 years**
HKD	**2.34%**	**Not applicable**	**Within 1 year**

	2023		
Currency	Weighted average fixed interest rate	Weighted average exchange rate against HKD	Maturity profiles
RMB	2.09%	1.153	Within 1 year or 2 to 5 years
USD	2.68%	7.783	1 to 2 years, 2 to 5 years or after 5 years
JPY	2.54%	0.072	1 to 2 years, 2 to 5 years or after 5 years
HKD	2.34%	Not applicable	1 to 2 years

The hedging instruments, which were stated at fair value at 31 December 2024 and 31 December 2023 (both assets and liabilities), are shown in note 23 "Derivative financial instruments" to these financial statements.

The Group's hedging objective is to hedge the foreign currency exposure to the cash flows variability arising from the interest/coupon payments and principal repayments of the bank loans and guaranteed notes, as a result of the movements in the exchange rates between Hong Kong dollar (being the issuing entity's functional currency) and Renminbi, United States dollar and Japanese Yen during the tenure and upon the maturity of such bank loans and guaranteed notes, so as to ensure cash flow certainty in Hong Kong dollar terms over a significant proportion of the Group's bank loans and guaranteed notes denominated in foreign currencies whilst the Group's overall effective financing cost could be maintained at a reasonably low level. Under the Group's cash flow hedge arrangement, the terms of the hedging instruments basically match with the terms of the hedged items, and the Group expects the value of the hedging instruments to move in the opposite direction as compared to the value of the hedged items, and thereby ensures hedge effectiveness. Therefore, the Group applies a hedge ratio of 1:1.

The main source of hedge ineffectiveness in these hedging relationships principally arises from any late designation of the hedging instrument.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Foreign currency risk (continued)

(i) Hedging (continued)

The following tables set out the Group's net exposure at the end of the reporting period to foreign currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rates at 31 December 2024 and 31 December 2023:

	2024			
	Exposure to foreign currencies in relation to assets and liabilities for which no hedge accounting is applied (expressed in HK$ million)			
	United States dollars	**Renminbi**	**Euro**	**Australian dollars**
Investments designated as financial assets at FVOCI (non-recycling) (note 24)	**–**	**20**	**–**	**27**
Cash and cash equivalents	**9,487**	**2,248**	**12**	**154**
Bank loans (note 4(c))	**–**	**(5,197)**	**–**	**–**
Guaranteed notes (note 4(c))	**(876)**	**(1,170)**	**–**	**–**
Amounts due to related companies (note 34)	**–**	**(3,672)**	**–**	**–**
Gross exposure arising from recognised assets and liabilities	**8,611**	**(7,771)**	**12**	**181**
Less:				
Notional amounts of cross currency interest rate swap contracts and cross currency swap contracts in relation to guaranteed notes designated as economic hedge (note 4(c))	**(876)**	**(1,170)**	**–**	**–**
Net exposure arising from recognised assets and liabilities (for which no hedge arrangement has been made)	**9,487**	**(6,601)**	**12**	**181**

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Foreign currency risk (continued)

(i) Hedging (continued)

	2023				
	Exposure to foreign currencies in relation to assets and liabilities for which no hedge accounting is applied (expressed in HK$ million)				
	United States dollars	Renminbi	Euro	Pound sterling	Australian dollars
Investments designated as financial assets at FVOCI (non-recycling) (note 24)	–	111	–	–	–
Cash and cash equivalents	6,226	2,408	1,320	2	1
Bank loans (note 4(c))	–	(11,883)	–	–	–
Guaranteed notes (note 4(c))	(1,311)	(2,483)	–	–	–
Amount due to a fellow subsidiary (notes 4(e) and 33)	–	(1,256)	–	–	–
Amounts due to related companies (note 34)	–	(3,657)	–	–	–
Gross exposure arising from recognised assets and liabilities	4,915	(16,760)	1,320	2	1
Less:					
Notional amounts of cross currency interest rate swap contracts and cross currency swap contracts in relation to guaranteed notes designated as economic hedge (note 4(c))	(1,311)	(881)	–	–	–
Notional amounts of foreign exchange forward contracts in relation to bank loans designated as economic hedge (note 4(c))	–	(4,240)	–	–	–
Notional amounts of foreign exchange forward contracts in relation to amount due to a fellow subsidiary designated as economic hedge	–	(1,256)	–	–	–
Notional amount of foreign exchange forward contracts in relation to cash and cash equivalents designated as economic hedge	–	–	1,316	–	–
Net exposure arising from recognised assets and liabilities (for which no hedge arrangement has been made)	6,226	(10,383)	4	2	1

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Foreign currency risk (continued)

(ii) Sensitivity analysis

Assuming that the relevant foreign currencies had strengthened/weakened by not more than 5% (2023: 5%) at 31 December 2024 and the changes had been applied to each of the Group entities' exposure to foreign currency risk for both derivative and non-derivative financial instruments denominated in a currency other than the functional currency of the entity to which they relate and in existence at that date, with all other variables held constant, the Group's profit after tax and total equity attributable to equity shareholders of the Company would increase/decrease by HK$12 million (2023: HK$10 million).

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2023.

(e) Interest rate risk

(i) Hedging

For the profile of the Group's hedging instruments of interest rate swap contracts and cross currency interest rate swap contracts at 31 December 2024 and 31 December 2023 as referred to in note 23 to these financial statements and which provide cash flow hedge to the Group's bank loans and guaranteed notes during the two years then ended, please refer to note 4(d) "Foreign currency risk" above.

The hedging instruments, which were stated at fair value at 31 December 2024 and 31 December 2023 (both assets and liabilities), are shown in note 23 "Derivative financial instruments" to these financial statements.

The Group's hedging objective is to hedge the interest rate exposure to the cash flows variability arising from the interest/coupon payments of the bank loans and guaranteed notes denominated in Hong Kong dollars, as a result of the movements in the benchmark interest rates during the tenure and upon the maturity of such bank loans and guaranteed notes, so as to ensure cash flow certainty in Hong Kong dollar terms over a significant proportion of the Group's bank loans and guaranteed notes denominated in Hong Kong dollars whilst the Group's overall effective financing cost could be maintained at a reasonably low level. Under the Group's cash flow hedge arrangement, the terms of the hedging instruments basically match with the terms of the hedged items, and the Group expects the value of the hedging instruments to move in the opposite direction as compared to the value of the hedged items, and thereby ensures hedge effectiveness. Therefore, the Group applies a hedge ratio of 1:1.

The main source of hedge ineffectiveness in these hedging relationships principally arises from any late designation of the hedging instrument.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Interest rate risk (continued)

(ii) Interest-bearing borrowing profile

The following tables detail the interest-bearing borrowing profile of the Group's bank loans and guaranteed notes after taking into account the effect of swap contracts, and of the lease liabilities, amount due to a fellow subsidiary and amounts due to related companies at the end of the reporting period.

	2024	
	Fixed/ floating	**Amount HK$ million**
Lease liabilities	**Fixed**	**1,019**
Bank loans	**Floating**	**47,250**
Bank loans	**Fixed**	**15,377**
Guaranteed notes	**Floating**	**3,267**
Guaranteed notes	**Fixed**	**16,342**
Amount due to a fellow subsidiary	**Floating**	**66,215**
Amounts due to related companies	**Floating**	**3,672**

	2023	
	Fixed/ floating	Amount HK$ million
Lease liabilities	Fixed	1,252
Bank loans	Floating	37,651
Bank loans	Fixed	28,501
Guaranteed notes	Floating	7,964
Guaranteed notes	Fixed	17,719
Amount due to a fellow subsidiary	Floating	61,192
Amount due to a fellow subsidiary (notes 4(d) and 33)	Fixed	1,256
Amounts due to related companies	Fixed	3,657

(iii) Sensitivity analysis

Assuming that the interest rates had generally increased/decreased by not more than 100 basis points (2023: 100 basis points) at 31 December 2024 and the changes had been applied to the exposure to interest rate risk for both derivative and non-derivative financial liabilities in existence at that date, with all other variables held constant, the Group's profit after tax and total equity attributable to equity shareholders of the Company would decrease/increase by HK$335 million (2023: HK$222 million).

The sensitivity analysis above assumes the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to interest rate risk at the end of the reporting period. The analysis is performed on the same basis for 2023.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(f) Movements in hedging reserve and cost of hedging reserve

The following tables provide a reconciliation of the hedging reserve in respect of the foreign currency and interest rate risks and show the effectiveness of the hedging relationships (excluding attributable share of hedging reserves of associates and joint ventures):

	Foreign currency and interest rate risks *(Note)* HK$ million	Interest rate risk *(Note)* HK$ million	Total HK$ million	
Balance at 1 January 2024	**149**	**32**	**181**	
Effective portion of changes in fair value of hedging instruments recognised in other comprehensive income (below)	**(494)**	**6**	**(488)**	
Other amounts reclassified to profit or loss	**19**	**–**	**19**	
Reclassified to interest expenses	**51**	**(37)**	**14**	
Reclassified to exchange differences (note 8(d))	**335**	**–**	**335**	
Reclassification from equity to profit or loss	**405**	**(37)**	**368**	(note 13(b))
Related tax	**29**	**7**	**36**	
Movement during the year	**(60)**	**(24)**	**(84)**	
Balance at 31 December 2024	**89**	**8**	**97**	
Change in fair value of hedged items during the year	**(494)**	**6**	**(488)**	
Less:				
Hedge ineffectiveness recognised in profit or loss	**–**	**–**	**–**	
Effective portion of the cash flow hedge recognised in other comprehensive income (above) (note 13(b))	**(494)**	**6**	**(488)**	

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(f) Movements in hedging reserve and cost of hedging reserve (continued)

The following tables provide a reconciliation of the hedging reserve in respect of the foreign currency and interest rate risks and show the effectiveness of the hedging relationships (excluding attributable share of hedging reserves of associates and joint ventures): (continued)

	Foreign currency and interest rate risks *(Note)* HK$ million	Interest rate risk *(Note)* HK$ million	Total HK$ million	
Balance at 1 January 2023	576	108	684	
Effective portion of changes in fair value of hedging instruments recognised in other comprehensive income (below)	(473)	(54)	(527)	
Other amounts reclassified to profit or loss	(19)	–	(19)	
Reclassified to interest expenses	58	(37)	21	
Reclassified to exchange differences (note 8(d))	(77)	–	(77)	
Reclassification from equity to profit or loss	(38)	(37)	(75)	(note 13(b))
Related tax	84	15	99	
Movement during the year	(427)	(76)	(503)	
Balance at 31 December 2023	149	32	181	
Change in fair value of hedged items during the year	(473)	(54)	(527)	
Less:				
Hedge ineffectiveness recognised in profit or loss	–	–	–	
Effective portion of the cash flow hedge recognised in other comprehensive income (above) (note 13(b))	(473)	(54)	(527)	

The carrying balances of the hedging reserve at 31 December 2024 and 31 December 2023 relate to the Group's continuing cash flow hedge.

Note:

The foreign currency and interest rate risks are hedged by cross currency interest rate swap contracts, and the interest rate risk is hedged by interest rate swap contracts.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(f) Movements in hedging reserve and cost of hedging reserve (continued)

The following table provides a reconciliation of the cost of hedging reserve in respect of the foreign currency and interest rate risks and shows the effectiveness of the hedging relationships (excluding attributable share of cost of hedging reserves of associates and joint ventures):

	Foreign currency basis spread HK$ million
Balance at 1 January 2023	(85)
Fair value change on hedging instruments (note 13(b))	156
Reclassification adjustments for amounts transferred to profit or loss (note 13(b))	(51)
Related tax	(17)
Movement during the year	88
Balance at 31 December 2023	3
Balance at 1 January 2024	**3**
Fair value change on hedging instruments (note 13(b))	**30**
Reclassification adjustments for amounts transferred to profit or loss (note 13(b))	**(11)**
Related tax	**1**
Movement during the year	**20**
Balance at 31 December 2024	**23**

The carrying balances of the cost of hedging reserve at 31 December 2024 and 31 December 2023 relate to the Group's continuing cash flow hedge.

On an after tax basis, for the year ended 31 December 2024, the abovementioned decrease in the hedging reserve of HK$84 million (2023: decrease in the hedging reserve of HK$503 million) and the abovementioned increase in the cost of hedging reserve of HK$20 million (2023: increase in the cost of hedging reserve of HK$88 million) amount in aggregate to a net decrease of HK$64 million (2023: a net decrease of HK$415 million) (note 13(b)) in the Group's other comprehensive income, in the nature of cash flow hedges which may be reclassified subsequently to profit or loss during the year.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(g) Price risk

The Group is exposed to risks arising from price and fair value changes in relation to listed investments designated as financial assets at FVOCI (non-recycling) and listed investments measured as financial assets at FVPL (see note 24) and certain financial assets measured at FVPL (see note 26).

Listed investments held in the portfolio have been chosen based on their long term growth potential and returns and are monitored regularly for performance against expectations. At 31 December 2024, assuming that the market value of the Group's listed investments designated as financial assets at FVOCI (non-recycling) had increased/decreased by not more than 10% (2023: 10%), with all other variables held constant, the total equity attributable to equity shareholders of the Company would increase/decrease by HK$31 million (2023: HK$37 million). Any increase or decrease in the market value of the Group's listed investments designated as financial assets at FVOCI (non-recycling) would not affect the Group's profit after tax. Assuming that the market value of the Group's listed investments measured as financial assets at FVPL and certain financial assets measured at FVPL had increased/decreased by not more than 10% (2023: 10%), with all other variables held constant, the Group's profit after tax and the total equity attributable to equity shareholders of the Company would increase/decrease by HK$21 million (2023: HK$6 million).

The sensitivity analysis above assumes that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to price risk at the end of the reporting period. It is also assumed that the fair value of the Group's financial investments would change in accordance with the historical correlation with the relevant stock market index or other relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 2023.

(h) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following tables present the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(h) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

	Fair value at 31 December 2024	Fair value measurements at 31 December 2024 categorised into		
		Level 1	Level 2	Level 3
	HK$ million	HK$ million	HK$ million	HK$ million
Recurring fair value measurement				
Financial assets:				
Investments in equity securities designated as financial assets at FVOCI (non-recycling):				
– Unlisted (note 24)	**38**	**–**	**–**	**38**
– Listed (note 24)	**306**	**306**	**–**	**–**
Investments in other securities measured as financial assets at FVPL:				
– Listed (note 24)	**20**	**20**	**–**	**–**
Financial assets measured at FVPL (note 26)	**851**	**187**	**172**	**492**
Derivative financial instruments:				
– Cross currency interest rate swap contracts (note 23)	**6**	**–**	**6**	**–**
– Interest rate swap contracts (note 23)	**565**	**–**	**565**	**–**
Financial liabilities:				
Derivative financial instruments:				
– Cross currency interest rate swap contracts (note 23)	**1,422**	**–**	**1,422**	**–**
– Cross currency swap contracts (note 23)	**89**	**–**	**89**	**–**
– Interest rate swap contracts (note 23)	**162**	**–**	**162**	**–**

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(h) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

	Fair value at 31 December 2023	Fair value measurements at 31 December 2023 categorised into		
		Level 1	Level 2	Level 3
	HK$ million	HK$ million	HK$ million	HK$ million
Recurring fair value measurement				
Financial assets:				
Investments in equity securities designated as financial assets at FVOCI (non-recycling):				
– Unlisted (note 24)	30	–	–	30
– Listed (note 24)	371	371	–	–
Investments in other securities measured as financial assets at FVPL:				
– Listed (note 24)	18	18	–	–
Financial assets measured at FVPL (note 26)	482	39	51	392
Derivative financial instruments:				
– Cross currency interest rate swap contracts (note 23)	45	–	45	–
– Interest rate swap contracts (note 23)	714	–	714	–
– Foreign exchange forward contracts (note 23)	106	–	106	–
Financial liabilities:				
Derivative financial instruments:				
– Cross currency interest rate swap contracts (note 23)	1,206	–	1,206	–
– Cross currency swap contracts (note 23)	63	–	63	–
– Interest rate swap contracts (note 23)	174	–	174	–
– Foreign exchange forward contracts (note 23)	20	–	20	–

During the years ended 31 December 2024 and 31 December 2023, there were no transfers between Level 1 and Level 2, or transfers into and out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period during which they occur.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(h) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of cross currency interest rate swap contracts, cross currency swap contracts, interest rate swap contracts and foreign exchange forward contracts 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.

(ii) Financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments measured at cost or amortised cost are not materially different from their fair values at 31 December 2024 and 31 December 2023, except as follows:

– Amounts due from certain associates and certain joint ventures, and amounts due to certain associates and certain joint ventures

  Amounts due from certain associates and certain joint ventures, and amounts due to certain associates and certain joint ventures are unsecured, interest-free and have no fixed terms of repayment. Given these terms it is not meaningful to quantify their fair values and therefore they are stated at cost.

5 INCREASE IN THE GROUP'S INTEREST IN SUNLIGHT REAL ESTATE INVESTMENT TRUST ("SUNLIGHT REIT") DURING THE YEAR ENDED 31 DECEMBER 2024 AND THE CORRESPONDING YEAR ENDED 31 DECEMBER 2023

During the corresponding year ended 31 December 2023, the Group's beneficial holding in the listed units of Sunlight REIT had increased from 19.535% at 1 January 2023 to 20.001% at 30 June 2023 (the "First Six-Month Period"), through the Group's purchases of 2,476,000 listed units of Sunlight REIT in the open market during the First Six-Month Period as well as 6,739,817 new listed units of Sunlight REIT issued during the First Six-Month Period to a wholly-owned subsidiary of the Company which is engaged in the provision of asset management services to Sunlight REIT. During the period from 1 July 2023 to 31 December 2023 (the "Second Six-Month Period"), the abovementioned wholly-owned subsidiary of the Company was also issued 8,649,800 new listed units of Sunlight REIT as payment of part of the manager's fee by Sunlight REIT in lieu of cash, and the Group purchased a further 2,000,000 listed units of Sunlight REIT in the open market. Together with Sunlight REIT's repurchase of 1,000,000 issued listed units in the open market and the subsequent cancellation of such repurchased units during the Second Six-Month Period, the Group's beneficial holding in the listed units of Sunlight REIT had further increased to 20.536% at 31 December 2023.

In this regard, commencing from 30 June 2023, being the date on which the Group had a beneficial interest which first exceeded 20% in the issued units (which carry voting rights) of Sunlight REIT, the Group has accounted for Sunlight REIT as a listed associate of the Group under the principles of HKAS 28, *Investments in associates and joint ventures* that with the Group's holding of 20% or more of the voting power of Sunlight REIT, the Group is presumed to have significant influence in Sunlight REIT.

As a result:

(i) commencing from 30 June 2023, the Group has de-recognised its investment in Sunlight REIT from "Investment measured as financial asset at fair value through profit or loss" and recognised such investment as "Interest in associate";

(ii) during the corresponding year ended 31 December 2023, the Group recognised a one-off gain arising from the de-recognition of the Group's investment in Sunlight REIT from "Investment measured as financial asset at fair value through profit or loss", as well as a gain on bargain purchase from the recognition of the Group's investment in Sunlight REIT as "Interest in associate", net of fair value loss, in the net aggregate amount of HK$1,591 million (see note 7(iii)); and

(iii) commencing from 30 June 2023, the financial results of Sunlight REIT were accounted for under the equity method of accounting in the Group's consolidated financial statements.

During the year ended 31 December 2024, the Group's beneficial holding in the listed units of Sunlight REIT had further increased from 20.536% at 1 January 2024 to 22.095% at 31 December 2024, through (i) the Group's purchases of 6,823,000 listed units of Sunlight REIT in the open market; (ii) the issuance of 25,022,706 new listed units of Sunlight REIT to the abovementioned wholly-owned subsidiary of the Company as payment of part of the manager's fee by Sunlight REIT in lieu of cash; and (iii) Sunlight REIT's repurchase of 1,000,000 issued listed units in the open market and the subsequent cancellation of such repurchased units. These resulted in a gain on step acquisitions in the aggregate amount of HK$150 million (2023: HK$45 million) and was included in the Group's "Share of profits less losses of associates" for the year ended 31 December 2024.

6 REVENUE

Revenue of the Group represents revenue from the property development (including sales of properties), rental income, operation and management of department stores and supermarket-cum-stores, hotel room operation and other businesses mainly including income from hotel management (other than hotel room operation), construction, provision of finance, investment holding, project management, property management, agency services, security guard and cleaning services, food and beverage operation, travel operation, as well as the trading of building materials.

The major items are analysed as follows:

	2024 HK$ million	2023 HK$ million
Property development (including sales of properties)	**12,506**	15,210
Rental income	**6,994**	6,876
Department stores and supermarket-cum-stores operations *(note (i))*	**1,548**	1,566
Hotel room operation	**331**	333
Other businesses	**3,877**	3,585
Total (note 15(b))	**25,256**	27,570

Note:

(i) Including commission income earned from consignment and concessionaire counters of the department stores operation, and the commission income earned from consignment counters of the supermarket-cum-stores operation, in the aggregate amount of HK$373 million for the year ended 31 December 2024 (2023: HK$422 million).

In accordance with HKFRS 15, (i) revenue from sales of properties and sales of goods from department stores and supermarket-cum-stores operations (including the commission income from consignment and concessionaire counters) are recognised at a point in time, as described in notes 2(y)(i) and 2(y)(vi) to these financial statements respectively; and (ii) revenue from hotel room operation and promotion income from department stores and supermarket-cum stores operations are recognised over time, as described in notes 2(y)(v) and 2(y)(vi) to these financial statements respectively. Rental income recognised from HKFRS 16 is categorically classified as revenue from other sources. In respect of the Group's other businesses, as referred to in note 2(y) to these financial statements, revenue from construction, property management, asset management, project management, security guard and cleaning services in the aggregate amount of HK$2,053 million (2023: HK$2,036 million) is recognised over time while the remaining is recognised at a point in time.

At 31 December 2024, the cumulative aggregate amount of revenue expected to be recognised in the consolidated statement of profit or loss in the future from pre-completion sales contracts entered into in relation to the Group's properties held for/under development for sale and completed properties for sale held by the Group's subsidiaries, which are pending assignment in Hong Kong and mainland China, amounted to HK$8,621 million (2023: HK$10,351 million) and which will be recognised when the pre-sold properties are assigned to the customers.

7 OTHER NET INCOME

	2024 HK$ million	2023 HK$ million
Net loss on transfer of a subsidiary regarding an investment property *(note (i))*	**(2)**	–
Net gain on disposal of investment properties	**93**	64
Aggregate net gain on sales of property interests (note 15(a))	**91**	64
Net fair value gain/(loss) on investments measured as financial assets at FVPL	**43**	(2)
Net fair value loss on derivative financial instruments at FVPL:		
– Interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and foreign exchange forward contracts (for which no hedge accounting was applied during the year)	**(71)**	(83)
Impairment loss on trade debtors, net (notes 15(c) and 26(b))	**(36)**	(6)
Provision on inventories, net (note 15(a))	**(193)**	(192)
Exchange loss, net (note 8(d))	**(60)**	(45)
Gains on land resumptions *(note (ii))*	**3,421**	–
Gain on de-recognition of investment measured as financial asset at FVPL and gain on bargain purchase net of fair value loss (notes 5 and 15(a)) *(note (iii))*	**–**	1,591
Others	**(4)**	181
	3,191	1,508

Notes:

(i) Being the loss attributable to reported profit in relation to the Group's transfer to an independent third party of its interest in the entire issued share capital of a wholly-owned subsidiary which owns "Harbour East", being an investment property at No. 218 Electric Road, North Point, Hong Kong, and the related shareholder's loan pursuant to an agreement entered into between the parties on 10 December 2023. The transfer was completed on 28 January 2024. Taking into account the cumulative fair value gain on the investment property disposed of in the amount of HK$1,409 million, the Group recognised a gain on transfer attributable to underlying profit in the amount of HK$1,407 million during the year ended 31 December 2024.

(ii) Comprised mainly the aggregate pre-tax gains attributable to reported profit of HK$3,410 million resulting from the resumptions by the HKSAR Government in April 2024 of certain land lots of approximately 1.45 million square feet held by the Group's subsidiaries in Fanling North and Kwu Tung North New Development Areas, and during the period from July to December 2024 of certain land lots of approximately 3.62 million square feet held by the Group's subsidiaries in Hung Shui Kiu/Ha Tsuen New Development Area, both located in the New Territories, Hong Kong, for an aggregate cash compensation of approximately HK$5,900 million.

Including the Group's attributable share of pre-tax loss of HK$101 million resulting from the resumption of certain land lots in Hung Shui Kiu/Ha Tsuen New Development Area measuring approximately 0.23 million square feet attributable to the Group held by a joint venture and the pre-tax gains of HK$11 million resulting from the resumption of certain other land lots in the New Territories held by the Group's subsidiaries, the Group's attributable share of pre-tax gains on land resumptions attributable to reported profit amounted in aggregate to HK$3,320 million during the year ended 31 December 2024 (see note 15(a)).

(iii) For the corresponding year ended 31 December 2023, the amount of HK$1,591 million (see note 5(ii)) comprised (a) a one-off gain from the de-recognition of investment measured as financial asset at FVPL and a gain on bargain purchase from the recognition of such investment as an interest in associate in the amount of HK$1,739 million; and (b) a net fair value loss on investment measured as financial asset at FVPL in the amount of HK$148 million.

8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

		2024 HK$ million	2023 HK$ million
(a)	**Finance costs:**		
	Bank loans interest	**2,765**	2,660
	Interest on other loans	**3,126**	3,097
	Interest on guaranteed notes	**812**	968
	Finance cost on lease liabilities (notes 28(b) and 30)	**40**	40
	Other borrowing costs	**141**	154
		6,884	6,919
	Less: Amount capitalised *(note)*	**(4,553)**	(4,920)
	Finance costs (note 15(a))	**2,331**	1,999

Note: The borrowing costs have been capitalised at weighted average interest rates based on the principal amounts of the Group's bank loans, guaranteed notes and other loans during the period under which interest capitalisation was applicable, ranging from 3.31% to 5.88% (2023: ranging from 2.15% to 5.79%) per annum.

		2024 HK$ million	2023 HK$ million
(b)	**Directors' emoluments**	**209**	208

Details of the directors' emoluments are set out in note 9.

		2024 HK$ million	2023 HK$ million
(c)	**Staff costs (other than directors' emoluments):**		
	Salaries, wages and other benefits	**3,059**	2,963
	Contributions to defined contribution retirement plans	**124**	117
		3,183	3,080

8 PROFIT BEFORE TAXATION (CONTINUED)

Profit before taxation is arrived at after charging/(crediting): (continued)

		2024 HK$ million	2023 HK$ million
(d)	**Other items:**		
	Net foreign exchange (gain)/loss	**(546)**	353
	Cash flow hedges: net foreign exchange loss/(gain) reclassified from equity (note 4(f))	**335**	(77)
	Amount of exchange gain/(loss) capitalised	**271**	(231)
	Exchange loss, net (note 7)	**60**	45
	Amortisation of trademarks (note 19)	**4**	4
	Depreciation		
	– on other property, plant and equipment (note 16(a))	**190**	199
	– on right-of-use assets (note 17)	**297**	336
		491	539
		(note 15(c))	(note 15(c))
	Cost of sales		
	– properties for sale	**9,463**	11,186
	– trading stocks and consumable stores	**923**	880
	Auditors' remuneration		
	– audit services	**24**	23
	– non-audit services	**8**	10
	Expenses relating to short-term leases	**17**	10
	Rentals receivable from investment properties less direct outgoings of HK$1,966 million (2023: HK$1,981 million) *(note (i))*	**(4,880)**	(4,720)
	Dividend income from investments designated as financial assets at FVOCI (non-recycling) and measured as financial assets at FVPL *(note (ii))*		
	– listed	**(25)**	(53)
	– unlisted	**(5)**	(7)

Notes:

(i) The rental income from investment properties included contingent rental income of HK$61 million (2023: HK$73 million).

(ii) During the year ended 31 December 2024, dividend income of HK$19 million related to investments designated as financial assets at FVOCI (non-recycling) held at 31 December 2024 (2023: dividend income of HK$22 million related to investments designated as financial assets at FVOCI (non-recycling) held at 31 December 2023).

9 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) are as follows:

	2024				
	Directors' fees HK$'000	Salaries, allowances and benefits-in-kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Executive Directors					
Dr Lee Ka Kit	200	18,589	4,565	18	23,372
Dr Lee Ka Shing	300	15,954	6,237	881	23,372
Dr Lam Ko Yin, Colin	250	10,314	21,169	617	32,350
Dr Lee Shau Kee	150	21,069	–	–	21,219
Yip Ying Chee, John	150	9,418	14,815	563	24,946
Suen Kwok Lam	150	7,899	7,683	472	16,204
Fung Lee Woon King	150	5,623	5,145	335	11,253
Kwok Ping Ho	250	5,413	1,415	323	7,401
Wong Ho Ming, Augustine	150	10,842	15,413	648	27,053
Fung Hau Chung, Andrew	150	12,589	2,756	610	16,105
Non-executive Director					
Lee Pui Ling, Angelina	150	–	–	–	150
Independent Non-executive Directors					
Kwong Che Keung, Gordon	1,050	–	–	–	1,050
Professor Ko Ping Keung	950	–	–	–	950
Wu King Cheong	1,300	–	–	–	1,300
Woo Ka Biu, Jackson	250	–	–	–	250
Professor Poon Chung Kwong	350	–	–	–	350
Au Siu Kee, Alexander	2,100	–	–	–	2,100
Total for the year ended 31 December 2024	8,050	117,710	79,198	4,467	209,425

9 DIRECTORS' EMOLUMENTS (CONTINUED)

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) are as follows: (continued)

	2023				
	Directors' fees HK$'000	Salaries, allowances and benefits-in-kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Executive Directors					
Dr Lee Ka Kit	200	19,797	3,177	18	23,192
Dr Lee Ka Shing	300	15,782	6,237	873	23,192
Dr Lam Ko Yin, Colin	250	10,251	21,169	614	32,284
Dr Lee Shau Kee	150	21,015	–	–	21,165
Yip Ying Chee, John	150	9,366	14,815	560	24,891
Suen Kwok Lam	150	7,818	7,683	467	16,118
Fung Lee Woon King	150	5,568	5,145	332	11,195
Kwok Ping Ho	250	5,356	1,415	319	7,340
Wong Ho Ming, Augustine	150	10,784	15,413	645	26,992
Fung Hau Chung, Andrew	150	12,456	2,757	603	15,966
Non-executive Director					
Lee Pui Ling, Angelina	150	–	–	–	150
Independent Non-executive Directors					
Kwong Che Keung, Gordon	1,050	–	–	–	1,050
Professor Ko Ping Keung	950	–	–	–	950
Wu King Cheong	1,300	–	–	–	1,300
Woo Ka Biu, Jackson	250	–	–	–	250
Professor Poon Chung Kwong	350	–	–	–	350
Au Siu Kee, Alexander	2,100	–	–	–	2,100
Total for the year ended 31 December 2023	8,050	118,193	77,811	4,431	208,485

9 DIRECTORS' EMOLUMENTS (CONTINUED)

During the years ended 31 December 2024 and 31 December 2023:

(i) all the directors' fees payable to the executive directors of the Company were in respect of their services as directors of the Company and/or its subsidiary undertakings, and all the salaries, allowances, benefits-in-kind, discretionary bonuses and retirement scheme contributions payable to the executive directors of the Company were in respect of their services in connection with the management of the affairs of the Company and/or its subsidiary undertakings; and

(ii) all the emoluments payable to the non-executive director and the independent non-executive directors of the Company were in respect of their services as directors of the Company and/or its subsidiary undertakings.

At 31 December 2024, there were no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities for disclosure pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (2023: None).

During the year ended 31 December 2024 and at 31 December 2024, save as disclosed in note 43, there was no transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company and his/her connected entities had a material interest, subsisted at the end of the reporting period or at any time during the year for disclosure pursuant to section 383(1)(e) of the Hong Kong Companies Ordinance and Part 4 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (2023: None).

There was no arrangement under which a director had waived or agreed to waive any remuneration during the current and prior years.

10 EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT

(a) Emoluments of five highest paid individuals

Of the five individuals with the highest emoluments, all (2023: all) of them are directors whose emoluments are disclosed in note 9.

(b) Emoluments of senior management

Other than the emoluments of directors and five highest paid individuals disclosed in notes 9 and 10(a) respectively, the emoluments of the senior management whose profiles are set out in the section "Biographical Details of Directors and Senior Management" of the Company's annual report for the year ended 31 December 2024 (of which these financial statements form a part) fell within the following bands:

	2024 Number of individuals	2023 Number of individuals
Emolument band (HK$) ***(note)***		
$2,000,001 to $3,000,000	**–**	1
$3,000,001 to $4,000,000	**1**	1
$4,000,001 to $5,000,000	**3**	2
$5,000,001 to $6,000,000	**2**	3
$6,000,001 to $7,000,000	**3**	2
$7,000,001 to $8,000,000	**–**	–
$8,000,001 to $9,000,000	**–**	1
$9,000,001 to $10,000,000	**–**	–
$10,000,001 to $11,000,000	**1**	1
$11,000,001 to $12,000,000	**1**	3
$12,000,001 to $13,000,000	**3**	1
$13,000,001 to $14,000,000	**–**	–
$14,000,001 to $15,000,000	**1**	2
$15,000,001 to $16,000,000	**1**	–
$16,000,001 to $17,000,000	**1**	1
	17	18

Note: Including salaries, allowances and benefits-in-kind, discretionary bonuses and retirement scheme contributions.

11 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

	2024 HK$ million	2023 HK$ million
Current tax – Provision for Hong Kong Profits Tax		
Provision for the year	**727**	640
Under-provision in respect of prior years	**224**	–
	951	640
Current tax – Provision for taxation outside Hong Kong		
Provision for the year	**309**	342
Under/(over)-provision in respect of prior years	**3**	(181)
	312	161
Current tax – Provision for Land Appreciation Tax		
Provision for the year	**44**	83
(Over)/under-provision in respect of prior years	**(54)**	6
	(10)	89
Deferred tax		
Origination and reversal of temporary differences	**(298)**	(224)
	(298)	(224)
	955	666

Provision for Hong Kong Profits Tax has been made at 16.5% (2023: 16.5%) on the estimated assessable profits for the year, taking into account a one-off reduction of 100% (2023: 100%) of the tax payable for the year of assessment 2023/24 subject to a ceiling of HK$3,000 (2022/23: HK$6,000) for each business allowed by the Inland Revenue Department of the HKSAR Government.

Provision for taxation outside Hong Kong is provided for at the applicable rates of taxation for the year on the estimated assessable profits arising in the relevant foreign tax jurisdictions during the year.

Land Appreciation Tax is levied on properties in mainland China developed by the Group for sale, at progressive rates ranging from 30% to 60% (2023: 30% to 60%) on the appreciation of land value, which under the applicable regulations is calculated based on the revenue from sale of properties less deductible expenditure including lease charges of land use rights, borrowing costs and property development expenditure.

11 INCOME TAX (CONTINUED)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024 HK$ million	2023 HK$ million
Profit before taxation	**8,238**	10,444
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	**1,395**	1,897
Tax effect of share of profits less losses of associates and joint ventures	**(500)**	(988)
Tax effect of non-deductible expenses	**438**	483
Tax effect of non-taxable revenue	**(622)**	(765)
Tax effect of current year's tax losses not recognised	**236**	440
Tax effect of prior years' tax losses utilised	**(54)**	(74)
Tax effect of unused tax losses not recognised in prior years now recognised	**(125)**	(210)
One-off rebate of Hong Kong Profits Tax	**–**	(1)
Land Appreciation Tax	**33**	62
Under/(over)-provision in respect of prior years, net	**154**	(178)
Actual tax expense	**955**	666

(c) Deferred tax assets and liabilities recognised:

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Depreciation allowances in excess of related depreciation HK$ million	Revaluation of properties HK$ million	Elimination and capitalisation of expenses HK$ million	Fair value adjustment on business combination HK$ million	Tax losses HK$ million	Others HK$ million	Total HK$ million
At 1 January 2023	2,680	4,342	224	1,563	(569)	157	8,397
Exchange adjustments	(11)	(64)	–	(2)	–	–	(77)
Charged/(credited) to profit or loss	239	(76)	(38)	(9)	(326)	(14)	(224)
Credited to reserves (note 13(a))	–	–	–	–	–	(82)	(82)
Transfer to liabilities associated with assets of the disposal group classified as held for sale	(28)	–	–	–	28	–	–
Others	–	–	–	–	–	3	3
At 31 December 2023	2,880	4,202	186	1,552	(867)	64	8,017
At 1 January 2024	**2,880**	**4,202**	**186**	**1,552**	**(867)**	**64**	**8,017**
Exchange adjustments	**(23)**	**(90)**	**–**	**–**	**–**	**(3)**	**(116)**
Charged/(credited) to profit or loss	**241**	**(282)**	**(55)**	**(12)**	**(195)**	**5**	**(298)**
Credited to reserves (note 13(a))	**–**	**–**	**–**	**–**	**–**	**(37)**	**(37)**
Others	**–**	**–**	**–**	**–**	**–**	**(3)**	**(3)**
At 31 December 2024	**3,098**	**3,830**	**131**	**1,540**	**(1,062)**	**26**	**7,563**

11 INCOME TAX (CONTINUED)

(c) Deferred tax assets and liabilities recognised: (continued)

	2024 HK$ million	2023 HK$ million
Net deferred tax assets recognised in the consolidated statement of financial position	**(1,082)**	(1,027)
Net deferred tax liabilities recognised in the consolidated statement of financial position	**8,645**	9,044
	7,563	8,017

(d) Deferred tax assets not recognised:

Deferred tax assets have not been recognised in respect of the following items:

	2024		2023	
	Deductible temporary differences/ unused tax losses HK$ million	**Deferred tax assets not recognised HK$ million**	Deductible temporary differences/ unused tax losses HK$ million	Deferred tax assets not recognised HK$ million
Deductible temporary differences	**4**	**1**	4	1
Future benefits of tax losses				
Hong Kong *(note (i))*				
– Assessed by the Inland Revenue Department	**5,319**	**878**	4,609	760
– Not yet assessed by the Inland Revenue Department	**12,724**	**2,099**	11,017	1,818
Outside Hong Kong *(note (ii))*	**2,083**	**521**	1,953	493
	20,126	**3,498**	17,579	3,071
	20,130	**3,499**	17,583	3,072

Notes:

(i) These tax losses do not expire under current tax legislation.

(ii) These tax losses can be carried forward to offset against taxable profits of subsequent years for up to five years from the year in which they arose.

The Group has not recognised deferred tax assets in respect of deductible temporary differences and unused tax losses of certain subsidiaries as it is not probable that sufficient future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised.

12 DIVIDENDS

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

	2024 **HK$ million**	2023 HK$ million
Interim dividend declared and paid of HK$0.50 (2023: HK$0.50) per share	**2,421**	2,421
Final dividend proposed after the end of the reporting period of HK$1.30 (2023: HK$1.30) per share	**6,294**	6,294
	8,715	8,715

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

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

	2024 **HK$ million**	2023 HK$ million
Final dividend in respect of the previous financial year, approved and paid during the year of HK$1.30 (2023: HK$1.30) per share	**6,294**	6,294

13 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

	2024			2023		
	Pre-tax amount HK$ million	**Tax credit HK$ million**	**Net-of-tax amount HK$ million**	Pre-tax amount HK$ million	Tax credit HK$ million	Net-of-tax amount HK$ million
Exchange differences	**(919)**	**–**	**(919)**	(783)	–	(783)
Cash flow hedges	**(101)**	**37**	**(64)**	(497)	82	(415)
Investments in equity securities designated as financial assets at FVOCI (non-recycling)	**46**	**–**	**46**	(92)	–	(92)
Share of other comprehensive income of associates and joint ventures	**(1,089)**	**–**	**(1,089)**	(913)	–	(913)
Other comprehensive income for the year	**(2,063)**	**37**	**(2,026)**	(2,285)	82	(2,203)
		(note 11(c))			(note 11(c))	

13 OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Components of other comprehensive income, including reclassification adjustments

	2024 HK$ million	2023 HK$ million
Exchange differences:		
– translation of financial statements of foreign entities	**(919)**	(783)
Net movement in the exchange reserve during the year recognised in other comprehensive income	**(919)**	(783)
Cash flow hedges:		
– effective portion of changes in fair value of hedging instruments recognised during the year (note 4(f))	**(488)**	(527)
– hedging – reclassification from equity to profit or loss (note 4(f))	**368**	(75)
– cost of hedging – changes in fair value (note 4(f))	**30**	156
– cost of hedging – reclassification adjustments for amounts transferred to profit or loss (note 4(f))	**(11)**	(51)
– net deferred tax credited to other comprehensive income	**–**	82
– tax credit arising from reversal of temporary differences recognised in prior years	**37**	–
Net aggregate movement in the hedging reserve and the cost of hedging reserve during the year recognised in other comprehensive income (note 4(f))	**(64)**	(415)
Investments in equity securities designated as financial assets at FVOCI (non-recycling):		
– changes in fair value recognised during the year	**46**	(92)
Net movement in the fair value reserve (non-recycling) during the year recognised in other comprehensive income	**46**	(92)

13 OTHER COMPREHENSIVE INCOME (CONTINUED)

(c) For each component of equity

	Attributable to equity shareholders of the Company								
	Property revaluation reserve HK$ million	Exchange reserve HK$ million	Fair value reserve (non-recycling) HK$ million	Hedging reserve HK$ million	Other reserves HK$ million	Retained profits HK$ million	Total HK$ million	Non-controlling interests HK$ million	Total other comprehensive income HK$ million
2023									
Exchange differences:									
– translation of financial statements of foreign entities	–	(769)	–	–	–	–	(769)	(14)	(783)
Cash flow hedges:									
– effective portion of changes in fair value, net of deferred tax	–	–	–	(440)	–	–	(440)	–	(440)
– hedging – reclassification from equity to profit or loss, net of deferred tax	–	–	–	(63)	–	–	(63)	–	(63)
– cost of hedging – change in fair value, net of deferred tax	–	–	–	130	–	–	130	–	130
– cost of hedging – reclassification adjustments for amounts transferred to profit or loss, net of deferred tax	–	–	–	(42)	–	–	(42)	–	(42)
Investments in equity securities designated as financial assets at FVOCI (non-recycling):									
– changes in fair value	–	–	(51)	–	–	–	(51)	(41)	(92)
Share of other comprehensive income of associates and joint ventures	–	(887)	33	(56)	–	(3)	(913)	–	(913)
Other comprehensive income for the year	–	(1,656)	(18)	(471)	–	(3)	(2,148)	(55)	(2,203)
2024									
Exchange differences:									
– translation of financial statements of foreign entities	**–**	**(902)**	**–**	**–**	**–**	**–**	**(902)**	**(17)**	**(919)**
Cash flow hedges:									
– effective portion of changes in fair value	**–**	**–**	**–**	**(488)**	**–**	**–**	**(488)**	**–**	**(488)**
– hedging – reclassification from equity to profit or loss	**–**	**–**	**–**	**368**	**–**	**–**	**368**	**–**	**368**
– cost of hedging – change in fair value	**–**	**–**	**–**	**30**	**–**	**–**	**30**	**–**	**30**
– cost of hedging – reclassification adjustments for amounts transferred to profit or loss	**–**	**–**	**–**	**(11)**	**–**	**–**	**(11)**	**–**	**(11)**
– tax credit arising from reversal of temporary differences recognised in prior years	**–**	**–**	**–**	**37**	**–**	**–**	**37**	**–**	**37**
Investments in equity securities designated as financial assets at FVOCI (non-recycling):									
– changes in fair value	**–**	**–**	**27**	**–**	**–**	**–**	**27**	**19**	**46**
Share of other comprehensive income of associates and joint ventures	**–**	**(1,135)**	**(2)**	**21**	**–**	**27**	**(1,089)**	**–**	**(1,089)**
Other comprehensive income for the year	**–**	**(2,037)**	**25**	**(43)**	**–**	**27**	**(2,028)**	**2**	**(2,026)**

14 EARNINGS PER SHARE

(a) Reported earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of HK$6,296 million (2023: HK$9,261 million) and the weighted average number of 4,841 million ordinary shares (2023: 4,841 million ordinary shares) in issue during the year.

Diluted earnings per share were the same as the basic earnings per share for the year and the corresponding year ended 31 December 2023 as there were no dilutive potential ordinary shares in existence during both years.

(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 consolidated profit attributable to equity shareholders of the Company after excluding the effects of changes in fair value of investment properties and investment properties under development ("Underlying Profit") of HK$9,774 million (2023: HK$9,706 million). A reconciliation of profit is as follows:

	2024 HK$ million	2023 HK$ million
Profit attributable to equity shareholders of the Company	**6,296**	9,261
Fair value loss of investment properties and investment properties under development during the year (after deducting non-controlling interests' attributable share and deferred tax) (note 16(c))	**1,833**	1,677
Share of fair value loss/(gain) of investment properties (net of deferred tax) during the year:		
– associates (note 16(c))	**208**	(219)
– joint ventures (note 16(c))	**(19)**	(969)
The Group's attributable share of the cumulative fair value gain/(loss) of investment properties disposed of during the year, net of tax:		
– subsidiaries	**1,454**	(44)
– associates and joint ventures	**2**	–
Underlying Profit	**9,774**	9,706
Underlying earnings per share, based on the weighted average number of ordinary shares in issue during the year (note 14(a))	**HK$2.02**	HK$2.00

15 SEGMENT REPORTING

The Group manages its businesses by a mixture of business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance, the Group has identified the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

Property development	:	Development and sale of properties
Property leasing	:	Leasing of properties
Department stores and supermarket-cum-stores operations	:	Operation and management of department stores and supermarket-cum-stores
Hotel room operation	:	The operation of hotel properties owned by the Group generating room revenue
Other businesses	:	Hotel management (other than hotel room operation), construction, provision of finance (other than interest income from mortgage loans as well as interest income from property development joint ventures which are classified under the "*Property development*" segment), investment holding, project management, property management, agency services, security guard and cleaning services, food and beverage operation, travel operation, as well as the trading of building materials
Utility and energy	:	Production, distribution and marketing of gas, water supply, renewable energy businesses and emerging energy businesses

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases.

Revenue and expenses are allocated to the reportable segments with reference to revenues generated by those segments and the expenses incurred by those segments. Segment results form the basis of measurement used for assessing segment performance and represent profit or loss before provision on inventories, net, sales of property interests, gain on de-recognition of investment measured as financial asset at FVPL and gain on bargain purchase net of fair value loss, fair value change on investment properties and investment properties under development, net finance costs, income tax and items not specifically attributed to individual reportable segments, such as unallocated head office and corporate expenses, net.

15 SEGMENT REPORTING (CONTINUED)

(a) Results of reportable segments

Information regarding the Group's and its share of associates and joint ventures on reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 31 December 2023 is set out below.

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))* HK$ million	Segment results HK$ million	Share of revenue HK$ million	Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Revenue HK$ million	Segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million
For the year ended 31 December 2024										
Property development									*(note 1)*	*(note 1)*
Hong Kong	11,692	4,808	679	(102)	12,371	4,706	(48)	(59)	12,323	4,647
Mainland China	814	(13)	7,411	1,002	8,225	989	–	(4)	8,225	985
	12,506	4,795	8,090	900	20,596	5,695	(48)	(63)	20,548	5,632
Property leasing										
Hong Kong	4,953	3,498	2,274	1,741	7,227	5,239	(385)	(323)	6,842	4,916
Mainland China	2,041	1,574	84	32	2,125	1,606	(25)	(15)	2,100	1,591
	(note (ii)) 6,994	5,072	2,358	1,773	9,352	6,845	(410)	(338)	8,942	6,507
Department stores and supermarket-cum-stores operations										
– sale of own goods	1,230	(75)	–	–	1,230	(75)	(374)	39	856	(36)
– rental of consignment and concessionaire counters	318	138	–	–	318	138	(98)	(6)	220	132
	1,548	63	–	–	1,548	63	(472)	33	1,076	96
Hotel room operation	331	91	261	71	592	162	(165)	(47)	427	115
Other businesses	3,877	42	321	256	4,198	298	(914)	3	3,284	301
	25,256	10,063	11,030	3,000	36,286	13,063	(2,009)	(412)	34,277	12,651
Utility and energy	–	–	34,147	3,517	34,147	3,517	–	–	34,147	3,517
	25,256	10,063	45,177	6,517	70,433	16,580	(2,009)	(412)	68,424	16,168

15 SEGMENT REPORTING (CONTINUED)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))* HK$ million	Segment results HK$ million	Share of revenue HK$ million	Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Revenue HK$ million	Segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million
For the year ended 31 December 2024 (continued)										
Provision on inventories, net	(note 7)	(193)		(131)		(324)		–		(324)
Sales of property interests *(note 2)*	(note 7)	91		1		92		–		92
Unallocated head office and corporate expenses, net		(1,428)		(76)		(1,504)		6		(1,498)
Profit from operations		8,533		6,311		14,844		(406)		14,438
Decrease in fair value of investment properties and investment properties under development		(1,514)		(206)		(1,720)		(588)		(2,308)
Finance costs	(note 8(a))	(2,331)		(1,558)		(3,889)		102		(3,787)
Bank interest income		452		192		644		(132)		512
Net finance costs		(1,879)		(1,366)		(3,245)		(30)		(3,275)
Profit before taxation		5,140		4,739		9,879		(1,024)		8,855
Income tax		(955)		(1,641)		(2,596)		37		(2,559)
Profit for the year		4,185		3,098		7,283		(987)		6,296

Notes:

(1) The revenue and segment results for the year ended 31 December 2024 related to the sale of leasehold land, interest income from mortgage loans and interest income from property development joint ventures (of which revenue in the amounts of HK$Nil, HK$203 million and HK$78 million respectively and segment profit in the amounts of HK$Nil, HK$176 million and HK$78 million respectively) are classified under the "Property development" segment. The pre-tax profit contribution from the property development segment in Hong Kong for the year ended 31 December 2024 also included the Group's attributable share of pre-tax gains attributable to reported profit in the aggregate amount of HK$3,320 million upon the resumptions by the HKSAR Government of the Group's leasehold lands during the year (note 7).

(2) The Group's attributable share of the realised cumulative fair value gain of investment properties disposed of during the year ended 31 December 2024 amounted to HK$1,456 million (note 14(b)). Adding to it the Group's attributable share of net gain attributable to reported profit on disposal of investment properties of HK$92 million (see above) for the year ended 31 December 2024, the Group's attributable share of the realised gain from the sales of property interests attributable to underlying profit amounted to HK$1,548 million during the year ended 31 December 2024.

15 SEGMENT REPORTING (CONTINUED)

(a) Results of reportable segments (continued)

In relation to the share of profits less losses of associates and joint ventures:

	Property development HK$ million	Property leasing HK$ million	Hotel room operation HK$ million	Other businesses HK$ million	Sub-total HK$ million	Utility and energy HK$ million	Total HK$ million
For the year ended 31 December 2024							
Share of profits less losses of associates *(note (iii))*							
– Material listed associate The Hong Kong and China Gas Company Limited	–	165	5	(753)	(583)	2,954	2,371
– Other listed associates and unlisted associates	(18)	(87)	–	147	42	–	42
	(18)	78	5	(606)	(541)	2,954	2,413
Share of profits less losses of joint ventures *(note (iv))*	(37)	859	18	(155)	685	–	685
	(55)	937	23	(761)	144	2,954	3,098

15 SEGMENT REPORTING (CONTINUED)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))* HK$ million	Segment results HK$ million	Share of revenue HK$ million	Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Revenue HK$ million	Segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million
For the year ended 31 December 2023										
Property development									*(note 1)*	*(note 1)*
Hong Kong	14,675	2,264	185	(1)	14,860	2,263	(98)	(94)	14,762	2,169
Mainland China	535	195	8,963	1,932	9,498	2,127	–	(1)	9,498	2,126
	15,210	2,459	9,148	1,931	24,358	4,390	(98)	(95)	24,260	4,295
Property leasing										
Hong Kong	4,845	3,469	2,278	1,769	7,123	5,238	(383)	(323)	6,740	4,915
Mainland China	2,031	1,455	101	70	2,132	1,525	(29)	(18)	2,103	1,507
	(note (ii)) 6,876	4,924	2,379	1,839	9,255	6,763	(412)	(341)	8,843	6,422
Department stores and supermarket-cum-stores operations										
– sale of own goods	1,205	(72)	–	–	1,205	(72)	(366)	37	839	(35)
– rental of consignment and concessionaire counters	361	172	–	–	361	172	(111)	(23)	250	149
	1,566	100	–	–	1,566	100	(477)	14	1,089	114
Hotel room operation	333	102	257	79	590	181	(166)	(54)	424	127
Other businesses	3,585	35	350	(40)	3,935	(5)	(712)	37	3,223	32
	27,570	7,620	12,134	3,809	39,704	11,429	(1,865)	(439)	37,839	10,990
Utility and energy	–	–	35,586	3,710	35,586	3,710	–	–	35,586	3,710
	27,570	7,620	47,720	7,519	75,290	15,139	(1,865)	(439)	73,425	14,700

15 SEGMENT REPORTING (CONTINUED)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))* HK$ million	Segment results HK$ million	Share of revenue HK$ million	Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Revenue HK$ million	Segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million
For the year ended 31 December 2023 **(continued)**										
Provision on inventories, net	(note 7)	(192)		–		(192)		–		(192)
Sales of property interests *(note 2)*	(note 7)	64		–		64		(1)		63
Gain on de-recognition of investment measured as financial asset at FVPL and gain on bargain purchase net of fair value loss	(note 7)	1,591		–		1,591		–		1,591
Unallocated head office and corporate expenses, net		(1,176)		(176)		(1,352)		3		(1,349)
Profit from operations		7,907		7,343		15,250		(437)		14,813
(Decrease)/increase in fair value of investment properties and investment properties under development		(1,700)		1,148		(552)		(54)		(606)
Finance costs	(note 8(a))	(1,999)		(1,297)		(3,296)		50		(3,246)
Bank interest income		679		317		996		(130)		866
Net finance costs		(1,320)		(980)		(2,300)		(80)		(2,380)
Profit before taxation		4,887		7,511		12,398		(571)		11,827
Income tax		(666)		(1,954)		(2,620)		54		(2,566)
Profit for the year		4,221		5,557		9,778		(517)		9,261

Notes:

(1) The revenue and segment results for the corresponding year ended 31 December 2023 related to the sale of leasehold land, interest income from mortgage loans and interest income from property development joint ventures (of which revenue in the amounts of HK$13 million, HK$224 million and HK$250 million respectively and segment profit in the amounts of HK$9 million, HK$210 million and HK$250 million respectively) are classified under the "Property development" segment.

(2) The Group's attributable share of the realised cumulative fair value loss of investment properties disposed of during the corresponding year ended 31 December 2023 amounted to HK$44 million (note 14(b)). Deducting from it the Group's attributable share of net gain attributable to reported profit on disposal of investment properties of HK$63 million (see above) for the corresponding year ended 31 December 2023, the Group's attributable share of the realised gain from the sales of property interests attributable to underlying profit amounted to HK$19 million during the corresponding year ended 31 December 2023.

15 SEGMENT REPORTING (CONTINUED)

(a) Results of reportable segments (continued)

In relation to the share of profits less losses of associates and joint ventures:

	Property development HK$ million	Property leasing HK$ million	Hotel room operation HK$ million	Other businesses HK$ million	Sub-total HK$ million	Utility and energy HK$ million	Total HK$ million
For the year ended 31 December 2023							
Share of profits less losses of associates *(note (iii))*							
– Material listed associate The Hong Kong and China Gas Company Limited	–	375	7	(733)	(351)	2,875	2,524
– Other listed associates and unlisted associates	126	121	–	23	270	–	270
	126	496	7	(710)	(81)	2,875	2,794
Share of profits less losses of joint ventures *(note (iv))*	797	1,938	25	3	2,763	–	2,763
	923	2,434	32	(707)	2,682	2,875	5,557

Notes:

(i) The revenue figures above are arrived at after the elimination of inter-segment revenues, in the amounts of HK$455 million (2023: HK$443 million) and HK$2,757 million (2023: HK$1,942 million) in relation to the reportable segments under "Property leasing" and "Others", respectively.

(ii) Revenue for the "Property leasing" segment comprised rental income of HK$6,055 million (2023: HK$5,969 million) and rental-related income of HK$939 million (2023: HK$907 million), which in aggregate amounted to HK$6,994 million for the year (2023: HK$6,876 million) (see note 6).

(iii) The Group's share of profits less losses of associates contributed from the "Property leasing" segment during the year of HK$78 million (2023: HK$496 million) included the Group's attributable share of net decrease in fair value of investment properties (net of deferred tax) during the year of HK$208 million (2023: attributable share of net increase in fair value of investment properties (net of deferred tax) during the year of HK$219 million) (see note 16(c)).

The Group's share of losses less profits of associates contributed from the "Other businesses" segment during the year of HK$606 million (2023: HK$710 million) included the Group's share of profit after tax from hotel management (other than hotel room operation) during the year of HK$2 million (2023: HK$3 million).

(iv) The Group's share of profits less losses of joint ventures contributed from the "Property leasing" segment during the year of HK$859 million (2023: HK$1,938 million) included the Group's attributable share of net increase in fair value of investment properties (net of deferred tax) during the year of HK$19 million (2023: HK$969 million) (see note 16(c)).

The Group's share of losses less profits of joint ventures contributed from the "Other businesses" segment during the year of HK$155 million (2023: share of profits less losses of HK$3 million) included the Group's share of profit after tax contributed from hotel management (other than hotel room operation) during the year of HK$7 million (2023: HK$10 million).

15 SEGMENT REPORTING (CONTINUED)

(b) Geographical information

The following table sets out information about the geographical segment location of (i) the Group's revenue from external customers; and (ii) the Group's investment properties, other property, plant and equipment, right-of-use assets, goodwill, trademarks, interests in associates and joint ventures (together, the "Specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the Specified non-current assets is based on the physical location of the asset in the case of investment properties, other property, plant and equipment and right-of-use assets, the location of the operation to which the cash-generating unit(s) is(are) allocated in the case of goodwill and trademarks, and the location of operations in the case of interests in associates and joint ventures.

	Revenue from external customers		Specified non-current assets	
	For the year ended 31 December		At 31 December	
	2024 HK$ million	2023 HK$ million	**2024 HK$ million**	2023 HK$ million
Hong Kong	**21,904**	24,539	**338,042**	328,977
Mainland China	**3,352**	3,031	**67,962**	72,306
The United Kingdom	**–**	–	**36**	36
	25,256	27,570	**406,040**	401,319
	(note 6)	(note 6)		

(c) Other segment information

	Depreciation and amortisation		Impairment loss/ (reversal of impairment loss) on trade debtors, net	
	For the year ended 31 December		For the year ended 31 December	
	2024 HK$ million	2023 HK$ million	**2024 HK$ million**	2023 HK$ million
Property development	**53**	73	**27**	8
Property leasing	**26**	40	**9**	(2)
Department stores and supermarket-cum-stores operations				
– sale of own goods	**151**	149	**–**	–
– rental of consignment and concessionaire counters	**7**	10	**–**	–
Hotel room operation	**75**	74	**–**	–
Other businesses	**179**	193	**–**	–
	491	539	**36**	6
	(note 8(d))	(note 8(d))	**(notes 7 and 26(b))**	(notes 7 and 26(b))

16 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Investment properties HK$ million	Investment properties under/ held for development HK$ million	Sub-total HK$ million	Hotel properties HK$ million	Other land and buildings HK$ million	Plant and equipment HK$ million	Sub-total HK$ million	Total HK$ million
Cost or valuation:								
At 1 January 2023	174,931	85,193	260,124	4,221	276	2,980	7,477	267,601
Exchange adjustments	(700)	(12)	(712)	–	2	(2)	–	(712)
Additions								
– through acquisitions of subsidiaries (note 39(a))	–	–	–	–	–	1	1	1
– others	371	7,934	8,305	3	3	123	129	8,434
Disposals	(495)	–	(495)	–	(9)	(36)	(45)	(540)
Written off	–	–	–	–	–	(29)	(29)	(29)
Deficit on revaluation	(1,043)	(657)	(1,700)	–	–	–	–	(1,700)
Transfer to investment properties	1,192	(1,192)	–	–	–	–	–	–
Transfer from inventories	–	1,201	1,201	–	–	–	–	1,201
Transfer to assets of the disposal group classified as held for sale (note 37)	(2,319)	–	(2,319)	–	–	–	–	(2,319)
At 31 December 2023	171,937	92,467	264,404	4,224	272	3,037	7,533	271,937
Representing:								
Cost	–	2,399	2,399	4,224	272	3,037	7,533	9,932
Valuation	171,937	90,068	262,005	–	–	–	–	262,005
	171,937	92,467	264,404	4,224	272	3,037	7,533	271,937
Accumulated depreciation:								
At 1 January 2023	–	–	–	216	71	2,610	2,897	2,897
Exchange adjustments	–	–	–	–	–	(8)	(8)	(8)
Charge for the year (note 8(d))	–	–	–	64	6	129	199	199
Written back on disposals	–	–	–	–	(3)	(31)	(34)	(34)
Written off	–	–	–	–	–	(29)	(29)	(29)
At 31 December 2023	–	–	–	280	74	2,671	3,025	3,025
Net book value:								
At 31 December 2023	171,937	92,467	264,404	3,944	198	366	4,508	268,912

16 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (continued)

	Investment properties HK$ million	Investment properties under/held for development HK$ million	Sub-total HK$ million	Hotel properties HK$ million	Other land and buildings HK$ million	Plant and equipment HK$ million	Sub-total HK$ million	Total HK$ million
Cost or valuation:								
At 1 January 2024	171,937	92,467	264,404	4,224	272	3,037	7,533	271,937
Exchange adjustments	(1,020)	(17)	(1,037)	–	(2)	(5)	(7)	(1,044)
Additions								
– through acquisitions of subsidiaries (note 39(a))	291	8	299	–	–	–	–	299
– others	1,124	5,064	6,188	1	1	79	81	6,269
Disposals	(130)	–	(130)	–	–	(40)	(40)	(170)
Written off	–	–	–	–	–	(23)	(23)	(23)
(Deficit)/surplus on revaluation	(3,075)	1,561	(1,514)	–	–	–	–	(1,514)
Transfer to investment properties	31,977	(31,977)	–	–	–	–	–	–
Transfer from inventories	2,613	1,051	3,664	–	–	–	–	3,664
At 31 December 2024	203,717	68,157	271,874	4,225	271	3,048	7,544	279,418
Representing:								
Cost	–	2,710	2,710	4,225	271	3,048	7,544	10,254
Valuation	203,717	65,447	269,164	–	–	–	–	269,164
	203,717	68,157	271,874	4,225	271	3,048	7,544	279,418
Accumulated depreciation:								
At 1 January 2024	–	–	–	280	74	2,671	3,025	3,025
Exchange adjustments	–	–	–	–	–	(4)	(4)	(4)
Charge for the year (note 8(d))	–	–	–	64	4	122	190	190
Written back on disposals	–	–	–	–	–	(35)	(35)	(35)
Written off	–	–	–	–	–	(21)	(21)	(21)
At 31 December 2024	–	–	–	344	78	2,733	3,155	3,155
Net book value:								
At 31 December 2024	203,717	68,157	271,874	3,881	193	315	4,389	276,263

16 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) The analysis of net book value of properties is as follows:

	2024 **HK$ million**	2023 HK$ million
In Hong Kong		
– under long leases	**19,224**	14,027
– under medium-term leases	**210,321**	205,912
	229,545	219,939
Outside Hong Kong		
– under long leases	**10**	10
– under medium-term leases	**46,357**	48,561
– freehold	**36**	36
	46,403	48,607
	275,948	268,546

(c) Fair value measurement of investment properties and investment properties under development

Fair value hierarchy

The fair value of the Group's investment properties and investment properties under development is measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

16 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value measurement of investment properties and investment properties under development (continued)

Fair value hierarchy (continued)

	Fair value at 31 December 2024 HK$ million	**Fair value measurements at 31 December 2024 categorised into**	
		Level 2 HK$ million	**Level 3 HK$ million**
Recurring fair value measurement			
Investment properties:			
– In Hong Kong	**158,201**	**3,763**	**154,438**
– In mainland China	**45,516**	**–**	**45,516**
Investment properties under development:			
– In Hong Kong	**64,673**	**–**	**64,673**
– In mainland China	**774**	**–**	**774**

	Fair value at 31 December 2023 HK$ million	Fair value measurements at 31 December 2023 categorised into	
		Level 2 HK$ million	Level 3 HK$ million
Recurring fair value measurement			
Investment properties:			
– In Hong Kong	124,252	–	124,252
– In mainland China	47,685	–	47,685
Investment properties under development:			
– In Hong Kong	89,255	–	89,255
– In mainland China	813	–	813

During the years ended 31 December 2024 and 31 December 2023, there were no transfers between Level 1 and Level 2, or transfers into and out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period during which they occur.

16 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value measurement of investment properties and investment properties under development (continued)

Valuation process

The Group's investment properties and investment properties under development were revalued at 31 December 2024 by Cushman & Wakefield Limited, a firm of professional surveyors who have among their staff Members of The Hong Kong Institute of Surveyors with recent experience in the location and category of the properties being valued, on a market value basis.

The Group's management has reviewed the valuation results performed by the surveyors for financial reporting purposes by verifying all major inputs and assumptions, and assessing the reasonableness of property valuation. Such valuation is performed at each interim and annual reporting date and is reviewed and approved by senior management.

Valuation methodologies

The valuations of completed investment properties in Hong Kong and mainland China were primarily based on income capitalisation approach which capitalised the net income of the properties and taking into account the reversionary potential of the properties after expiry of the current lease.

For certain investment properties in Hong Kong and mainland China which are still under development, the valuations were determined on redevelopment basis and by estimating the fair value of such properties as if they were completed in accordance with the relevant development plan and then deducting from that amount the estimated costs to complete the construction, financing costs and a reasonable profit margin.

Inputs used in Level 2 fair value measurement

The valuations of certain completed investment properties in Hong Kong were determined using direct market comparison approach by reference to recent sales prices of comparable properties on a price per square foot basis based on market data which is publicly available.

Inputs used in Level 3 fair value measurement

Below is a table which presents the significant unobservable inputs:

Completed investment properties

	Range of capitalisation rates		**Range of occupancy rates**	
	2024	2023	**2024**	2023
	%	%	**%**	%
In Hong Kong				
– Retail	**2.75%-6.0%**	2.75%-6.0%	**40%-100%**	50%-100%
– Office/industrial	**2.75%-4.125%**	3.0%-4.125%	**53%-100%**	64%-100%
In mainland China				
– Retail	**5.5%-8.5%**	5.5%-8.5%	**57%-100%**	57%-100%
– Office	**5.0%-6.75%**	5.0%-7.5%	**50%-100%**	44%-100%

The fair value measurement of completed investment properties is positively correlated to the occupancy rate and negatively correlated to the capitalisation rate.

16 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value measurement of investment properties and investment properties under development (continued)

Inputs used in Level 3 fair value measurement (continued)

Investment properties under development

	Estimated project development cost	
	2024	2023
In Hong Kong	**HK$49 million to HK$16,300 million**	HK$50 million to HK$17,420 million
In mainland China	**HK$71 million**	HK$73 million

The fair value measurement of investment properties under development is negatively correlated to the estimated cost to completion, being determined as the estimated project development cost less the actual amount of project development cost incurred up to the end of the reporting period.

Valuation

As a result, a net fair value loss on the Group's investment properties and investment properties under development in Hong Kong and mainland China (after deducting non-controlling interests' attributable share and deferred tax), excluding those held by associates and joint ventures, in the amount of HK$1,833 million (2023: HK$1,677 million) has been recognised in the consolidated statement of profit or loss for the year (see note 14(b)).

In aggregate, the Group's attributable share of the net fair value loss (net of deferred tax) on investment properties and investment properties under development held by subsidiaries, associates and joint ventures for the year ended 31 December 2024 amounted to HK$2,022 million (2023: HK$489 million).

A reconciliation of the abovementioned figures is as follows:

	For the year ended 31 December 2024		
	Hong Kong HK$ million	Mainland China HK$ million	Total HK$ million
Fair value (loss)/gain on investment properties and investment properties under development held by			
– subsidiaries (before deducting non-controlling interests' attributable share and deferred tax)	(351)	(1,163)	(1,514)
Less:			
Deferred tax	–	267	267
Non-controlling interests' attributable share of the fair value gain (net of deferred tax)	(578)	(8)	(586)
(after deducting non-controlling interests' attributable share and deferred tax) (note 14(b))	(929)	(904)	(1,833)
– associates (Group's attributable share) (notes 14(b) and 15(a)(iii))	(208)	–	(208)
– joint ventures (Group's attributable share) (notes 14(b) and 15(a)(iv))	193	(174)	19
	(944)	(1,078)	(2,022)

16 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value measurement of investment properties and investment properties under development (continued)

Valuation (continued)

A reconciliation of the abovementioned figures is as follows: (continued)

	For the year ended 31 December 2023		
	Hong Kong HK$ million	Mainland China HK$ million	Total HK$ million
Fair value (loss)/gain on investment properties and investment properties under development held by			
– subsidiaries (before deducting non-controlling interests' attributable share and deferred tax)	(1,352)	(348)	(1,700)
Less:			
Deferred tax	–	75	75
Non-controlling interests' attributable share of the fair value gain (net of deferred tax)	(48)	(4)	(52)
(after deducting non-controlling interests' attributable share and deferred tax) (note 14(b))	(1,400)	(277)	(1,677)
– associates (Group's attributable share) (notes 14(b) and 15(a)(iii))	217	2	219
– joint ventures (Group's attributable share) (notes 14(b) and 15(a)(iv))	1,112	(143)	969
	(71)	(418)	(489)

(d) All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

17 RIGHT-OF-USE ASSETS

	2024 HK$ million	2023 HK$ million
Cost:		
At 1 January	**1,996**	1,748
Exchange adjustments	**(1)**	–
Additions for the year (note 30)	**68**	774
Change in basic rent due to modification of certain lease terms (note 30)	**(1)**	(2)
Written back on expiry of leases	**(109)**	(524)
At 31 December	**1,953**	1,996
Accumulated depreciation:		
At 1 January	**785**	973
Exchange adjustments	**(1)**	–
Charge for the year (note 8(d))	**297**	336
Written back on expiry of leases	**(109)**	(524)
At 31 December	**972**	785
Net book value:		
At 31 December	**981**	1,211

Except for short-term leases and leases of low-value assets of the Group of which the Company or any of its subsidiaries is a lessee and in relation to which the recognition exemption under HKFRS 16 is applicable, the Group recognises for each of the remaining leases (the "Remaining Leases") a right-of-use asset.

Depreciation charge on the right-of-use assets is recognised using the straight-line method over a period of 2 years to 8 years, being the periods from the dates of the commencement/modification of the Remaining Leases to the end of the term of the Remaining Leases, taking into consideration any renewal options attaching thereto (if any).

The carrying balances of the right-of-use assets are amortised to nil on the expiry dates of the Remaining Leases.

Indirect ownership interests in leasehold land and buildings relate to certain investment properties held by certain associates (including Sunlight REIT which the Group has accounted for as a listed associate commencing from 30 June 2023 (see note 5)) and a joint venture of the Group. Other properties leased for own use relate to certain property interests held by external third parties.

17 RIGHT-OF-USE ASSETS (CONTINUED)

Further analysis of right-of-use assets by category, at net book values, is as follows:

	2024 HK$ million	2023 HK$ million
At 1 January		
– Indirect ownership interests in leasehold land and buildings	**720**	192
– Other properties leased for own use	**491**	583
	1,211	775
At 31 December		
– Indirect ownership interests in leasehold land and buildings	**579**	720
– Other properties leased for own use	**402**	491
	981	1,211

18 GOODWILL

Goodwill of HK$262 million (2023: HK$262 million) had arisen from the acquisition of UNY (HK) Co., Limited (which was subsequently renamed as Unicorn Stores (HK) Limited on 27 July 2018) by Henderson Investment Limited, a listed subsidiary of the Company, in May 2018.

The Directors have assessed that there was no impairment on the goodwill at 31 December 2024 and 31 December 2023.

19 TRADEMARKS

	2024 HK$ million	2023 HK$ million
Cost:		
At 1 January and 31 December	**109**	109
Accumulated amortisation:		
At 1 January	**11**	7
Amortisation during the year (note 8(d))	**4**	4
At 31 December	**15**	11
Carrying amount:		
At 31 December	**94**	98

The amortisation charge is included in "Administrative expenses" in the Group's consolidated statement of profit or loss.

20 INTEREST IN SUBSIDIARIES

Details of the principal subsidiaries at 31 December 2024 which materially affected the results, assets or liabilities of the Group or whose business activities are representative of the Group's business portfolio are set out on pages 312 to 318.

The following table lists out the information relating to Miramar, the only subsidiary of the Group which has a material non-controlling interest not held by the Group ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination and consolidation adjustments.

	2024 **HK$ million**	2023 HK$ million
NCI percentage	**49.925%**	49.925%
Current assets	**6,862**	6,062
Non-current assets	**15,583**	15,909
Current liabilities	**(768)**	(742)
Non-current liabilities	**(577)**	(557)
Non-controlling interests	**(217)**	(187)
Net assets attributable to equity shareholders	**20,883**	20,485
Carrying amount of NCI	**10,426**	10,227
Revenue	**2,858**	2,553
Profit for the year	**802**	1,017
Total comprehensive income	**814**	913
Profit allocated to NCI for the year	**400**	508
Dividends paid to NCI for the year	**183**	179
Cash flows generated from operating activities	**236**	652
Cash flows generated from/(used in) investing activities	**577**	(1,648)
Cash flows used in financing activities	**(52)**	(50)

21 INTEREST IN ASSOCIATES

	2024 HK$ million	2023 HK$ million
Unlisted		
Share of net assets	**2,609**	3,009
Amounts due from associates	**1,158**	1,160
Less: Impairment loss	**(44)**	(44)
	3,723	4,125
Listed in Hong Kong		
Share of net assets, including goodwill on acquisition	**46,841**	47,778
	50,564	51,903
Market value of listed shares	**49,338**	47,646

Except for the amounts due from associates of (i) HK$12 million (2023: HK$17 million) which are interest-bearing at Hong Kong dollar prime rate minus 3% (2023: Hong Kong dollar prime rate minus 3%) per annum; and (ii) HK$5 million (2023: Nil) which are interest-bearing at Hong Kong Interbank Offered Rate ("HIBOR") plus 4% per annum, all of the amounts due from associates are unsecured, interest-free and have no fixed terms of repayment. The balances are not expected to be recovered within one year from the end of the reporting period and were not past due at 31 December 2024 and 31 December 2023.

21 INTEREST IN ASSOCIATES (CONTINUED)

All of the associates are accounted for using the equity method in the consolidated financial statements. Details of the principal associates at 31 December 2024 which materially affected the results, assets or liabilities of the Group or whose business activities are representative of the Group's business portfolio are set out on page 319.

Summarised financial information of the material associate, adjusted for any differences in accounting policies and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	The Hong Kong and China Gas Company Limited *(note)*	
	2024 HK$ million	2023 HK$ million
Gross amounts of the associate's:		
Current assets	**24,341**	26,634
Non-current assets	**134,077**	135,477
Current liabilities	**(36,068)**	(40,131)
Non-current liabilities	**(53,886)**	(50,831)
Equity	**68,464**	71,149
Revenue	**55,473**	56,971
Profit from continuing operation	**6,761**	7,171
Other comprehensive income	**(2,189)**	(1,689)
Total comprehensive income	**4,572**	5,482
Dividend received from the associate	**2,712**	2,712
Reconciled to the Group's interest in the associate:		
Gross amount of net assets of the associate	**68,464**	71,149
Non-controlling interests	**(10,943)**	(11,086)
Equity attributable to equity shareholders	**57,521**	60,063
Group's interest	**41.53%**	41.53%
Group's share of the associate's equity attributable to equity shareholders	**23,888**	24,944
Goodwill	**17,519**	17,519
Carrying amount in the consolidated financial statements	**41,407**	42,463
Market value of the listed shares	**48,119**	46,337

Note: The principal activities of The Hong Kong and China Gas Company Limited are the production, distribution and marketing of gas, water supply, renewable energy businesses and emerging energy businesses. Its distinctive business nature forms a supplement to the Group's core businesses of property development and property investment and smoothens the cyclicality of the Group's property development business.

21 INTEREST IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material:

	2024 HK$ million	2023 HK$ million
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**9,157**	9,440
Aggregate amounts of the Group's share of those associates:		
Profit from continuing operation	**42**	270
Other comprehensive income	**(23)**	(17)
Total comprehensive income	**19**	253

22 INTEREST IN JOINT VENTURES

	2024 HK$ million	2023 HK$ million
Share of net assets	**50,474**	52,174
Less: Impairment loss	**(2)**	(2)
	50,472	52,172
Amounts due from joint ventures	**27,404**	26,761
	77,876	78,933

The amounts due from joint ventures are unsecured, interest-free, have no fixed terms of repayment and are not expected to be recovered within one year from the end of the reporting period except for the amounts of (i) HK$2,481 million (2023: HK$2,344 million) which are interest-bearing at interest rates ranging from Hong Kong dollar prime rate minus 3% to Hong Kong dollar prime rate (2023: ranging from Hong Kong dollar prime rate minus 3% to Hong Kong dollar prime rate) per annum; and (ii) HK$14 million which were interest-bearing at HIBOR plus 0.5% per annum at 31 December 2023 and were fully recovered during the year ended 31 December 2024. The balances were not past due at 31 December 2024 and 31 December 2023.

All of the joint ventures are accounted for using the equity method in the consolidated financial statements. Details of the principal joint ventures at 31 December 2024 which materially affected the results, assets or liabilities of the Group or whose business activities are representative of the Group's business portfolio are set out on page 320.

22 INTEREST IN JOINT VENTURES (CONTINUED)

Summarised financial information of the material joint venture, adjusted for any differences in accounting policies and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	Central Waterfront Property Investment Holdings Limited *(note)*	
	2024 HK$ million	2023 HK$ million
Gross amounts of the joint venture's:		
Current assets	**667**	559
Non-current assets	**118,065**	117,664
Current liabilities	**(1,771)**	(1,866)
Non-current liabilities	**(18,814)**	(18,767)
Equity	**98,147**	97,590
Included in the above assets and liabilities:		
Cash and cash equivalents	**302**	209
Non-current financial liabilities (excluding trade and other payables and provisions)	**(17,477)**	(17,486)
Revenue	**5,123**	5,366
Increase in fair value of investment properties	**498**	3,209
Profit from continuing operation	**2,629**	5,604
Other comprehensive income	**10**	(108)
Total comprehensive income	**2,639**	5,496
Dividend received from the joint venture	**712**	876
Included in the above profit:		
Depreciation and amortisation	**(105)**	(102)
Interest income	**7**	8
Interest expense	**(814)**	(784)
Income tax expense	**(431)**	(470)
Reconciled to the Group's interest in the joint venture:		
Gross amount of net assets of the joint venture	**98,147**	97,590
Group's interest	**34.21%**	34.21%
Group's share of net assets of the joint venture and its carrying amount in the consolidated financial statements	**33,576**	33,386

Note: Central Waterfront Property Investment Holdings Limited was incorporated in the British Virgin Islands by the Group and its joint venture partners and operates in Hong Kong. Its subsidiaries are mainly engaged in property investment and hotel operation in The International Finance Centre complex in Hong Kong.

22 INTEREST IN JOINT VENTURES (CONTINUED)

Aggregate information of joint ventures that are not individually material:

	2024 HK$ million	2023 HK$ million
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	**44,300**	45,547
Aggregate amounts of the Group's share of those joint ventures:		
(Loss)/profit from continuing operation	**(214)**	846
Other comprehensive income	**(303)**	(320)
Total comprehensive income	**(517)**	526

23 DERIVATIVE FINANCIAL INSTRUMENTS

	2024		2023	
	Assets HK$ million	Liabilities HK$ million	Assets HK$ million	Liabilities HK$ million
Cash flow hedges:				
Cross currency interest rate swap contracts (note 4(h)(i))	**6**	**1,422**	44	1,117
Interest rate swap contracts (note 4(h)(i))	**264**	**–**	338	–
Total cash flow hedges	**270**	**1,422**	382	1,117
Fair value through profit or loss:				
Cross currency interest rate swap contracts (note 4(h)(i))	**–**	**–**	1	89
Cross currency swap contracts (note 4(h)(i))	**–**	**89**	–	63
Interest rate swap contracts (note 4(h)(i))	**301**	**162**	376	174
Foreign exchange forward contracts (note 4(h)(i))	**–**	**–**	106	20
	301	**251**	483	346
	571	**1,673**	865	1,463
Representing:				
Non-current portion	**514**	**996**	743	1,354
Current portion (notes 26 and 29)	**57**	**677**	122	109
	571	**1,673**	865	1,463

Details of the Group's derivative financial instruments under cash flow hedges and economic hedges which hedged against interest rate risk, foreign currency risk and both the foreign currency and interest rate risks, in relation to the Group's bank loans and guaranteed notes at 31 December 2024 and 31 December 2023, are set out in note 4(c) to these consolidated financial statements.

24 OTHER FINANCIAL ASSETS

	2024 HK$ million	2023 HK$ million
Investments designated as financial assets at FVOCI (non-recycling)		
Investments in equity securities		
Unlisted (note 4(h)(i))	**38**	30
Listed (note 4(h)(i)):		
– in Hong Kong	**259**	260
– outside Hong Kong	**47**	111
	344	401
Investments measured as financial assets at FVPL		
Investments in other securities		
Listed (note 4(h)(i)):		
– in Hong Kong	**20**	18
	20	18
Financial assets measured at amortised cost		
Corporate bonds	**13**	13
Instalments receivable	**3,205**	3,844
Loans receivable	**1,029**	1,043
	4,247	4,900
	4,611	5,319

24 OTHER FINANCIAL ASSETS (CONTINUED)

(a) Instalments receivable

Instalments receivable represent the proceeds receivable from the sale of properties due after more than one year from the end of the reporting period. The balance included in "Other financial assets" was not past due at 31 December 2024 and 31 December 2023. Instalments receivable due within one year from the end of the reporting period are included in "Trade and other receivables" under current assets (see note 26).

Instalments receivable, which are due within one year (see note 26) and after more than one year from the end of the reporting period, included an amount of HK$2,583 million (2023: HK$3,099 million) representing the aggregate attributable amounts of the outstanding mortgage loans advanced by the Group to the property buyers and which were already drawdown by the property buyers at the end of the reporting period.

(b) Loans receivable

The Group's loans receivable comprised the following amounts:

	2024 HK$ million	2023 HK$ million
Secured loans	**920**	1,043
Unsecured loans	**109**	–
	1,029	1,043

At 31 December 2024, except for an amount of HK$536 million (2023: HK$543 million) which is interest-bearing at HIBOR plus 2.25% (2023: HIBOR plus 2.25%) per annum, the remaining balance of the abovementioned secured loans in the aggregate amount of HK$384 million (2023: HK$500 million) is interest-bearing at fixed interest rate of 5.5% (2023: 5.5%) per annum.

At 31 December 2024, the entire balance of the abovementioned unsecured loans was interest-bearing at floating interest rates ranging from 20% below the RMB Loan Prime Rate to RMB Loan Prime Rate plus 0.15% per annum (2023: Nil).

These balances are due after more than one year from the end of the reporting period and were not past due at 31 December 2024 and 31 December 2023.

The balances of loans receivable which are expected to be recovered within one year from the end of the reporting period have been classified as "Trade and other receivables" under current assets (see note 26). The balances were not past due at 31 December 2024 and 31 December 2023.

25 INVENTORIES

	2024 **HK$ million**	2023 HK$ million
Property development		
Leasehold land held for development for sale	**9,495**	11,384
Properties held for/under development for sale	**42,281**	53,923
Completed properties for sale	**33,693**	28,698
	85,469	94,005
Other operations		
Trading stocks and consumable stores	**139**	159
	85,608	94,164

The analysis of carrying value of inventories for property development is as follows:

	2024 **HK$ million**	2023 HK$ million
In Hong Kong		
– under long leases	**38,164**	39,023
– under medium-term leases	**37,551**	45,221
	75,715	84,244
In mainland China		
– under long leases	**6,607**	7,914
– under medium-term leases	**3,147**	1,847
	9,754	9,761
	85,469	94,005
Including:		
– Properties expected to be completed after more than one year	**33,690**	40,202

26 TRADE AND OTHER RECEIVABLES

		2024 HK$ million	2023 HK$ million
(i)	**Debtors and current receivables**		
	Trade receivables (other than those transferred to the disposal group (see note 37))	**310**	322
	Instalments receivable (note 24(a))	**103**	119
	Sub-total: Trade debtors	**413**	441
	Other debtors	**5,692**	5,921
	Prepayments and deposits (other than those transferred to the disposal group (see note 37))	**4,208**	3,732
	Gross amount due from customers for contract work (note 27)(^)	**15**	44
	Amounts due from associates	**27**	31
	Amounts due from joint ventures	**203**	284
		10,558	10,453
(ii)	**Other current financial assets**		
	Loans receivable (note 24(b))	**2,557**	3,384
	Financial assets measured at FVPL (note 4(h)(i))	**851**	482
	Derivative financial instruments (note 23)	**57**	122
		3,465	3,988
		14,023	14,441

(^) *This balance represented the excess of cumulative revenue recognised in profit or loss over the cumulative payments made by customers at the end of the reporting period, and was recognised as contract asset (see note 2(q)).*

Included in other debtors is an amount receivable of HK$1,864 million (2023: HK$1,864 million) which was overdue at 31 December 2024, but which is pledged against certain collaterals provided by the debtor.

Loans receivable, of which HK$795 million (2023: HK$695 million) are secured and interest-bearing at interest rates ranging from 3.8% to 5.5% and HIBOR plus 2.25% (2023: ranging from 3.8% to 12.0%) per annum, and HK$1,762 million (2023: HK$2,689 million) are unsecured and interest-bearing at interest rates ranging from 6.0% to 9.0% (2023: ranging from 3.8% to 9.0%) per annum, are both expected to be recovered within one year from the end of the reporting period, and were both not past due at 31 December 2024 and 31 December 2023.

26 TRADE AND OTHER RECEIVABLES (CONTINUED)

Typical payment terms which impact on the amount of contract assets recognised are as follows:

Gross amount due from customers for contract work
The Group's construction contracts include payment schedules which require staged payments over the construction period once certain milestones are reached as certified by architects' certificates. At 31 December 2023, the Group had one construction contract for agreed retention period of twelve months for 10% of the contract value, which amount was included in contract assets until the end of the retention period as the Group's entitlement to the final payment was conditional on the Group's construction works satisfactorily passing inspection. At 31 December 2024, the Group did not have any construction contract.

All of the trade and other receivables are expected to be recovered or recognised as expense within one year except for various deposits, prepayments and other debtors of HK$4,185 million (2023: HK$3,517 million) which are expected to be recovered after more than one year from the end of the reporting period.

The amounts due from associates and joint ventures at 31 December 2024 and 31 December 2023 are unsecured, interest-free, have no fixed terms of repayment and were not past due at 31 December 2024 and 31 December 2023.

(a) Ageing analysis

At the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the dates of invoices or demand notes and net of loss allowance, is as follows:

	2024 HK$ million	2023 HK$ million
Current or up to 1 month	**252**	309
More than 1 month and up to 3 months	**66**	54
More than 3 months and up to 6 months	**33**	30
More than 6 months	**62**	48
	413	441

Details of the Group's credit policy are set out in note 4(a).

(b) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 2(o)(i)).

The movement in the allowance account during the year is as follows:

	2024 HK$ million	2023 HK$ million
At 1 January	**37**	31
Impairment loss, net (notes 7 and 15(c))	**36**	6
Uncollectible amounts written off	**(4)**	–
At 31 December	**69**	37

27 GROSS AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

	2024 HK$ million	2023 HK$ million
Contracts in progress at the end of the reporting period:		
Contract costs incurred plus profits less losses	**120**	2,083
Progress billings	**(110)**	(2,137)
Net contract work/(progress billings in excess of contract costs incurred plus profits less losses)	**10**	(54)
Represented by:		
Gross amount due from customers for contract work recognised as contract assets under "Trade and other receivables" (note 26)	**15**	44
Gross amount due to customers for contract work recognised as contract liabilities under "Trade and other payables" (note 29)	**(5)**	(98)
	10	(54)

28 CASH AND BANK BALANCES AND MOVEMENTS IN THE CARRYING AMOUNTS OF ITEMS RELATING TO FINANCING ACTIVITIES

(a) Cash and cash equivalents comprise:

	2024 HK$ million	2023 HK$ million
Deposits with banks and other financial institutions	**15,765**	16,883
Cash at bank and in hand	**2,154**	4,740
Cash and bank balances in the consolidated statement of financial position	**17,919**	21,623
Less:		
Deposits with banks and other financial institutions over three months of maturity at acquisition	**(6,912)**	(2,698)
Cash restricted for use	**(222)**	(287)
Cash and cash equivalents in the consolidated cash flow statement	**10,785**	18,638

At 31 December 2024, cash and bank balances in the consolidated statement of financial position included bank balances in the aggregate amount of HK$222 million (2023: HK$287 million) which were restricted for use and comprised the guarantee deposits for the construction of certain property development projects under pre-sales in mainland China.

28 CASH AND BANK BALANCES AND MOVEMENTS IN THE CARRYING AMOUNTS OF ITEMS RELATING TO FINANCING ACTIVITIES (CONTINUED)

(b) Movements in the carrying amounts of items relating to financing activities

	Lease liabilities HK$ million (note 30)	Bank loans HK$ million (note 31)	Guaranteed notes HK$ million (note 32)	Derivative financial instruments, net HK$ million (note 23)	Amount due to a fellow subsidiary HK$ million (note 33)	Amounts due to related companies HK$ million (note 34)	Amounts due to non-controlling interests and joint ventures, net HK$ million	Total HK$ million
At 1 January 2023	809	59,964	27,563	90	56,007	2,854	7,077	154,364
Additions through acquisitions of subsidiaries (note 39(a))	–	734	–	–	–	–	–	734
Changes from financing cash flows:								
Advance from non-controlling interests, net	–	–	–	–	–	–	108	108
Proceeds from new bank loans/guaranteed notes	–	56,067	7,064	–	–	–	–	63,131
Repayment of bank loans/guaranteed notes	–	(50,539)	(9,274)	–	–	–	–	(59,813)
Increase in amount due to a fellow subsidiary	–	–	–	–	6,420	–	–	6,420
Increase in amounts due to related companies	–	–	–	–	–	729	–	729
Payments of principal portion of lease liabilities	(329)	–	–	–	–	–	–	(329)
Interest and other borrowing costs (paid)/ received during the year	(40)	(2,845)	(811)	75	(2,791)	(99)	(221)	(6,732)
Total changes from financing cash flows	(369)	2,683	(3,021)	75	3,629	630	(113)	3,514
Exchange adjustments	–	(49)	315	–	21	74	–	361
Changes in fair value	–	–	–	508	–	–	–	508
Other changes:								
Interest expenses (before capitalisation)/ (interest income) for the year (note 8(a))	40	2,746	931	(63)	2,791	99	221	6,765
Other borrowing costs (before capitalisation) for the year (note 8(a))	–	152	2	–	–	–	–	154
Increase in lease liabilities from entering into new leases during the year	774	–	–	–	–	–	–	774
Others	(2)	(78)	(107)	(12)	–	–	(287)	(486)
Total other changes	812	2,820	826	(75)	2,791	99	(66)	7,207
At 31 December 2023	1,252	66,152	25,683	598	62,448	3,657	6,898	166,688

28 CASH AND BANK BALANCES AND MOVEMENTS IN THE CARRYING AMOUNTS OF ITEMS RELATING TO FINANCING ACTIVITIES (CONTINUED)

(b) Movements in the carrying amounts of items relating to financing activities (continued)

	Lease liabilities HK$ million (note 30)	Bank loans HK$ million (note 31)	Guaranteed notes HK$ million (note 32)	Derivative financial instruments, net HK$ million (note 23)	Amount due to a fellow subsidiary HK$ million (note 33)	Amounts due to related companies HK$ million (note 34)	Amounts due to non-controlling interests and joint ventures, net HK$ million	Total HK$ million
At 1 January 2024	1,252	66,152	25,683	598	62,448	3,657	6,898	166,688
Changes from financing cash flows:								
Advance from non-controlling interests, net	–	–	–	–	–	–	122	122
Proceeds from new bank loans/guaranteed notes	–	58,579	300	–	–	–	–	58,879
Repayment of bank loans/guaranteed notes	–	(61,469)	(6,334)	–	–	–	–	(67,803)
Increase in amount due to a fellow subsidiary	–	–	–	–	3,788	–	–	3,788
Increase in amounts due to related companies	–	–	–	–	–	93	–	93
Payments of principal portion of lease liabilities	(300)	–	–	–	–	–	–	(300)
Interest and other borrowing costs (paid)/ received during the year	(40)	(3,031)	(840)	28	(2,874)	(97)	(170)	(7,024)
Total changes from financing cash flows	(340)	(5,921)	(6,874)	28	914	(4)	(48)	(12,245)
Exchange adjustments	–	(626)	(52)	–	(21)	(78)	–	(777)
Changes in fair value	–	–	–	505	–	–	–	505
Other changes:								
Interest expenses (before capitalisation)/ (interest income) for the year (note 8(a))	40	2,811	797	(44)	2,874	97	168	6,743
Other borrowing costs (before capitalisation) for the year (note 8(a))	–	139	2	–	–	–	–	141
Increase in lease liabilities from entering into new leases during the year	68	–	–	–	–	–	–	68
Others	(1)	72	53	15	–	–	(1,452)	(1,313)
Total other changes	107	3,022	852	(29)	2,874	97	(1,284)	5,639
At 31 December 2024	1,019	62,627	19,609	1,102	66,215	3,672	5,566	159,810

28 CASH AND BANK BALANCES AND MOVEMENTS IN THE CARRYING AMOUNTS OF ITEMS RELATING TO FINANCING ACTIVITIES (CONTINUED)

(c) Total cash outflow for leases (under which the Group is the lessee)

Amounts included in the Group's consolidated cash flow statement for leases (under which the Group is the lessee) comprise the following:

	2024 **HK$ million**	2023 HK$ million
Within operating cash flows (relating to short-term leases which fall within the "practical expedient" under HKFRS 16 (before capitalisation))	**17**	10
Within financing cash flows (note 28(b))	**340**	369
Total cash outflows recognised in the Group's consolidated cash flow statement	**357**	379

29 TRADE AND OTHER PAYABLES

	2024 **HK$ million**	2023 HK$ million
Creditors and accrued expenses (other than those transferred to the disposal group (see note 37))	**8,597**	9,342
Gross amount due to customers for contract work (note 27)(#)	**5**	98
Rental and other deposits received (other than those transferred to the disposal group (see note 37))	**2,007**	1,954
Forward sales deposits received and other contract liabilities(#)	**5,672**	4,899
Derivative financial instruments (note 23)	**677**	109
Amounts due to associates	**1,543**	1,812
Amounts due to joint ventures	**8,310**	10,148
	26,811	28,362

(#) These balances represented the excess of cumulative payments made by customers over the cumulative revenue recognised in profit or loss at the end of the reporting period, and were recognised as contract liabilities (see note 2(q)).

29 TRADE AND OTHER PAYABLES (CONTINUED)

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Forward sales deposits received
The Group receives 5% to 15% of the amount of sale consideration as deposits from customers when they sign the sale and purchase agreements relating to property sales. Such deposit is recognised as a contract liability until the property is completed and legally assigned to the customer. The rest of the sale consideration is typically paid when legal assignment is completed.

However, depending on market conditions, the Group may offer to customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the sale consideration early while construction is still ongoing, rather than upon legal assignment. Such advance payment schemes result in contract liabilities being recognised throughout the remaining property construction period for the full amount of the sale consideration.

Movements in contract liabilities

	Forward sales deposits received and other contract liabilities	
	2024 HK$ million	2023 HK$ million
At 1 January	**4,899**	3,909
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(3,302)**	(2,876)
Increase in contract liabilities as a result of forward sales deposits received from customers during the year in relation to property projects held for/under development and completed property projects pending assignment/completion, and other contract liabilities in relation to provision of services at the end of the year	**4,075**	3,866
At 31 December	**5,672**	4,899

(a) All of the Group's trade and other payables are expected to be settled within one year or are repayable on demand except for an amount of HK$1,253 million (2023: HK$1,281 million) which is expected to be settled after more than one year from the end of the reporting period.

(b) At the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the due dates for settlement, is as follows:

	2024 HK$ million	2023 HK$ million
Due within 1 month or on demand	**1,574**	1,384
Due after 1 month but within 3 months	**631**	645
Due after 3 months but within 6 months	**260**	277
Due after 6 months	**2,719**	1,733
	5,184	4,039

29 TRADE AND OTHER PAYABLES (CONTINUED)

(c) The amounts due to associates and joint ventures at 31 December 2024 and 31 December 2023 are unsecured, interest-free and have no fixed terms of repayment except for aggregate amounts due to certain associates and certain joint ventures of HK$1,082 million (2023: HK$2,503 million) which are unsecured, interest-bearing at interest rates ranging from 2.45% to 2.80% and 20% below the RMB Loan Prime Rate (2023: ranging from 2.80% to 3.80% and RMB Loan Prime Rate minus 0.2%) per annum and wholly repayable between 28 January 2025 and 19 December 2025 (2023: between 29 January 2024 and 27 November 2024).

30 LEASE LIABILITIES

	2024 HK$ million	2023 HK$ million
At 1 January	**1,252**	809
Additions for the year (notes 17 and 28(b))	**68**	774
Change in basic rent due to modification of certain lease terms (note 17)	**(1)**	(2)
Lease payments made during the year (note 28(b))	**(340)**	(369)
Finance costs on lease liabilities for the year (notes 8(a) and 28(b))	**40**	40
At 31 December	**1,019**	1,252

	2024 HK$ million	2023 HK$ million
Represented by:		
Amount classified under current liabilities		
– contractual maturity within 1 year	**262**	280
Amounts classified under non-current liabilities		
– contractual maturity after 1 year but within 2 years	**226**	234
– contractual maturity after 2 years but within 5 years	**531**	608
– contractual maturity after 5 years	**–**	130
	757	972
	1,019	1,252

The carrying balances of the lease liabilities are amortised to nil on the expiry dates of the Remaining Leases.

31 BANK LOANS

The Group's bank loans are repayable as follows:

	2024 HK$ million	2023 HK$ million
Within 1 year and included in current liabilities	**8,001**	24,500
After 1 year and included in non-current liabilities		
– After 1 year but within 2 years	**17,359**	15,102
– After 2 years but within 5 years	**19,028**	13,002
– After 5 years	**18,239**	13,548
	54,626	41,652
	62,627	66,152

At 31 December 2024 and 31 December 2023, all of the bank loans were unsecured.

Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain ratios in the Group's statement of financial position and minimum net assets requirement, as are commonly found in lending arrangements with financial institutions. Any breach of the covenants by the Group would result in the drawdown facilities to become repayable on demand. The Group regularly monitors its compliance with those covenants. Further details of the Group's management of liquidity risk are set out in note 4(b). At 31 December 2024 and 31 December 2023, none of the covenants relating to the drawdown facilities had been breached.

32 GUARANTEED NOTES

	2024 HK$ million	2023 HK$ million
Guaranteed notes issued pursuant to the Medium Term Note Programme	**19,609**	25,683
	19,609	25,683

The Group's guaranteed notes are repayable as follows:

	2024 HK$ million	2023 HK$ million
Within 1 year and included in current liabilities	**9,585**	6,244
After 1 year and included in non-current liabilities		
– After 1 year but within 2 years	**2,722**	9,638
– After 2 years but within 5 years	**3,796**	3,960
– After 5 years	**3,506**	5,841
	10,024	19,439
	19,609	25,683

32 GUARANTEED NOTES (CONTINUED)

Guaranteed notes issued pursuant to the Medium Term Note Programme (the "MTN Programme")

On 6 May 2022, the Company increased the maximum aggregate principal amount of notes to be guaranteed by the Company and outstanding at any one time under the MTN Programme, from US$5,000 million to US$7,000 million. The aggregate carrying amount of the guaranteed notes issued under the MTN Programme during the year ended 31 December 2024 was HK$300 million, and the guaranteed notes issued under the MTN Programme which remained outstanding at 31 December 2024 comprised HK$9,255 million, US$1,043 million, RMB2,055 million and ¥2,000 million (2023: the aggregate carrying amounts of the guaranteed notes issued under the MTN Programme during the year were HK$3,750 million, US$103 million and RMB2,255 million, and the guaranteed notes issued under the MTN Programme which remained outstanding at 31 December 2023 comprised HK$13,725 million, US$1,098 million, RMB3,005 million and ¥2,000 million).

The guaranteed notes which remained outstanding at 31 December 2024 under the MTN Programme were issued by a wholly-owned subsidiary of the Company during the period between 20 October 2011 and 21 March 2024 (2023: between 20 October 2011 and 3 August 2023), and bear coupon rates ranging from 0.80% to 5.61% per annum (2023: 0.80% to 6.66% per annum) payable quarterly, semi-annually or annually in arrears, and have maturity dates between 22 January 2025 (which had already been repaid by the Group on the maturity date) and 9 March 2035 (2023: between 11 January 2024 (which had already been repaid by the Group on the maturity date) and 9 March 2035).

33 AMOUNT DUE TO A FELLOW SUBSIDIARY

At 31 December 2024 and 31 December 2023, all of the amount due to a fellow subsidiary (being a wholly-owned subsidiary of the ultimate controlling party of the Group) was unsecured, interest-bearing and was not expected to be settled within one year from the end of the reporting period, and has no fixed terms of repayment. At 31 December 2023, the amount due to a fellow subsidiary included an amount denominated in Renminbi in the equivalent amount of HK$1,256 million (notes 4(d) and 4(e)) and was fully settled during the year ended 31 December 2024.

34 AMOUNTS DUE TO RELATED COMPANIES

At 31 December 2024 and 31 December 2023, all of the amounts due to related companies were unsecured, interest-bearing and repayable as follows:

	2024 **HK$ million**	2023 HK$ million
Within 1 year and included in current liabilities	**97**	268
After 1 year and included in non-current liabilities		
– After 1 year but within 2 years	**1,900**	–
– After 2 years but within 5 years	**1,675**	3,389
	3,575	3,389
	3,672	3,657

35 NON-CONTROLLING INTERESTS

Included in the Group's non-controlling interests of HK$18,430 million at 31 December 2024 (2023: HK$17,558 million) are (i) an amount of HK$12,648 million related to Miramar's consolidated net assets attributable to the non-controlling interests at 31 December 2024 (2023: HK$12,528 million); and (ii) an amount of HK$217 million related to the non-controlling interests in Miramar's subsidiaries at 31 December 2024 (2023: HK$187 million).

36 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances during the year of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of changes in the Company's individual components of equity between the beginning and the end of the year are set out in note 44(b).

(b) Nature and purpose of reserves

(i) Property revaluation reserve

The property revaluation reserve relates to other land and buildings. Where other land and buildings is reclassified to investment properties, the cumulative increase in fair value at the date of reclassification is included in the property revaluation reserve, and will be transferred to retained profits upon the retirement or disposal of the relevant property.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(z).

(iii) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investment designated at FVOCI under HKFRS 9 held at the end of the reporting period (see note 2(g)).

(iv) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of a derivative financial instrument which is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, in accordance with the accounting policy adopted for cash flow hedges in note 2(i).

(v) Other reserves

Other reserves mainly comprise the statutory reserve set up for enterprises established in mainland China. According to the relevant rules and regulations in the People's Republic of China ("the PRC") applicable to wholly foreign-owned enterprises, a wholly foreign-owned enterprise is required to transfer at least 10% of its profit after taxation, as determined under the PRC Accounting Regulations, to a reserve fund until the reserve fund balance reaches 50% of the relevant enterprise's registered capital.

37 DISPOSAL GROUP

On 10 December 2023, the Group entered into a conditional agreement with an independent third party pursuant to which the Group transferred to such independent third party its entire interest in and shareholder's loan to a wholly-owned subsidiary which owns "Harbour East" (being an investment property at No. 218 Electric Road, North Point, Hong Kong) for a cash consideration of HK$2,208 million (subject to adjustment) (note 39(b)). On 28 January 2024, the transaction contemplated under the transfer was completed for an adjusted final cash consideration of HK$2,221 million (note 39(b)). Loss attributable to the Group's post-tax reported profit and gain attributable to the Group's post-tax underlying profit, in the amounts of HK$2 million (notes 7(i) and 39(b)) and HK$1,407 million (note 7(i)) respectively, have been recognised by the Group for the year ended 31 December 2024. At 31 December 2023, the disposal group also included the transfer of certain other investment property in Hong Kong which had already been completed on 1 March 2024.

At 31 December 2023, the major classes of assets and liabilities of the disposal group classified as held for sale were as follows:

	2023 HK$ million
Assets	
Investment properties (note 16(a))	2,319
Trade receivables	6
Prepayments and deposits	1
	2,326
Liabilities	
Creditors and accrued expenses	(28)
Rental and other deposits received	(11)
	(39)
Net assets classified as held for sale	2,287

38 CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that the Group can continue to provide financial returns to shareholders and by securing access to financing sources at reasonable costs.

The Group regularly reviews and manages its capital structure under the policy of prudent financial management. The Group maintains a financially sound capital position and, where appropriate, makes adjustments to its capital structure in light of remarkable changes in the financial and capital markets and in economic conditions.

The Group monitors its capital structure on the basis of gearing ratio, which is one of the most commonly adopted measurement standards for capital management by companies engaged in the businesses of property development and property investment. Gearing ratio is calculated based on the net debt (being the aggregate of the Group's bank and other borrowings and the amounts due to related companies (collectively, the "Total debt") less cash and bank balances) and shareholders' funds of the Group at the end of the reporting period.

During the year ended 31 December 2024, the Group's strategy, which was unchanged from that for the corresponding year ended 31 December 2023, was to secure long-term funding sources at attractive borrowing costs so as to finance the development of the Group's land bank in Hong Kong and mainland China in the coming years. The Group continued to maintain a low gearing ratio during the year, which has the effect of minimising any unfavourable impact on the Group arising from any unforeseeable adverse changes in the local and/or international financial markets, capital markets and economic conditions.

The Group's gearing ratios at 31 December 2024 and 31 December 2023 were as follows:

	2024 **HK$ million**	2023 HK$ million
Bank and other borrowings (including guaranteed notes) repayable:		
– Within 1 year	**17,586**	30,744
– After 1 year but within 2 years	**20,081**	24,740
– After 2 years but within 5 years	**22,824**	16,962
– After 5 years	**21,745**	19,389
Amounts due to related companies (note 34)	**3,672**	3,657
Total debt	**85,908**	95,492
Less: Cash and bank balances	**(17,919)**	(21,623)
Net debt	**67,989**	73,869
Shareholders' funds	**322,147**	326,542
Gearing ratio (%)	**21.1%**	22.6%

Neither the Company nor any of its subsidiaries was subject to externally imposed capital requirements during the year ended 31 December 2024 (2023: None) and at 31 December 2024 and 31 December 2023.

39 ACQUISITIONS AND TRANSFER OF SUBSIDIARIES

(a) Acquisitions of subsidiaries

During the year ended 31 December 2024, the Group acquired certain subsidiaries which are engaged in the property development and property investment in Hong Kong. During the corresponding year ended 31 December 2023, the Group acquired certain subsidiaries in Hong Kong and mainland China which included an increase in the Group's investments in two joint ventures to become wholly-owned subsidiaries. Details of the significant acquisitions are set out below.

On 9 March 2023, the Group acquired from CIFI Holdings (Group) Co. Ltd. its entire interest in a joint venture which is engaged in property development in Shijiazhuang, Hebei Province, mainland China, for an aggregate consideration of RMB948 million (equivalent to approximately HK$1,072 million) (the "Shijiazhuang Transaction"). As a result, the Group's interest in the Shijiazhuang project has increased from 50% before the completion of the Shijiazhuang Transaction to 100% at 31 December 2023.

The fair value of the assets acquired and liabilities assumed at the respective dates of acquisitions of the subsidiaries were as follows:

	2024 **HK$ million**	2023 HK$ million
Investment properties (note 16(a))	**299**	–
Other property, plant and equipment (note 16(a))	**–**	1
Interest in joint ventures	**–**	109
Inventories	**84**	3,351
Trade and other receivables	**4**	653
Cash and bank balances	**–**	148
Trade and other payables	**(31)**	(269)
Tax payable	**(18)**	–
Bank loans (note 28(b))	**–**	(734)
Fair value of identifiable net assets	**338**	3,259
Represented by:		
Cash consideration paid	**338**	36
Consideration payable	**–**	31
Carrying amount of interest in an associate	**–**	230
Fair value of the Group's previously held interest in joint ventures prior to the acquisitions	**–**	2,962
	338	3,259
Net cash (outflow)/inflow in respect of the acquisitions:		
Cash consideration paid	**(338)**	(36)
Cash and bank balances acquired	**–**	148
Net cash (outflow)/inflow	**(338)**	112

39 ACQUISITIONS AND TRANSFER OF SUBSIDIARIES (CONTINUED)

(b) Transfer of a subsidiary

During the year ended 31 December 2024, the Group transferred 100% equity interest in a wholly-owned subsidiary which owns "Harbour East" (being an investment property at No. 218 Electric Road, North Point, Hong Kong). Details of the transaction are set out in note 37 to these financial statements.

The transfer had the following effect on the Group's assets and liabilities:

	2024 HK$ million
Investment properties (note 37)	**2,208**
Trade receivables	**5**
Prepayments and deposits	**2**
Creditors and accrued expenses	**(5)**
Rental and other deposits received	**(11)**
Net assets	**2,199**
Selling expenses and professional charges	**24**
Net loss on transfer (notes 7(i) and 37)	**(2)**
Total consideration	**2,221**
Net cash inflow in respect of the transfer:	
Total consideration	**2,221**

40 CAPITAL COMMITMENTS

At 31 December 2024 and 31 December 2023, the Group had capital commitments not provided for in these financial statements as follows:

		2024 HK$ million	2023 HK$ million
(a)	Contracted for the acquisition of property and future development expenditure and the related costs of internal fixtures and fittings	**10,062**	5,939
	Future development expenditure and the related costs of internal fixtures and fittings approved by the Directors but not contracted for	**8,968**	14,191
		19,030	20,130
(b)	**In relation to the capital commitments undertaken by joint ventures and certain associates attributable to the Group:**		
	Contracted for the acquisition of property and future development expenditure and the related costs of internal fixtures and fittings	**3,288**	4,120
	Future development expenditure and the related costs of internal fixtures and fittings approved by the Directors but not contracted for	**2,378**	4,701
		5,666	8,821

41 SIGNIFICANT LEASING ARRANGEMENTS

(a) Lessor

The Group leases out a number of land/building facilities. The leases typically run for an initial period of one to three years, with an option to renew the lease after that date at which time all the terms are re-negotiated. Further details of the carrying value of the properties are contained in note 16.

The total future minimum lease payments under non-cancellable leases are receivable as follows:

	2024 **HK$ million**	2023 HK$ million
Within 1 year	**4,966**	5,032
After 1 year but within 2 years	**3,311**	3,344
After 2 years but within 3 years	**1,996**	1,703
After 3 years but within 4 years	**1,202**	934
After 4 years but within 5 years	**754**	581
After 5 years	**1,047**	507
	13,276	12,101

(b) Lessee

The Group leases a number of building facilities under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the lease after that date at which time all the terms are re-negotiated.

42 CONTINGENT LIABILITIES

At 31 December 2024 and 31 December 2023, contingent liabilities of the Group were as follows:

(a) an amount of HK$11 million (2023: HK$11 million) relating to the Group's undertaking to indemnify Sunlight REIT for any tax liabilities relating to events occurred on or before the completion of the sale of certain subsidiaries and shareholders' loans to Sunlight REIT (the "Completion") in December 2006, clawback of commercial building allowances and capital allowances granted up to the Completion and reclassification of the properties before or upon the Completion, pursuant to Deeds of Tax Covenant entered into between the Group and Sunlight REIT;

(b) an aggregate attributable amount of HK$245 million (2023: HK$890 million) relating to performance bonds, guarantees and undertakings for the due and proper performance of the obligations of the Group's projects held by subsidiaries and joint ventures, the decrease of which was mainly attributable to (i) the release of the Group's guarantees to certain banks in relation to the finance undertakings by such banks in favour of the HKSAR Government following the project completion in November 2023 and June 2024 of "Double Coast" and "The Knightsbridge" respectively, being the Group's joint venture residential development projects at The Kai Tak Development Area in Hong Kong under the terms and conditions of the relevant land grants; and (ii) the decrease in the amount of the Group's surety bond in favour of the joint venture project company of "The Knightsbridge" following the completion of the construction works undertaken by the Group for such joint venture project;

42 CONTINGENT LIABILITIES (CONTINUED)

At 31 December 2024 and 31 December 2023, contingent liabilities of the Group were as follows: (continued)

(c) an amount of HK$2,647 million (2023: HK$1,394 million) relating to guarantees given by the Group to financial institutions on behalf of purchasers of property units of the Group's development projects in mainland China in relation to which the related Building Ownership Certificate (房產證) had not yet been issued at 31 December 2024 (and such guarantees will be released upon the issuance of the Building Ownership Certificate), and the increase of which is mainly attributable to the sales of properties of the completed phases of the Group's project in Shijiazhuang in mainland China;

(d) an amount of HK$430 million (2023: HK$430 million) relating to the Group's attributable and proportional share (in accordance with the Group's attributable interest in a joint venture engaged in the development of commercial properties in "Citygate", Tung Chung, Lantau Island, Hong Kong and in which the Group has a 20% interest) of contingent liabilities in respect of an irrevocable, unconditional and several guarantee given by the Group to the lending bank in relation to the amount drawn down on a loan facility which was entered into on 26 April 2021 between such lending bank and the joint venture;

(e) amounts of HK$1,670 million (2023: HK$1,670 million), HK$2,100 million (2023: HK$2,100 million), HK$1,314 million (2023: HK$1,314 million) and HK$2,940 million (2023: HK$2,940 million) relating to the Group's attributable and proportional shares (in accordance with the Group's attributable interests in four joint ventures engaged in the development of residential properties at The Kai Tak Development Area, and in which the Group has 29.3% interest, 30% interest, 18% interest and 30% interest respectively) of contingent liabilities in respect of irrevocable, unconditional and several guarantees given by the Group to certain lending banks in relation to the maximum amounts which may be drawn down on certain loan facilities which were entered into on 8 July 2019, 4 December 2019, 1 June 2020 and 30 October 2020 respectively between such lending banks and the four joint ventures;

(f) an irrevocable and unconditional guarantee issued by the Company in favour of Urban Renewal Authority ("URA") to undertake and guarantee the fulfilment of all the obligations of a wholly-owned subsidiary of the Company (the "Developer") under the Development Agreement dated 12 October 2021 between URA and the Developer which relates to the development of a site owned by URA at Bailey Street/Wing Kwong Street, To Kwa Wan, Kowloon, Hong Kong. The said guarantee has been replaced by a new guarantee dated 24 February 2022 ("New Guarantee") which was executed by the Company, Empire Development Hong Kong (BVI) Limited ("Empire") and Hysan Development Company Limited ("Hysan") as guarantors in favour of URA in relation to the change in the shareholding structure of the Developer which was completed on 24 February 2022, as a result of which the Group, Empire and Hysan are beneficially interested in 50%, 25% and 25% respectively in the resultant issued share capital of the Developer. Under the New Guarantee, the Group's contingent liabilities shall be reduced to such amount representing the Group's 50% attributable interest in the Developer as a joint venture; and

(g) as a consequence of a loan facility of up to HK$6,556 million entered into between two lending banks and the Developer (as defined above) on 29 December 2023 (and upon drawdown, part of such proceeds refinanced the previous loan pursuant to the loan facility agreement dated 25 July 2022 of up to HK$3,276 million entered into between a lending bank and the Developer and which matured on 28 January 2024), the Group was exposed to contingent liabilities of up to HK$3,278 million at 31 December 2024 (2023: up to HK$1,638 million) in respect of an irrevocable, unconditional and several guarantee given by the Group to the said lending banks in relation to the repayment obligations for 50% of the maximum amount which may be drawn down by the Developer on such loan facility, and which is attributable and proportional to the Group's 50% equity interest in the Developer as a joint venture.

43 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions during the years:

(a) Transactions with fellow subsidiaries *(note (iv))*

Details of material related party transactions during the years between the Group and its fellow subsidiaries are as follows:

	2024 **HK$ million**	2023 HK$ million
Rental income *(note (iii))*	**6**	6
Other interest expense and borrowing costs *(note (i))*	**2,877#**	2,797#
Administration fee income *(note (ii))*	**11**	11
Consideration paid for the acquisition of properties through acquisition of subsidiaries *(note (iii))*	**44**	–

(b) Transactions with associates and joint ventures *(note (iv))*

Details of material related party transactions during the years between the Group and its associates and joint ventures are as follows:

	2024 **HK$ million**	2023 HK$ million
Construction income *(note (iii))*	**1,175**	1,170
Rental income *(note (iii))*	**15**	20
Cash rental paid *(notes (iii) and (v))*	**176**	208
Management fee income *(note (iii))*	**8**	15
Security guard service fee income *(notes (iii) and (vii))*	**32**	31
Other interest income *(note (i))*	**119**	396
Other interest expenses *(note (i))*	**54**	104
Rental commission income *(note (iii))*	**9**	9
Telecommunication network installation expenses *(note (iii))*	**15**	15
Sale of properties income *(note (iii))*	**–**	81
Property and leasing management service fee income and other ancillary property service fee income *(note (vi))*	**48#**	24#
Asset management service fee income *(note (vi))*	**89#**	46#

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Transactions with related companies *(note (iv))*

(i) Details of material related party transactions during the years between the Group and its related companies which are controlled by private family trusts of a director of the Company are as follows:

	2024 **HK$ million**	2023 HK$ million
Rental income *(note (iii))*	**78#**	78#

(ii) During the year ended 31 December 2024, the Group's interest expenses (note (i)) payable to related companies controlled by relatives of certain directors of the Company amounted in aggregate to HK$97 million (2023: HK$99 million).

Notes:

(i) Interest income and expense were calculated on the balance of loans outstanding from time to time by reference to Hong Kong Interbank Offered Rate, Hong Kong dollar prime rate, Renminbi Loan Prime Rate, Renminbi benchmark loan rates announced by the People's Bank of China or interest rates stipulated in the loan agreements (as appropriate).

(ii) This transaction represented cost reimbursements or cost reimbursements plus certain percentage thereon as service fees.

(iii) In the opinion of the Directors, these transactions were carried out on normal commercial terms and in the ordinary course of business.

(iv) The amount due to a fellow subsidiary and the amounts due to related companies at 31 December 2024 and 31 December 2023 are referred to in the Group's consolidated statements of financial position at 31 December 2024 and 31 December 2023, and the terms of which are set out in notes 33 and 34 respectively. The amounts due from/to associates and joint ventures at 31 December 2024 and 31 December 2023 are set out in notes 21, 22, 26 and 29.

(v) The amount of HK$176 million for the year ended 31 December 2024 included the cash rental paid to Sunlight REIT in the amount of HK$11 million for the year (2023: the amount of HK$208 million for the corresponding year ended 31 December 2023 included the cash rental paid to Sunlight REIT in the amount of HK$5 million for the period from 30 June 2023 to 31 December 2023). Such transaction was conducted in accordance with the terms of the respective agreements/deeds entered into between the Group and Sunlight REIT.

(vi) The amounts for the year ended 31 December 2024 related to fee incomes from Sunlight REIT for the year (2023: the amounts for the corresponding year ended 31 December 2023 related to fee incomes from Sunlight REIT for the period from 30 June 2023 to 31 December 2023). These transactions were conducted in accordance with the terms of the respective agreements/deeds entered into between the Group and Sunlight REIT.

(vii) The amount of HK$32 million for the year ended 31 December 2024 included the security guard service fee income from Sunlight REIT in the amount of HK$0.2 million for the year (2023: the amount of HK$31 million for the corresponding year ended 31 December 2023 included the security guard service fee income from Sunlight REIT in the amount of HK$Nil for the period from 30 June 2023 to 31 December 2023). Such transaction was conducted in accordance with the terms of the respective agreements/deeds entered into between the Group and Sunlight REIT.

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions with Sunlight REIT (as a connected person of the Company)

Details of the material related party transactions during the year between the Group and Sunlight REIT (which is deemed as a connected person of the Company under the Listing Rules as from 30 April 2009) are as follows:

	2024 **HK$ million**	2023 HK$ million
Property and leasing management service fee income and other ancillary property service fee income	**–**	22#
Asset management service fee income	**–**	47#
Cash rental paid	**–**	5

For the corresponding year ended 31 December 2023, the amounts related to transactions between the Group and Sunlight REIT during the period from 1 January 2023 to 29 June 2023 (being the date immediately before Sunlight REIT became a listed associate of the Group), and during which period Sunlight REIT was classified as an investment measured as financial asset at FVPL held by the Group (see note 5). Accordingly, commencing from 30 June 2023 (being the date on which Sunlight REIT became a listed associate of the Group), the transactions with Sunlight REIT have been disclosed in note 43(b) above.

The above transactions were conducted in accordance with the terms of the respective agreements/deeds entered into between the Group and Sunlight REIT.

(e) Transactions with a director of the Company and a company owned by him

(i) Dr Lee Ka Kit, a director of the Company, made an advance ("advance") in the outstanding balance of HK$44 million at 31 December 2024 (2023: HK$44 million) to Henderson (China) Investment Company Limited ("HCI"), an indirect wholly-owned subsidiary of the Company, for the purpose of funding HCI's business operation in mainland China. The advance is unsecured, interest-free and has no fixed terms of repayment.

(ii) Dr Lee Ka Kit, through a company owned by him (the "entity"), has separate interest in an associate of the Group and through which the Group holds its interest in a development project in mainland China. The entity agreed to provide and had provided finance in the form of interest-free advances to such associate in accordance with the percentage of its equity interest in such associate. At 31 December 2024, the outstanding balance of the advance by the entity to the abovementioned associate amounted to HK$80 million (2023: HK$80 million). Such amount is unsecured and has no fixed terms of repayment.

(f) Key management personnel

Remuneration for key management personnel are disclosed in note 9.

\# *These related party transactions (and, included in the rental income of HK$78 million (2023: HK$78 million) from related companies during the year ended 31 December 2024 as referred to in note (c) above, an amount of HK$42 million (2023: HK$42 million)) also constitute connected transactions and/or continuing connected transactions under the Listing Rules, details of which are set out in the paragraph headed "Interests in Transactions, Arrangements or Contracts and Connected Transactions/Continuing Connected Transactions" in the Report of the Directors set out in the Company's annual reports for the years ended 31 December 2024 and 31 December 2023.*

44 STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY

(a) Statement of financial position

	Note	At 31 December 2024 HK$ million	At 31 December 2023 HK$ million
Non-current assets			
Investment properties		**14**	14
Interest in subsidiaries	20	**131,446**	130,001
Interest in associates		**97**	95
Interest in joint ventures		**1,328**	1,270
		132,885	131,380
Current assets			
Trade and other receivables		**65**	65
Cash and bank balances		**5**	2
		70	67
Current liability			
Trade and other payables		**38**	34
		38	34
Net current assets		**32**	33
Total assets less current liability		**132,917**	131,413
Non-current liabilities			
Amounts due to subsidiaries		**20,079**	18,864
Amounts due to associates		**2**	2
Amounts due to joint ventures		**85**	41
		20,166	18,907
NET ASSETS		**112,751**	112,506
CAPITAL AND RESERVE	44(b)		
Share capital	44(c)	**52,345**	52,345
Retained profits		**60,406**	60,161
TOTAL EQUITY		**112,751**	112,506

Approved and authorised for issue by the Board of Directors on 20 March 2025.

Dr Lee Ka Kit
Dr Lee Ka Shing
Directors

44 STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY (CONTINUED)

(b) Movements in equity

	Note	Share capital HK$ million	Retained profits HK$ million	Total HK$ million
Balance at 1 January 2023		52,345	60,233	112,578
Changes in equity for 2023:				
Profit and total comprehensive income for the year		–	8,643	8,643
Dividend approved and paid in respect of the previous financial year	12(b)	–	(6,294)	(6,294)
Dividend declared and paid in respect of the current year	12(a)	–	(2,421)	(2,421)
Balances at 31 December 2023 and 1 January 2024		**52,345**	**60,161**	**112,506**
Changes in equity for 2024:				
Profit and total comprehensive income for the year		**–**	**8,960**	**8,960**
Dividend approved and paid in respect of the previous financial year	12(b)	**–**	**(6,294)**	**(6,294)**
Dividend declared and paid in respect of the current year	12(a)	**–**	**(2,421)**	**(2,421)**
Balance at 31 December 2024		**52,345**	**60,406**	**112,751**

(c) Share capital

	The Group and the Company			
	Number of shares		Amount	
	2024 million	2023 million	**2024 HK$ million**	2023 HK$ million
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	**4,841**	4,841	**52,345**	52,345

In accordance with section 135 of the Hong Kong Companies Ordinance, the shares of the Company do not have a par value.

There is no change to the Company's share capital as the Company's shares no longer have a par or nominal value in accordance with section 135 of the Hong Kong Companies Ordinance.

44 STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY (CONTINUED)

(d) Distributability of reserves

At 31 December 2024, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Part 6 of the Hong Kong Companies Ordinance, was HK$60,406 million (2023: HK$60,161 million). As stated in note 12(a), after the end of the reporting period, the Directors proposed a final dividend of HK$1.30 (2023: HK$1.30) per ordinary share, amounting to HK$6,294 million (2023: HK$6,294 million). This dividend has not been recognised as a liability at the end of the reporting period.

45 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(a) After the end of the reporting period, the Directors proposed a final dividend. Further details are disclosed in note 12.

(b) On 15 January 2025, a wholly-owned subsidiary of the Group (as the Vendor) together with the Company as the Vendor's guarantor entered into a conditional agreement with a wholly-owned subsidiary of Miramar, a 50.0753% owned subsidiary of the Group (as the Purchaser) pursuant to which the Purchaser has agreed conditionally to acquire from the Vendor the entire issued share capital and the shareholder's loan of the Vendor's wholly-owned subsidiary who, through its indirect wholly-owned subsidiary (the "Subsidiary"), owns a land lot and the property erected thereon known as "Champagne Court (香檳大廈)" (the "Property") at No.16 Kimberley Road, Kowloon, Hong Kong, for a total consideration of HK$3,120 million (subject to adjustments), which is conditional upon (i) the approval of the transaction by Miramar's independent shareholders; and (ii) the Purchaser being satisfied with the Subsidiary's good title to the Property.

46 IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2024, the Directors considered that the immediate parent and ultimate controlling party of the Group to be Henderson Development Limited, which is incorporated in Hong Kong. Henderson Development Limited does not produce financial statements available for public use.

Principal Subsidiaries

at 31 December 2024

Details of the principal subsidiaries are as follows:

	Note	Particulars of issued shares HK$ (unless otherwise stated)	% of shares held by The Company	Subsidiaries
(A) PROPERTY DEVELOPMENT				
(i) Incorporated and operates in Hong Kong				
Asia Charming Limited	*(i)*	1	–	100
Asia Harbour Investment Limited		1	–	100
Asia Turbo Development Limited	*(i)*	1	–	100
Avion Investment Limited	*(i)*	3,000,000	100	–
Best Galaxy Limited		2	–	100
Charmwide Investment Limited	*(i)*	1	–	100
City Fair Development Limited		1	–	100
Denco Properties Limited	*(i)*	1	–	100
Fairbo Investment Limited	*(i)*	1	–	100
First Mate Development Limited	*(i)*	1	–	100
Fortress Star Limited	*(i)*	1	–	100
Hongkong Island Construction Properties Co., Limited	*(i)*	500,000	–	100
Sino Noble Enterprises Limited		1	–	100
Sky Rainbow Development Limited		10,000	–	100
Sun Crystal Limited	*(i)*	1	–	100
Sunny Perfect Limited		1,000	–	100
Team Glory Development Limited	*(i)*	1,000	–	90.10
Winjoy Development Limited	*(i)*	2	100	–
(ii) Incorporated in the British Virgin Islands and operates in Hong Kong				
Central Profit Investments Limited		US$1	–	100

	Issued/ contributed registered capital	% of equity interest held by The Company	Subsidiaries	% of profit sharing by subsidiaries
(iii) Established and operates in mainland China				
Limited Liability Company				
北京恒榆房地產開發有限公司	RMB1,148,690,000	–	100	100

	Note	Particulars of issued shares HK$ (unless otherwise stated)	% of shares held by The Company	Subsidiaries
(B) PROPERTY INVESTMENT				
(i) Incorporated and operates in Hong Kong				
Bloomark Investment Limited	*(i)*	10,000	–	100
Century Base Development Limited	*(i)*	1	–	100
Deland Investment Limited	*(i)*	200	–	100
Easewin Development Limited	*(i)*	100,000	–	100
Evercot Enterprise Company, Limited	*(i)*			
– A Shares		14,990,000	100	–
– B Shares		200	–	–
Great Top Development Limited		1	–	100
Join Fortune Development Limited	*(i)*			
– A Shares		100	100	–
– B Shares		2	–	–
Luxmark Investment Limited		1,000	–	100
Millap Limited	*(i)*	2	100	–
Pacific Gate Development Limited	*(i)*	1	–	100
Shahdan Limited	*(i)*	200,000	–	100
Shung King Development Company Limited	*(i)*			
– Ordinary A Shares		100	100	–
– Non-voting Deferred A Shares		2,000,000	100	–
– B Shares		2	–	–
Smart Bright Development Limited	*(i)*	100,100	–	100
Union Fortune Development Limited	*(i)*	10,000	–	100

	Issued/ contributed registered capital	% of equity interest held by The Company	% of equity interest held by Subsidiaries	% of profit sharing by subsidiaries
(B) PROPERTY INVESTMENT (CONTINUED)				
(ii) Established and operates in mainland China				
Sino-Foreign Co-operative Joint Venture Enterprises				
Guangzhou Guang An Property Development Limited	US$68,706,000	–	100	100
Guangzhou Guang Hung Property Development Limited	US$73,836,000	–	100	100
Guangzhou Guang Nam Property Development Limited	US$87,458,000	–	100	100
Wholly Foreign-Owned Enterprises				
Beijing Gaoyi Property Development Co., Limited	US$706,000	–	100	100
Guangzhou Jiejun Real Estate Development Co., Limited	HK$21,900,000	–	100	100
上海益基房地產開發有限公司	US$630,000,000	–	100	100
Shanghai Bin Heng Property Development Co., Limited	US$350,000,000	–	100	100
Shanghai Heng Cheng Real Estate Development Co., Ltd.	US$760,000	–	100	100
Shanghai Hengzhi Properties Development Co., Ltd.	US$617,000	–	100	100

	Note	Particulars of issued shares HK$ (unless otherwise stated)	% of shares held by The Company	Subsidiaries
(C) FINANCE				
(i) Incorporated and operates in Hong Kong				
Ever Supreme Development Limited		1	–	100
Henderson (China) Finance Limited	*(i)*	10,000	–	100
Henland Finance Limited	*(i)*	1,000,000	–	100
Rich Chase Development Limited	*(i)*	2	–	100
Smart Time International Limited		1	–	100
Success Crown Development Limited		2	–	100
(ii) Incorporated and operates in the British Virgin Islands				
Henderson Land Finance Limited		US$1	100	–
Henderson Land MTN Limited	*(i)*	US$1	–	100
(D) CONSTRUCTION				
Incorporated and operates in Hong Kong				
E Man Construction Company Limited		35,000,000	100	–
Ginca Construction Machinery Limited		1	–	100
Granbo Construction Company Limited		1	–	100
Heng Lai Construction Company Limited		2	–	100
Heng Shung Construction Company Limited		2	–	100
Heng Tat Construction Company Limited		200	–	100
Hong Kong Concrete Precasting Product Company Limited		2	–	100
(E) PROPERTY MANAGEMENT				
Incorporated and operates in Hong Kong				
Beverly Hill (Estate Management) Limited		2	–	100
Flora Plaza Management Limited		10	–	60
Goodwill Management Limited		2	–	100
H-Privilege Limited		1	–	100
Hang On Estate Management Limited		2	–	100
Hang Yick Properties Management Limited		10,000,000	100	–
Henderson Sunlight Asset Management Limited	*(i)*	38,800,000	–	100
Henderson Sunlight Property Management Limited	*(i)*	1	–	100
Metro City Management Limited		2	–	100
Metro Harbourview Management Limited		2	–	100
Nathan Hill Management Company Limited		1	–	100
Star Management Limited		2	–	100
Sunshine City Property Management Limited		2	–	100
Well Born Real Estate Management Limited		2	100	–

	Note	Particulars of issued shares HK$ (unless otherwise stated)	% of shares held by The Company	% of shares held by Subsidiaries
(F) INVESTMENT HOLDING				
(i) Incorporated and operates in Hong Kong				
Banshing Investment Limited		2	–	100
Channel Best Limited	*(i)*	1	–	100
Citiright Development Limited		2	100	–
Covite Investment Limited		2	–	100
Darnman Investment Limited		2	–	100
Disralei Investment Limited		2	–	100
Fondoll Investment Limited		200	100	–
Gainwise Investment Limited		2	–	100
Graf Investment Limited	*(i)*	2	–	100
Henderson (China) Investment Company Limited	*(i)*			
– Ordinary Shares		2	–	100
– Non-voting Deferred Shares		2	–	100
Henderson China Properties Limited	*(i)*	3,000,000,000	–	100
Henderson Investment Limited		612,926,901	–	69.27
Macrostar Investment Limited		2	–	100
Main Champion Development Limited	*(i)*	2	100	–
Markshing Investment Limited		2	–	100
Medley Investment Limited		2	–	100
Mightymark Investment Limited		2	100	–
Miramar Hotel and Investment Company, Limited	*(i)*	2,227,023,217	–	50.075
Mount Sherpa Limited	*(i)*	2	–	100
Paillard Investment Limited	*(i)*	2	–	100
Wellfine Development Limited		55	100	–
Wiselin Investment Limited	*(i)*	2	–	100
(ii) Incorporated in Hong Kong and operates in mainland China				
Hang Seng Quarry Company Limited	*(i)*	10,000	64	–

	Note	Particulars of issued shares HK$ (unless otherwise stated)	% of shares held by The Company	Subsidiaries
(F) INVESTMENT HOLDING (CONTINUED)				
(iii) Incorporated and operates in the British Virgin Islands				
Cobase Limited		US$1	–	100
Higgins Holdings Limited		US$1	–	100
Landso Investment Limited		US$100	–	65
Midlink Limited	*(i)*	US$1	–	100
Multiglade Holdings Limited		US$1	–	100
Richful Resources Limited		US$1	–	100
Starland International Limited		US$1	100	–
Sunnice Investment Limited		US$1	–	100
Threadwell Limited		US$1	–	100
(G) DEPARTMENT STORES AND SUPERMARKET-CUM-STORES OPERATION AND MANAGEMENT				
Incorporated and operates in Hong Kong				
Citistore (Hong Kong) Limited		1	–	100
Unicorn Stores (HK) Limited		35,000,000	–	100
(H) HOTEL OPERATION AND MANAGEMENT				
Incorporated and operates in Hong Kong				
Contender Limited	*(i)*	200,000	–	100
Intelligent House Limited	*(i)*	10,000	–	100
Mira Moon Limited	*(i)*	1	–	100
Miramar Hotel Management Company Limited	*(i)*	10,000	–	100
(I) FOOD AND BEVERAGE OPERATION				
Incorporated and operates in Hong Kong				
Tsui Hang Village Restaurant Limited	*(i)*	500,000	–	100
(J) TRAVEL OPERATION				
Incorporated and operates in Hong Kong				
Miramar Travel Limited	*(i)*	13,000,000	–	53.85
YMT Travel Limited	*(i)*	3,500,000	–	100

	Note	Particulars of issued shares HK$ (unless otherwise stated)	% of shares held by The Company	% of shares held by Subsidiaries
(K) MANAGEMENT AND AGENCY SERVICES				
Incorporated and operates in Hong Kong				
Henderson Car Park Management Limited	*(i)*	2	–	100
Henderson Leasing Agency Limited	*(i)*	1	–	100
Henderson Property Agency Limited		200,000	–	100
Henderson Real Estate Agency Limited	*(i)*	200	100	–
(L) PROFESSIONAL SERVICES AND OTHERS				
Incorporated and operates in Hong Kong				
Hang Oi Charitable Foundation Limited		–	–	100
Henderson Corporate Services Limited		1	–	100
Henderson Warmth Foundation Limited		–	100	–
Megastrength Security Services Company Limited	*(i)*			
– Ordinary Shares		10,000	–	100
– Non-cumulative Preference Shares		400	–	100

Note:

(i) Companies audited by KPMG.

The above list gives the principal subsidiaries of the Group which, in the opinion of the Directors, materially affected the results, assets or liabilities of the Group or whose business activities are representative of the Group's business portfolio.

Principal Associates

at 31 December 2024

Details of the principal associates, which are incorporated and operate in Hong Kong, are as follows:

	% of equity interest held by		
	The Company	**Subsidiaries**	**Principal activities**
Listed			
Hong Kong Ferry (Holdings) Company Limited	–	33.41	Property development, property investment, ferry, shipyard and related operations, healthcare, medical aesthetic and beauty services and securities investment
Sunlight Real Estate Investment Trust	–	22.095	Property investment
The Hong Kong and China Gas Company Limited	–	41.53	Production, distribution and marketing of gas, water supply, renewable energy businesses and emerging energy businesses
Unlisted			
Star Play Development Limited	–	33.33	Property investment
Start Treasure Limited	–	22.80	Property development

The above list gives the principal associates of the Group which, in the opinion of the Directors, materially affected the results, assets or liabilities of the Group or whose business activities are representative of the Group's business portfolio.

Principal Joint Ventures

at 31 December 2024

Details of the principal joint ventures, which are incorporated and operate in Hong Kong unless otherwise stated, are as follows:

	% of equity interest held by		
	The Company	Subsidiaries	Principal activities
Billion Ventures Limited (incorporated in the British Virgin Islands and operates in Hong Kong)	–	50	Investment holding
Central Waterfront Property Investment Holdings Limited (incorporated in the British Virgin Islands and operates in Hong Kong)	–	34.21	Investment holding
Double Cove Management Limited	–	50	Provision of property management services
Honster Investment Limited (incorporated in the British Virgin Islands and operates in Hong Kong)	–	50	Investment holding
Infinite Sun Limited	–	30	Property development
Long Global Investment (Chengdu) Limited (established and operates in mainland China)	–	30	Property development
Marble Edge Investments Limited	–	18	Property development
Nation Star Development Limited	–	50	Property development
Newfoundworld Holdings Limited	–	20	Property investment and hotel operation
Special Concept Development Limited	–	25	Property development
Surbana-Henderson (Xian) Property Development Co., Ltd. (established and operates in mainland China)	–	50	Property development
Surbana-Henderson II (Xian) Property Development Co., Ltd. (established and operates in mainland China)	–	50	Property development
Teamfield Property Limited	–	49.18	Property development
The Reach Management Limited	–	50	Provision of property management services
Ultra Keen Holdings Limited	–	30	Property development
Voyage Mile Limited	–	29.30	Property development
上海富洲濱江開發建設投資有限公司 (established and operates in mainland China)	–	51	Property development
廣州奥昇置業有限公司 (established and operates in mainland China)	–	50	Property development
北京恒合天基房地產開發有限公司 (established and operates in mainland China)	–	50	Property development

The above list gives the principal joint ventures of the Group which, in the opinion of the Directors, materially affected the results, assets or liabilities of the Group or whose business activities are representative of the Group's business portfolio.

Board of Directors

Executive Directors

Dr Lee Ka Kit
(Chairman and Managing Director)
Dr Lee Ka Shing
(Chairman and Managing Director)
Dr Lam Ko Yin, Colin *(Vice Chairman)*
Yip Ying Chee, John
Fung Lee Woon King
Kwok Ping Ho
Suen Kwok Lam
Wong Ho Ming, Augustine
Fung Hau Chung, Andrew

Non-executive Director

Lee Pui Ling, Angelina

Independent Non-executive Directors

Kwong Che Keung, Gordon
Professor Ko Ping Keung
Wu King Cheong
Woo Ka Biu, Jackson
Professor Poon Chung Kwong
Au Siu Kee, Alexander

Audit Committee

Kwong Che Keung, Gordon*
Professor Ko Ping Keung
Wu King Cheong
Au Siu Kee, Alexander

Remuneration Committee

Wu King Cheong*
Dr Lee Ka Kit
Dr Lee Ka Shing
Dr Lam Ko Yin, Colin
Kwong Che Keung, Gordon
Professor Ko Ping Keung
Au Siu Kee, Alexander

Nomination Committee

Wu King Cheong*
Dr Lee Ka Kit
Dr Lee Ka Shing
Dr Lam Ko Yin, Colin
Kwong Che Keung, Gordon
Professor Ko Ping Keung
Au Siu Kee, Alexander

Corporate Governance Committee

Kwong Che Keung, Gordon*
Professor Poon Chung Kwong
Au Siu Kee, Alexander

Whistleblowing Committee

Dr Lam Ko Yin, Colin*
Professor Ko Ping Keung
Wu King Cheong

Company Secretary

Liu Cheung Yuen, Timon

Registered Office

72-76/F., Two International Finance Centre
8 Finance Street, Central
Hong Kong

Telephone	:	(852) 2908 8888
Facsimile	:	(852) 2908 8838
Website	:	www.hld.com
E-Mail	:	henderson@hld.com

Share Registrar

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Share Listing

The Stock Exchange of Hong Kong Limited (Stock Code : 12)

Shares are also traded in the United States through an American Depositary Receipt Level 1 Programme
(Ticker Symbol: HLDCY
CUSIP Reference Number: 425166303)

Authorised Representatives

Dr Lam Ko Yin, Colin
Liu Cheung Yuen, Timon

Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

Solicitors

Woo Kwan Lee & Lo
Lo & Lo

Principal Bankers

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Sumitomo Mitsui Banking Corporation
DBS Bank Ltd., Hong Kong Branch
Industrial Bank Co., Ltd., Hong Kong Branch
MUFG Bank, Ltd.

* *Committee Chairman*

Group Executives

Dr Lee Ka Kit
GBM, GBS, JP, DBA (Hon)
General Manager

Dr Lee Ka Shing
GBS, JP, DSSc (Hon)
General Manager

Dr Lam Ko Yin, Colin
SBS, FCILT, FHKIoD, DB (Hon), DBA (Hon), DSocSc (Hon)
Deputy General Manager

Yip Ying Chee, John
LLB, FCG, FCA
Assistant General Manager

Departmental Executives

Group Business Development Department

Yip Ying Chee, John
LLB, FCG, FCA
Executive Director

Project Management (1) Department

Yu Wai Wai
JP, BA (AS), B Arch, FHKIA, HonFHKIPM, Authorised Person (Architect), Registered Architect (HK)
General Manager

Project Management (2) Department

Kwok Man Cheung, Victor
BA (AS), B Arch (Dist), MSc (Con P Mgt), EMBA, FHKIA, MAPM, RIBA, Authorised Person (Architect), Registered Architect (HK)
General Manager

Property Development Department

Wong Ho Ming, Augustine
JP, MSc, MEcon, FHKIS, MRICS, MCIArb, RPS (GP)
Executive Director

Yu Hon Kwan, Randy
BSc (Hon), MRICS, MH, JP
General Manager

Leung Shu Ki, Shuki
BA (Hons), MHKIP, MRTPI, MCIP, RPP (HK), MCILT
Senior Deputy General Manager

Property Planning Department

Leung Kam Leung
MSc, PGDMS, FHKIS, RPS (GP)
General Manager

Construction Department

Wong Wing Hoo, Billy
BBS, JP, BSc, FICE, FHKIE, FIHT, FHKIHT, RPE
General Manager

Yiu Chi Kin, Simon
BSc (Bldg), MSc, MCIOB, MRICS, MASI, MHKICM, MHKIE
Deputy General Manager

Engineering Department

Chan Chu Fai, Edmond
MBA, MSc (Eng), BSc (Eng), FHKIE, CEng, MIStructE, MICE, RPE (Civil, Structural), RSE, RI (E)
General Manager

Sales Department

Dr Wong Man Wa, Raymond
DFinTech, MSc (Real Estate), LLB, PCLL, Solicitor
Senior General Manager

Sales (1) Department

Lam Tat Man, Thomas
MEM (UTS), DMS, MHIREA
General Manager

Sales (2) Department

Hahn Ka Fai, Mark
BSc, MRICS, MHKIS, RPS (GP)
General Manager

Portfolio Leasing Department

Lee Pui Man, Margaret
BHum (Hons)
Senior General Manager

Portfolio Leasing (1) Department

Li Keng Yan, Kristine
BA, MSc (Real Estate)
General Manager

Portfolio Leasing (2) Department

Chan Tak Ming, Terence
MBA (Dist), MHousMan, BSc (Surv), FHKIS, RPS (BS), RPS (PD), RPHM
General Manager

Property Management Department

Suen Kwok Lam
SBS, BBS, MH, JP, FHIREA
Executive Director

Retail and Hotel Management Department

Li Ning
BSc, MBA
General Manager

Comm. & Ind. Properties Department

Dr Wong Kim Wing, Ball
BA (AS), B Arch, PhD (Finance), FHKIA,
Registered Architect (HK), Authorised Person (List 1, HK)
General Manager

General Manager Department

Ngai Tung Hai, Karsky
FRICS, MHKIS, AACI
Manager

Dr Wong Kim Wing, Ball
BA (AS), B Arch, PhD (Finance), FHKIA,
Registered Architect (HK), Authorised Person (List 1, HK)
Group Consultant

Yu Ching Yan, Johnny
BSc, MBA, ACA, CFA
Advisor to Chairman

Finance Department

Fung Hau Chung, Andrew
SBS, BBS, JP, BA, CMA (Australia), FIPA (Australia)
Executive Director/Chief Financial Officer

Kwok Ping Ho
BSc, MSc, Post-Graduate Diploma in Surveying, FRICS, ACIB
Executive Director

Cashier Department

Fung Lee Woon King
Chief Treasurer

Sustainability Department

Yu Ching Yan, Johnny
BSc, MBA, ACA, CFA
Head

Human Resources Department

Dr Lam Ko Yin, Colin
SBS, FCILT, FHKIoD, DB (Hon), DBA (Hon),
DSocSc (Hon)
Executive Director

Leung Sze Man, Michelle
MBA, BBA, GPHR, PCTC, Certified ESG Planner CEP®
General Manager

Company Secretarial Department

Liu Cheung Yuen, Timon
BEc, FCPA, CA (Aust), FCG, HKFCG
General Manager

Accounts Department

Wong Wing Kee, Christopher
BSc (Econ), FCA
General Manager

Audit Department

Choi Kam Fai, Thomas
B Comm, CPA (Canada), CMA
General Manager

Information Technology Department

Kum Tak Cheung, Bassanio
BSCCN
General Manager

Corporate Communications Department

Leung Mei Po, Cynthia
BA, MA
General Manager

Financial Calendar

Interim Results	Announced on Wednesday, 21 August 2024
Final Results	Announced on Thursday, 20 March 2025
Annual Report	Posted to Shareholders on Friday, 25 April 2025
Closure of Register of Members	(1) To be closed from Thursday, 29 May 2025 to Tuesday, 3 June 2025 for the purpose of determining Shareholders who are entitled to attend and vote at the Annual General Meeting (2) To be closed from Monday, 9 June 2025 to Wednesday, 11 June 2025 for the purpose of determining Shareholders who qualify for the proposed final dividend
Annual General Meeting	To be held on Tuesday, 3 June 2025
Dividends – Interim	HK$0.50 per share (with no scrip option) — paid on Tuesday, 17 September 2024
– Final (Proposed)	HK$1.30 per share (with no scrip option) — payable on Friday, 20 June 2025

FORWARD-LOOKING STATEMENTS

This annual report contains certain statements that are forward looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

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HENDERSON LAND DEVELOPMENT COMPANY LIMITED
恒 基 兆 業 地 產 有 限 公 司