新創建 NWS

新創建集團有限公司*
NWS HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(stock code: 00659)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024

HIGHLIGHTS

- **The Group's diversified operating businesses delivered resilient growth. Overall AOP increased by 21% to HK$4,167.4 million despite macroeconomic uncertainties.**
- **The profit attributable to shareholders of the Company soared by 44% to HK$2,084.2 million.**
- **Owing to strong recurring cashflow generation from operating businesses, the Adjusted EBITDA grew by 24% year-on-year to HK$7,240.5 million.**
- **Total available liquidity of approximately HK$26.8 billion as at 30 June 2024, comprising cash and bank balances of approximately HK$14.8 billion and unutilized committed banking facilities of approximately HK$12.0 billion.**
- **Proactive financial management alleviated pressure from escalated interest rates and RMB depreciation.**
  - **The Group strategically further raised the RMB debt proportion to 60% of its total debt.**
  - **Average borrowing cost being controlled at 4.7% per annum.**
- **Aligning with the Group's prevailing sustainable and progressive dividend policy, proposed final ordinary dividend of HK$0.35 per share, an increase of 13% comparing with the final ordinary dividend of HK$0.31 per share in FY2023. This demonstrates our confidence in the Company's future growth prospects as well as our ongoing effort to create value for our shareholders.**

  Together with the interim ordinary dividend of HK$0.30 per share, total ordinary dividends for FY2024 will be HK$0.65 per share, an increase of 7% comparing with the total ordinary dividends of HK$0.61 per share in FY2023.

  Coupled with the one-off special dividend of HK$1.79 per share distributed concurrently with the interim ordinary dividend, the total dividend for FY2024 will reach a noteworthy HK$2.44 per share.

The board of directors (the "Board") of NWS Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 30 June 2024 ("FY2024") together with comparative figures for the financial year ended 30 June 2023 ("FY2023").

BUSINESS REVIEW

Group overview

The Group closed FY2024 with a solid set of results despite the uneven post-pandemic recovery in the Mainland and Hong Kong. The overall operating results of the Group recorded a healthy growth compared to FY2023, undeterred by the pressure from escalated interest rates and RMB depreciation. Taking into account the restatement of results of last financial year due to the adoption of Hong Kong Financial Reporting Standard 17 "Insurance Contracts" ("HKFRS 17"), profit attributable to shareholders of the Company soared noticeably by 44% year-on-year to HK$2,084.2 million. Most businesses of the Group have shown sequential improvement. The overall Attributable Operating Profit ("AOP", a non-HKFRS measure) of the Group increased by 21% year-on-year to HK$4,167.4 million in FY2024.

Benefiting from the portfolio optimization strategy in the past years, the Group's operating businesses continued to demonstrate resilience. The Group's overall AOP surged in FY2024, primarily attributable to (i) the rise in the AOP of the Insurance segment, supported by the increase in contractual service margin ("CSM") release from business growth, higher yield from the surplus assets, lower expected credit loss provision and one-off impact related to the adoption of HKFRS 17 during the financial year; (ii) the turnaround of the Facilities Management segment to AOP from attributable operating loss ("AOL") due to the substantial improvement of all the three major businesses under the segment; and (iii) the stable performance of the Roads segment and Logistics segment notwithstanding the negative impact from RMB depreciation.

Other than the growth in AOP of the Group's operating businesses, there was a drop in net impairments and provisions in respect of the Group's certain investments, and a lower profit attributable to holders of perpetual capital securities following the redemption of the US$1,300 million 5.75% senior perpetual capital securities (the "2019 Perpetual Capital Securities") with the outstanding principal amount of US$1,019.1 million in January 2024. The above positive factors were partly offset by a net loss on the fair value of the Group's certain investment properties and the increase in net finance costs during the financial year.

During FY2024, the Group continued to make further progress in growing its businesses in a cautious manner. In the Roads segment, the Group acquired an additional approximately 5.2% stake in Shenzhen-Huizhou Expressway (Huizhou Section), increasing its ownership to 38.5% in September 2023 following the extension of its concession period by 13 years. Additionally, upon completion of the expansion works of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Guangzhou-Zhaoqing Expressway, which commenced in November 2022 and the end of 2023 respectively, the Group will be eligible to apply for an extension of their concession periods. Concurrently, the Logistics segment has also made commendable strides, evidenced by the full year contribution from logistics properties in Chengdu and Suzhou, which further enhances the Group's overall performance.

Operations in Hong Kong accounted for 59% of the AOP in FY2024 (FY2023 restated: 52%), while the Mainland contributed 39% of the AOP (FY2023 restated: 48%). Adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") ("Adjusted EBITDA", a non-HKFRS measure) surged by 24% year-on-year to HK$7,240.5 million. Basic earnings per share was HK$0.56 in FY2024, reflecting a growth of 39% year-on-year.

Net finance costs in FY2024 increased by 38% as a result of a larger debt base and decrease in cash and bank balances following the redemption of the 2019 Perpetual Capital Securities in January 2024 and the special dividend payment in April 2024. The Group strategically further raised the RMB debt proportion to 60% of its total debt as at 30 June 2024, compared to 49% as at 31 December 2023 and 43% as at 30 June 2023. This partly mitigated the impact of the significant escalation in the Hong Kong Interbank Offered Rate ("HIBOR"), which serves as the benchmark rate for the Group's Hong Kong Dollar-denominated bank loans. Despite the increase of more than 1.5% of average HIBOR in FY2024, the Group's average borrowing costs has been controlled at approximately 4.7% (FY2023: 4.1%) per annum for FY2024. On the other hand, profit attributable to holders of perpetual capital securities fell significantly by 25% during the year. The Group continues to evaluate available financing options to achieve the financial targets.

During FY2024, the Group continued to optimize the capital structure to adapt to the unanticipated changes in the operating environment. In January 2024, the Group utilized internal resources and external borrowings for the redemption of 2019 Perpetual Capital Securities. Furthermore, the Group issued the second tranche of Panda Bonds with a principal amount of RMB2.0 billion, with an annual interest rate of 3.9% and tenor of 3 years in November 2023, and the Group issued its first ever Green Panda Bonds with a principal amount of RMB100.0 million, with an annual interest rate of 3.55% and tenor of 3 years in March 2024. Together with the first tranche of Panda Bonds issued in May 2023, the Group has issued an aggregate amount of RMB3.6 billion of Panda Bonds as of 30 June 2024. In June 2024, the Group applied to the China Securities Regulatory Commission ("CSRC") and the Shanghai Stock Exchange for the registration of corporate bonds in an aggregate amount of not more than RMB5.0 billion, to be issued in multiple tranches as and when appropriate within two years from the receipt of the notice of acceptance of registration from the CSRC. If the application is approved, the Group will choose the right timing to issue the corporate bonds, and the proceeds from the issuance are intended to be used for the repayment of higher cost offshore debts, redemption of perpetual capital securities, and working capital replenishment.

Furthermore, China Lianhe Credit Rating Co., Ltd. (聯合資信評估股份有限公司) ("China Lianhe Credit") affirmed the credit rating of the Company at "AAA" with a stable outlook in January 2024. In addition, the Group has been successfully awarded the inaugural "A+" Foreign Currency Long-term Issuer Rating and "A+" Local Currency Long-term Issuer Rating with a stable outlook from Japan Credit Rating Agency, Ltd. in FY2024. These will facilitate the Group's financing activities and cooperation opportunities with financial institutions and investors. The Group has also pursued other sustainable, social and green finance options to demonstrate its commitment to Environmental, Social and Governance ("ESG") and further lower the finance costs. As at 30 June 2024, the Group's sustainability-linked facilities amounted to approximately HK$14.1 billion (30 June 2023: approximately HK$6.2 billion).

In FY2024, the Group continued to maintain a healthy financial position with total available liquidity of approximately HK$26.8 billion as at 30 June 2024, comprising cash and bank balances of approximately HK$14.8 billion and unutilized committed banking facilities of approximately HK$12.0 billion, notwithstanding that the net debt balance as of 30 June 2024 increased to approximately HK$15.1 billion (30 June 2023: approximately HK$4.5 billion), and the net gearing ratio, calculated as net debt over total equity, as of 30 June 2024 increased to 35% (30 June 2023 restated: 8%). As of 30 June 2024, ratio of fixed-rate debt to total debt further expanded to 54% from 37% as of 30 June 2023 and ratio of RMB liabilities to RMB assets further increased to about 65% as of 30 June 2024 (30 June 2023: about 39%) as RMB-denominated debts can act as a natural hedge for the Group's RMB assets and help control the finance costs despite the rise in interest rates of Hong Kong Dollar-denominated bank loans.

The Group is committed to delivering a sustainable and progressive dividend policy, which aims to steadily increase or at least maintain the Hong Kong Dollar value of ordinary dividend per share annually. For FY2024, the Board of the Company has resolved to recommend a final ordinary dividend of HK$0.35 per share, an increase of 13% comparing with the final ordinary dividend of HK$0.31 per share in FY2023. This demonstrates our confidence in the Company's future growth prospects as well as our ongoing effort to create value for our shareholders. Together with the interim ordinary dividend of HK$0.30 per share distributed to shareholders of the Company, the total ordinary dividend distribution by the Company for FY2024 will be HK$0.65 per share representing an increase of 7% comparing with the total ordinary dividend of HK$0.61 per share in FY2023. Additionally, a one-off special dividend of HK$1.79 per share was distributed concurrently with the interim ordinary dividend in April 2024 and hence the total dividend distribution by the Company for FY2024 will be HK$2.44 per share.

Pursuant to the scrip dividend scheme for the total interim dividend distribution of HK$2.09 per share, the Company has issued and allotted 85,629,736 scrip shares to shareholders of the Company who elected to receive the relevant dividends wholly or partly in scrip form, increasing the public float of the Company to approximately 23.83%, a positive step towards satisfying the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (the "Listing Rules"). The Group is considering all possible avenues to restore the public float as soon as reasonably practicable.

Profit Contribution
For the year ended 30 June

	2024 HK$'m	2023 HK$'m (restated)
Attributable Operating Profit[1]	**4,167.4**	3,443.9
Non-operating and unallocated corporate office items		
Net (loss)/gain on fair value of investment properties, net of tax	**(342.6)**	78.7
Impairments and provisions, net	**(51.5)**	(490.8)
Net gain/(loss) on disposal of projects, net of tax	**12.3**	(64.6)
Share of non-operating expenses of a joint venture	**(52.8)**	-
Net gain on redemption of senior notes	**-**	88.6
Share-based payment	**(44.4)**	(51.8)
Net gain on fair value of derivative financial instruments	**1.9**	67.9
Net finance costs	**(744.1)**	(538.7)
Net exchange gain/(loss)	**5.1**	(45.5)
Expenses and others	**(409.2)**	(428.8)
	(1,625.3)	(1,385.0)
Profit for the year after tax and non-controlling interests	**2,542.1**	2,058.9
Profit attributable to:		
Shareholders of the Company	**2,084.2**	1,446.9
Holders of perpetual capital securities	**457.9**	612.0
	2,542.1	2,058.9

Note:
(1) Attributable Operating Profit/(Loss) is a non-HKFRS measure used by the Executive Committee of the Company to assess the performance of the operating segments as detailed in note 3 to the "Results" section of this announcement. The overall AOP of the Group represents the profit available for appropriation before non-operating and unallocated corporate office items. It may not be comparable to similar measures presented by other companies.

Adjusted EBITDA[2]
For the year ended 30 June

	2024 **HK$'m**	2023 HK$'m (restated)
Operating profit	**3,662.6**	2,854.3
Adjustments		
Depreciation and amortization[3]	**1,758.5**	1,677.4
Other non-operating/ non-cash items		
Net loss/(gain) on fair value of investment properties[4]	**380.5**	(59.5)
Impairment losses related to associated companies, net of reversal[4]	**118.8**	104.1
Reversal of provisions[4]	**(250.6)**	-
(Profit)/loss on disposal of interest in a joint venture[4]	**(6.4)**	101.9
Profit on reclassification of interest in an associated company to a financial asset[4]	**(5.9)**	-
Gain on redemption of fixed rate bonds[4]	**-**	(90.5)
Share-based payment[5]	**44.4**	51.8
Dividends received from associated companies and joint ventures	**1,235.5**	1,121.9
Other adjustment[6]	**303.1**	99.4
Adjusted EBITDA[2]	**7,240.5**	5,860.8

Notes:

(2) Adjusted EBITDA is a non-HKFRS measure of the Group's operating profitability and calculated as operating profit excluding depreciation and amortization and other non-operating/ non-cash items, plus dividends received from associated companies and joint ventures, and any other relevant adjustments. It may not be comparable to similar measures presented by other companies.

(3) Being the sum of amortization of intangible assets and intangible concession rights as well as depreciation of property, plant and equipment and right-of-use assets as individually disclosed in note 4 to the "Results" section of this announcement.

(4) As disclosed in note 5 to the "Results" section of this announcement.

(5) As disclosed in note 4(a) to the "Results" section of this announcement.

(6) Adjustment is made to include dividends from an associated company and joint ventures which were reinvested by the Group.

OPERATIONAL REVIEW

AOP Contribution by Segment

For the year ended 30 June

	2024 **HK$'m**	2023 HK$'m (restated)	Change % Fav./(Unfav.)
Roads	**1,571.4**	1,532.8	3
Insurance	**964.9**	624.7	54
Logistics	**722.3**	678.5	6
Construction	**705.0**	745.5	(5)
Facilities Management	**228.3**	(61.9)	469
Strategic Investments	**(24.5)**	(75.7)	68
Total	**4,167.4**	3,443.9	21

Roads

During FY2024, the Group's Roads segment continued to benefit from the gradual economic recovery in the Mainland following the easing of COVID-19 containment measures, with overall like-for-like average daily traffic flow and toll revenue growing by 7% and 5% year-on-year, respectively. The Roads segment performed particularly robustly in the first half of FY2024. This pace moderated in the second half of FY2024, largely attributable to the impact of inclement weather in the Mainland on travel demand and the expiry of the concession period of Guangzhou City Northern Ring Road on 22 March 2024. Total AOP of the Roads segment rose by 3% year-on-year to HK$1,571.4 million in FY2024. Excluding the impact of RMB depreciation, the underlying AOP of the Roads segment registered a 7% year-on-year increase.

The Group's major expressways, including Hangzhou Ring Road, Tangjin Expressway (Tianjin North Section), Guangzhou City Northern Ring Road, Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section), and the three expressways in the Central region (Suiyuenan Expressway, Sui-Yue Expressway and Changliu Expressway), collectively contributed around 85% of the Roads segment's AOP. These major expressways recorded a 5% year-on-year growth in like-for-like average daily traffic flow notwithstanding the aforementioned negative impact.

The concession period of the two toll roads in Shanxi Province, namely Roadway No. 309 (Changzhi Section) and Taiyuan-Changzhi Roadway (Changzhi Section), expired at the end of 2023 has immaterial impact on the Roads segment's AOP. Additionally, pursuant to the toll fee exemption policy implemented by the government of the People's Republic of China for all toll roads during the COVID-19 pandemic in 2020, Guangzhou City Northern Ring Road was eligible to submit a compensation application one year before the original concession expiry date. The compensation application has been approved, resulting in an extension of the concession right for Guangzhou City Northern Ring Road until 22 March 2024.

Although the expiration of Guangzhou City Northern Ring Road's concession will have a short-term negative effect on the Roads segment's AOP, the Group is pursuing several strategic initiatives to mitigate the impact. During the financial year, the Group increased its stake in Shenzhen-Huizhou Expressway (Huizhou Section) by approximately 5.2% to 38.5% in September 2023, after the extension of the concession period for 13 years, positioning the Group to benefit from the positive outlook for the expressway, driven by increasing traffic flow and the development of the Greater Bay Area. Meanwhile, expansion works have commenced on Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Guangzhou-Zhaoqing Expressway since November 2022 and the end of 2023, respectively. Upon completion of the expansion, the Group will be eligible to apply for an extension of the expressway's concession period. The ramp-up of recently acquired road projects are also now gradually bearing fruits with solid financial returns.

As at 30 June 2024, the overall average remaining concession period of the Group's road portfolio is lengthened to approximately 12 years. The long remaining concession period is expected to generate sustainable income and cash flow for the Group in the years ahead.

Insurance

Owing to the adoption of HKFRS 17, the restated FY2023 Insurance segment revenue is lowered as the investment component is excluded, while the Insurance revenue is recognized based on the services provided over the coverage period of the insurance contract.

The Group's Insurance segment demonstrated a substantial 54% year-on-year growth in AOP in FY2024, achieving an AOP of HK$964.9 million. This remarkable result is primarily driven by the increase in the CSM release due to business growth, a higher yield from the surplus assets, a drop in expected credit loss provision, and a one-off impact related to the adoption of HKFRS 17. Excluding the one-off impact related to the adoption of HKFRS 17, the AOP of the Insurance segment would have increased by 34%. Contributed by the strong new business, CSM grew by 15% year-on-year to approximately HK$8.2 billion as at 30 June 2024 which will fuel the profits to be booked over the contract period in the future.

FTLife Insurance Company Limited announced in July 2024 that it has been rebranded as Chow Tai Fook Life Insurance Company Limited ("CTF Life"), a strategic move aimed at bolstering its association with the renowned "Chow Tai Fook" brand and enhancing its market presence. CTF Life registered a robust growth of 77% year-on-year in Annual Premium Equivalent ("APE"), totalling HK$4,548.9 million, driven by attractive product offerings, the release of pent-up demand from Mainland visitors post-border reopening, and its marketing efforts. Nearly 60% of the APE stemmed from Mainland visitors, surpassing pre-COVID-19 levels. Value of New Business ("VONB") achieved a noticeable growth of 37% year-on-year to HK$1,229.5 million which strengthened its long-term value. VONB margin moved to 27% from 35% a year ago due to shift of product mix. Investment income of CTF Life's fixed income investment portfolio[#] in FY2024 was 4.5% per annum (FY2023 restated: 4.4%). In the first six months of 2024, CTF Life's ranking stood at 10th among Hong Kong life insurance companies by APE.

This includes interest income of the fixed income investments in CTF Life's participating, non-participating and surplus portfolios, excluding the unit-linked assets. This excludes the total return assets, for example, listed equities and alternative funds which goal is to deliver long term capital gain on top of the investment income.

Alongside its wealth management solutions, such as the launch of MyWealth Savings Insurance Plan in the first half of FY2024, CTF Life also offers a comprehensive suite of insurance products to cater the diverse needs of its clients. CTF Life introduced the "FamCare 198 Critical Illness Protector" ("FamCare 198") in the second half of FY2024. FamCare 198 is recognized as the most comprehensive critical illness plan available, providing coverage for up to 198 illnesses with unlimited top-up benefits for critical conditions such as cancer, stroke and heart attack. Additionally, it offers extended protection for family members without the need for additional underwriting. Expectant mothers can enroll in the "Pregnancy Baby Protection Plan" as early as 18 weeks of gestation, ensuring critical illness coverage for their unborn child.

CTF Life received numerous accolades in FY2024. In addition to awards garnered in the first half of FY2024 that underscored the company's commitment to ESG initiatives, CTF Life secured 13 prestigious industry awards in the second half of FY2024, recognizing its achievements in product development, service innovation, marketing strategy, team excellence, talent training and corporate social responsibility. These awards include the Bloomberg Businessweek/Chinese Edition "Financial Institutions Awards 2024" and the Metro Radio "GBA Insurance Awards – Hong Kong & Macau 2024".

As of 30 June 2024, CTF Life maintained a robust financial position, with a solvency ratio on the prevailing Hong Kong Insurance Ordinance ("HKIO") basis of 337%, significantly exceeding the minimum regulatory requirement of 150%. Under the Hong Kong Risk Based Capital ("HKRBC") basis which came into effect on 1 July 2024, the HKRBC solvency ratio was 289% as at 30 June 2024, which is distinctly higher than the minimum regulatory requirement of 100%. The embedded value calculated under the prevailing HKIO basis increased by approximately 10% from 30 June 2023, reaching HK$21.2 billion, spurred by strong VONB and expected returns, despite some adverse effects from unfavourable equity performance and interest rate hikes. Moody's affirmed the insurance financial strength rating of CTF Life at "A3/Stable", while Fitch Ratings has maintained CTF Life's "A-" insurer financial strength rating with stable rating outlook.

Logistics

The Logistics segment registered a stable improvement in operations during FY2024. The resilient performance of ATL Logistics Centre Hong Kong Limited ("ATL") and the full-year contribution from the newly acquired logistics properties in the Mainland were partially offset by a slight profit drop of China United International Rail Containers Co., Limited ("CUIRC"). Overall, the Logistics segment's AOP grew by 6% year-on-year to HK$722.3 million.

As at 30 June 2024, the Logistics Asset & Management's portfolio comprises ATL in Hong Kong and logistics properties in the Mainland with a gross leasable area of approximately 5.9 million square feet and 6.5 million square feet, respectively. During FY2024, ATL contributed over 70% of the Logistics segment's AOP. Benefiting from its unparalleled warehouse location, ATL delivered an exceptional average rental growth of 6% in FY2024. The occupancy rate of ATL remained strong at 96.3% as at 30 June 2024 (30 June 2023: 99.8%). Seven logistics properties in the Mainland altogether accounted for over 13% of the Logistics segment's AOP in FY2024. As at 30 June 2024, six logistics properties in Chengdu and Wuhan marked an average occupancy of 85.4% (30 June 2023: 82.8%) and the logistics property in Suzhou remained fully let (30 June 2023: 100%). Average rental growth of seven logistics properties in the Mainland was 2% in FY2024.

Favourable policies from the government of the People's Republic of China and good demand for multimodal transportation services continued to benefit CUIRC. The throughput expanded by 15% year-to-year to 6,373,000 TEUs. However, increase in operating expenses, a decrease in other income, and RMB depreciation led to a 7% year-on-year decline in CUIRC's AOP during FY2024. CUIRC continued to enlarge the existing capacity of its terminals with the expansion works of the Xi'an terminal handling capacity completed in FY2024, while the doubling of the Tianjin terminal handling capacity has commenced and is targeted to be completed in the first half of 2025.

Construction

The Construction segment of the Group was mainly represented by NWS Construction Group, which comprises (i) Hip Hing Group, which focuses on the design and construction of building works within the Hong Kong market; (ii) Vibro Group, which specializes in the design and construction of civil engineering projects, with particular expertise in foundations and site investigation works; and (iii) Quon Hing Group, which provides ready-mixed concrete for various landmark projects in Hong Kong. The Construction segment also includes an 11.5% interest in Wai Kee Holdings Limited ("Wai Kee").

In FY2024, NWS Construction Group's AOP remained relatively stable at HK$774.9 million, while the overall AOP of the Construction segment slightly decreased by 5% to HK$705.0 million due to the share of operating loss attributable to the Group's interest held in Wai Kee. Major projects undertook by NWS Construction Group during FY2024 included commercial and residential developments at Kai Tak, office development at 2 Murray Road, Central and residential development at Yin Ping Road, Tai Wo Ping.

Leveraging its technical proficiency and proven track record, NWS Construction Group continues to effectively navigate the highly competitive construction market in Hong Kong. During FY2024, new contracts secured by NWS Construction Group surged by 321% year-on-year to HK$21.9 billion. As at 30 June 2024, the gross value contracts on hand for NWS Construction Group amounted to approximately HK$63.9 billion, representing a growth of 13% from 30 June 2023. The remaining works to be completed also increased by 22% from 30 June 2023 to around HK$30.9 billion. In order to mitigate the reduction in project supply within the private sector, NWS Construction Group has strategically shifted its focus towards procuring projects from institutional clients as well as the Hong Kong Government. About 48% of the remaining works to be completed were from government and institutional related projects as of 30 June 2024. This figure has risen from 32% as of 30 June 2023. The remaining 52% were from private sector, which included both commercial and residential projects.

Key projects awarded during FY2024 included main contract works for Dedicated Rehousing Estate at Kwu Tung North Area 24, commercial development at Caroline Hill Road in Causeway Bay, SOUTHSIDE Package Six property development, subsidized sale flats development at Anderson Road Quarry Site R2-4 and excavation, lateral support, foundation and pile cap works for residential and commercial development at Kai Hing Road, Kowloon Bay as well as foundation and tunnel works for proposed residential development at Kai Tak, Sung Wong Toi Station, New Kowloon Inland Lot No. 6649, Kai Tak Area 2A Site 4, Site 5(B) & Site 10.

Subsequent to the resignation of the Group's representatives from the board of directors at Wai Kee in June 2024, the Group has reclassified its 11.5% interest in Wai Kee from an associated company to financial assets at fair value through other comprehensive income and it will not be included in the Construction segment of the Group going forward.

Facilities Management

The Facilities Management segment achieved a reversal from an AOL of HK$61.9 million in FY2023 to an AOP of HK$228.3 million in FY2024. This substantial improvement was primarily driven by the recovery of business performance of Hong Kong Convention and Exhibition Centre ("HKCEC") and Free Duty, as well as the continuous growth momentum of Gleneagles Hospital Hong Kong ("GHK Hospital").

HKCEC sustained its rebound trajectory, buoyed by the return of large-scale international and regional exhibitions coupled with the addition of new events. In FY2024, the number of events hosted at HKCEC rose by 8% year-on-year to 823, while total patronage surged by 33%[Φ] year-on-year to approximately 7.3 million.

To demonstrate the Group's ongoing efforts in optimizing its business portfolio and unlock the value for shareholders, the Group entered into a sale and purchase agreement with Avolta Group pursuant to which the Group agreed to dispose of its entire interest in the Free Duty business. The closing of the transaction is subject to satisfaction or waiver of conditions precedent and completion is expected to take place in the fourth quarter of 2024 upon which the Group will have fully exited the duty free business.

The further ramp-up of operations and provision of superior healthcare services have helped fortifying the reputation of GHK Hospital. This, in turn, has contributed to narrowing of its AOL. Its network expansion and service offerings enhancement led the number of inpatients, outpatients and day cases to escalate by 20%, 12% and 10% year-on-year, respectively. Revenue registered a decent increase in FY2024, and EBITDA soared by 93% compared with FY2023, with the EBITDA margin continuing to improve. As at 30 June 2024, the number of regular utilized bed expanded to 313 (30 June 2023: 276), with an average occupancy rate of 65%. Additionally, the Group's business venture with IHH Healthcare Berhad, namely, Parkway Medical Services (Hong Kong) Limited ("Parkway Medical"), which focuses on ancillary healthcare services with an aim to support the development of GHK Hospital, opened two new clinics in Wong Chuk Hang and Marina Square in October 2023 and March 2024, respectively. The clinic in Wong Chuk Hang offers a comprehensive range of services, including specialist, imaging and health screening, while the Marina Square clinic provides general practitioner services along with health screening and vaccination services. These expansions, alongside Gleneagles Medical Clinic Central, Gleneagles Pro-HEART Cardiac Centre and Parkway Laboratory Services Central, collectively form a robust service network that effectively diverts more patients to GHK Hospital.

Strategic Investments

This segment includes investments with strategic value to the Group and with growth potential, which will enhance and create value for our shareholders. In FY2024, AOL narrowed by 68% to HK$24.5 million (FY2023: HK$75.7 million), which mainly comprised the share of results, net fair value change, interest and dividend income from various investments. The result was mainly attributable to the decrease in expected credit loss provision in relation to certain bond investments.

Φ Total patronage for FY2023 has been restated from 5.3 million to 5.5 million to cover event visitors, exhibitors and contractors.

BUSINESS OUTLOOK

Roads

Robust commuter and passenger traffic are partially offset by the decline in truck volume amidst the prevailing short-term economic headwinds and depreciation pressure on the RMB. The outlook of the Roads segment has remained cautiously steady, though the anticipated macroeconomic recovery may fuel the resurgence of truck traffic, which may lead to sequential improvement in the profitability of the Roads segment.

The Group is actively seeking ways to enhance return on the Roads segment to stakeholders. The expansion works of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Guangzhou-Zhaoqing Expressway, which commenced in November 2022 and in late 2023, respectively, will enable these expressways to apply for an extension of their concession periods once the expansion works are completed within the next few years. The lengthening of overall average remaining concession period of the road portfolio is expected to safeguard sustainable income and cash flow for the Group in coming years.

Insurance

The insatiable demand for healthcare safeguards, enhanced yields, and asset diversification remains the preeminent catalysts fuelling the blooming of Hong Kong’s wealth management business and, consequently, the growth of the insurance industry.

The ceaseless release of demand from the Mainland visitors has undoubtedly driven the business expansion of CTF Life. To capitalize on this trend, CTF Life is persistently adapting its strategies and product offerings to meet the sophisticated financial needs of this client group. Furthermore, CTF Life focuses on clientele with high potential buying power and long-term financial goals by providing tailored life planning solutions. As there is a growing demand for customers to allocate their savings towards financial instruments, CTF Life recognizes the need to offer comprehensive wealth management solutions that address insurance protection, wealth preservation, succession planning and risk diversification. These holistic solutions, integrating life insurance, health coverage, investment-linked products and retirement planning, aim to meet the increasing customer focus on managing their overall financial well-being.

The adoption of the “Chow Tai Fook” brand demonstrates the parent company’s steadfast commitment to the Insurance segment. CTF Life launched the new brand identity in July 2024, a strategic move aimed at strengthening its synergy with the diverse conglomerate of the prestigious Chow Tai Fook Group (“CTF Group”). The strong association with the CTF Group will further boost the confidence of customers, agents (Life Planners) and cooperative partners toward CTF Life. By leveraging the highly recognized brand, CTF Life aims to facilitate customer engagement and expand its outreach to the Mainland customer base. As the only Hong Kong insurance company backed by a diverse conglomerate and leveraging on its extensive resources, CTF Life introduced the “CTF Life CIRCLE” program, an integrated loyalty club forged through CTF Group’s membership alliance with strategic partners across sectors. This shows the dedication to upholding brand promise to create “Value Beyond Insurance” by delivering exceptional and multifaceted living experiences to cater to the evolving needs of customers throughout their life journey – from wellbeing, growth and healthcare to legacy.

To capitalize on the burgeoning wealth management sector, CTF Life is dedicated to continuously offering diversified products to stand out in a rapidly changing competitive landscape. In July 2024, it unveiled the "Prime Treasure Savings Insurance Plan" ("Prime Treasure"), a flexible and stable savings and wealth management solution that enables customers to manage their finances in a personalized manner and to achieve ambitious goals. "Prime Treasure" offers guaranteed cash value accumulation for a secure financial foundation, includes a "Policy Split Option" for flexible asset planning, and features a "Dual Succession Scheme" for seamless wealth transfer across generations.

Looking ahead, CTF Life will deepen its collaboration with the CTF Group and explore new distribution channels to strengthen its market position and brand awareness through various marketing initiatives. The Group will continue to expand CTF Life's business as a wealth management platform, including exploring complementary business opportunities to enhance service offerings and meet evolving customer needs.

Regarding the solvency regime, the replacement of HKIO basis by HKRBC basis has come into effect in July 2024. The implementation of the new basis is poised to align Hong Kong's insurance regulatory environment with international standards and ensure an enhancement to overall financial stability. Under the HKRBC regime, capital requirements will become more sensitive to the level of risk borne by individual insurers. CTF Life has well prepared for HKRBC regime before it is effective and maintained a robust solvency ratio under the new regime.

Logistics

The Mainland's slower-than-anticipated economic recovery and short-term destocking pressures have led tenants to adopt a more conservative approach in committing to long-tenor leasing arrangement. While these factors create headwinds and pressure on pricing and occupancy in the near-term, the 2024 Government Work Report has underscored the pivotal role of developing logistics real estate and systems in the Mainland's economic growth. The Group believes that the sustained demand in e-commerce and import/export in the Mainland will continue to fuel the logistics industry in the mid-to-long term. The current sectoral challenges present the Group with opportunities to proactively seek out high-quality, well-situated logistics warehouses in prime and strategic locations that generate strong recurring cash flow. In conjunction with its existing logistics asset portfolio, the Group aims to cultivate an ecosystem within the Logistics segment to bring long-term benefits.

ATL will persist in surpassing the competition and maintain its preeminent position in the market, leveraging its superior warehouse facilities and unparalleled location. Despite the short-term uncertainties in the Mainland's economy that pose near-term pressures on rental rates and occupancy, the Group's Mainland logistics operations maintain a sanguine mid-to-long term outlook, buoyed by the desirable locations of the properties in the strategic hubs of Chengdu, Wuhan and Suzhou.

The government of the People's Republic of China advocates favourable policies on the sea-rail intermodal and international rail container freight to promote sustainable transportation. This drives robust demand for CUIRC's sound operating network and logistics services. Furthermore, the expansion of terminal capacity will secure CUIRC's profitability improvement and promising outlook.

Construction

The Hong Kong Government is pursuing a multi-pronged approach to augment land supply, targeting to have a total of 3,370 hectares of developable land over the next decade. Over 40% of this land comes from the Northern Metropolis. This, coupled with the Government's unwavering commitment to increasing public housing stock, presents promising medium to long-term prospects for the construction sector.

The pending acquisition of Hsin Chong Aster Building Services Limited, a leading electrical and mechanical (E&M) engineering services contractor, announced in July 2024, is highly complementary to NWS Construction Group. The strengthened E&M capabilities will enable NWS Construction Group to offer comprehensive, one-stop solutions to clients, facilitating its ability to make competitive "Design & Build" bids, thereby enhancing profitability.

Furthermore, NWS Construction Group is committed to enforcing rigorous safety standards for its workforce through a multifaceted approach, including education, supervision, incentives, and disciplinary measures. NWS Construction Group is further endeavouring to elevate site safety standards by leveraging advanced artificial intelligence (A.I.) and robotics technologies. This strategic initiative aims to effectively raise safety awareness and implementation from management down to on-site personnel.

To address the labour shortage in the construction sector, the Hong Kong Government has introduced a series of policies to facilitate worker importation. NWS Construction Group is expanding its recruitment channels to include Mainland and overseas markets, while also providing enhanced professional training to young engineers, thereby strengthening its talent pipeline.

Facilities Management

The Group maintains a positive outlook regarding the ongoing performance enhancement of the Facilities Management segment. The AOP from HKCEC is on a recovery trajectory towards pre-COVID-19 levels. The official Incentive Scheme for Recurrent Exhibitions encourages private exhibition organizers to expand their recurring events and launch new types of exhibitions aligned with prevailing trends by providing rental subsidies, which has and will continue to benefit HKCEC. It also observes a robust demand for high-tech, specialized "confex" (combined conference and exhibition) events, which should further contribute to HKCEC's performance. Its catering services are gradually recovering, and the venue will keep on introducing additional ancillary services to diversify revenue streams and improve profit margins. HKCEC will continue to maintain agility in responding to evolving market conditions.

GHK Hospital's AOL continues to narrow, buoyed by the expansion of its service offerings and the increasing demand for its high-quality medical services. Leveraging the newly opened clinics and laboratory by Parkway Medical as well as the growing popularity and reputation of GHK Hospital, it is expected that all operational and financial matrix will continue to improve. In May 2024, Parkway Medical signed a Memorandum of Understanding with Caritas – Hong Kong to redevelop Precious Blood Hospital (Caritas). This collaboration enhances the asset-light model and expands Parkway Medical's footprint to Kowloon, creating synergies together with GHK Hospital to improve efficiency and strengthen market position. The key strategies include providing more affordable and high-quality healthcare services to a wider community and actively participating in Public-Private Partnership Programmes. These initiatives aim to deliver timely care to patients and help relieving pressure on public hospital services. Additionally, Parkway Medical continues to expand its clinic network, with a new facility in the Western District set to open in the fourth quarter of 2024, offering general practitioner, health screening, vaccination as well as traditional Chinese medicine and acupuncture. The addition of this holistic and integrative healthcare hub can greatly benefit the growth of GHK Hospital by serving as a feeder and referral source, aligning with the rising demand for comprehensive, patient-centric care. Riding on the increasing popularity of cross-border healthcare, GHK Hospital aims to cater to high-net-worth patients from the Greater Bay Area. Further exploration of collaboration and business opportunities within the CTF Group's ecosystem is set to create additional growth potential.

The Hong Kong Government's steadfast commitment to attracting and promoting mega events is expected to boost the performance of Kai Tak Sports Park (which the Group has 25% interest) upon its grand opening in 2025 and further bolster the performance of HKCEC. These developments will collectively enhance the overall performance of the Group's Facilities Management segment in the coming years.

LOOKING FORWARD

The Group is maintaining agility in the face of ongoing multifaceted uncertainties across economies and markets. Leveraging the strong support from CTF Group, the Group's foundational strength of its diversified business portfolio will allow it to deliver solid performance amid market volatilities. With the government of the People's Republic of China stepping up its efforts to stimulate the economy, the Group believes the Mainland will remain as one of the key growth engines of the world, which is conducive to the Group's long-term development.

To capture market opportunities that arise from challenges, the Group will proactively explore avenues for expanding the Logistics and Insurance segments and their complementary businesses, particularly those that provide stable cash flow and synergies to the existing operations of the Group as well as inject fresh growth impetus to the Group. Concomitantly, the Group will uphold its vigilant business strategy and stringent risk management policy in investment decisions as well as in the operations of businesses.

The Group will continue to adopt a prudent approach in cash flow and capital management to strengthen its financial position and maintain a healthy liquidity profile. The Group also advocates ESG and sustainability commitments to combat climate-related risks. In FY2024, the Group made the complete phase-out of fossil fuel investments from its portfolio by disposing of its interests of the coal-fired Chengdu Jintang Power Plant, which demonstrated the Group's determination of facilitating the transition to a low-carbon economy. These measures all enable the Group to build stronger resilience to bring sustainable growth and enhancing value for our stakeholders.

FINANCIAL RESOURCES

Treasury management and cash funding

The Group's funding and treasury policy is designed to maintain a diversified and balanced debt profile and financing structure. The Group operates a centralized treasury function to monitor its cash position, cash flow and debt profile as well as optimize its funding cost-efficiency. In order to maintain maximum financial flexibility with adequate liquidity for the Group's operations, potential investments and growth plans, the Group has built a strong base of funding resources and will continue to optimize our capital structure and expand our sources of funding which include perpetual capital securities, debt issuance in the capital markets and bank borrowings, for which the proportion will change depending on financial market conditions. The capital structure of the Group was 41% debt and 59% equity as at 30 June 2024, compared with 30% debt and 70% equity as at 30 June 2023. The Group has redeemed all of the outstanding 2019 Perpetual Capital Securities (US$1,019.1 million) at par on its first call date on 31 January 2024. The Group has also issued US$300.0 million in aggregate principal amount of senior perpetual capital securities with floating rate coupon to a private investor in June 2024.

In addition, with an aim to further broaden the Group's funding source, to hedge against the currency exchange fluctuation in RMB whereby a significant portion of the Group's assets are denominated and to provide the Group with an alternative funding source at lower cost which could in turn optimize the Group's capital structure, the Company made an application in June 2024 to the CSRC and the Shanghai Stock Exchange in the Mainland for registration of corporate bonds in an aggregate amount of not more than RMB5.0 billion to be issued by the Company in multiple tranches as and when appropriate within two years from the receipt of the notice of acceptance of registration from the CSRC. For the purpose of such application, the Company has obtained the consent of China Lianhe Credit, to make reference to the Long-Term Credit Rating Report of the Company issued by China Lianhe Credit on 10 January 2024, which confirms that the Company maintains its highest long-term credit rating of "AAA" with a stable rating outlook.

The Group manages its financial risks including mainly interest rate exposure and foreign exchange risks. Interest rate swap contracts are used to hedge against part of the Group's exposures to changes in interest rates, while foreign exchange forward contracts are used to hedge against foreign currency exposures of the Group's businesses which involve foreign currencies. Cross currency swap contracts are entered into and more RMB borrowings are raised to manage the Group's cost of funding and the exposure to foreign exchange risk mainly from RMB denominated assets. The Group's Insurance segment enters into cross currency swaps and forward starting swaps contracts to hedge against its foreign currency risk from bond investments and its interest rate risk for bonds to be purchased respectively. The Group operates mainly in Hong Kong and the Mainland and did not have any material exposure to foreign exchange risk other than RMB and United States Dollar during FY2024. Through a notable increase in RMB debts by issuing Panda Bonds, raising other new RMB loans and entering into cross currency swap contracts, a significant portion of the Group's RMB denominated assets are naturally hedged.

Liquidity and capital resources

As at 30 June 2024, the Group's total cash and bank balances amounted to HK$14,788.0 million, compared with HK$19,255.9 million as at 30 June 2023. Cash and bank balances as at 30 June 2024 were mainly denominated as to 27% in Hong Kong Dollar, 54% in United States Dollar and 19% in RMB. The Group's net debt as at 30 June 2024 was HK$15,107.4 million, compared with HK$4,541.0 million as at 30 June 2023. The increase in net debt was mainly due to the payments of dividends, redemption of perpetual capital securities and investments made, partly offset by net operating cash inflow, dividends received from associated companies and joint ventures as well as an issuance of perpetual capital securities to a private investor. The Group's net gearing ratio increased from 8% as at 30 June 2023 to 35% as at 30 June 2024. The Group had unutilized committed banking facilities of approximately HK$12.0 billion as at 30 June 2024.

Debt profile and maturity

In order to mitigate the risk of escalating interest rates of Hong Kong Dollar borrowings and the negative impact on the Group's equity resulting from the depreciation of the RMB against the Hong Kong Dollar, the Group further optimized its debt profile during FY2024 and further increase the proportion of its RMB borrowings to total debts through issuance of Panda Bonds, raising other new RMB loans and entering into cross currency swap contracts. In November 2023, the Group has issued the second tranche of Panda Bonds with principal amount of RMB2.0 billion at 3.9% per annum. Similar to the first tranche of RMB1.5 billion which was issued in May 2023, the second tranche of Panda Bonds was a 3-year tenor note and the proceeds are for the repayment of offshore debts. In March 2024, the Group has further issued the third tranche of Panda Bonds with principal amount of RMB100.0 million at 3.55% per annum which is a 3-year tenor green note and the proceeds are for capital expenditures (including asset improvements or additions), repayment of principal and interest of interest-bearing liabilities and replenishment of working capital (including but not limited to property service fees, on-site operating and maintenance fees, management company expenses and professional service fees) of logistics green warehousing projects. As at 30 June 2024, RMB borrowings, Hong Kong Dollar borrowings and United States Dollar borrowings accounted for 60%, 39% and 1% respectively of the Group's total debt (30 June 2023: 43%, 53% and 4%).

As at 30 June 2024, the Group's total debt increased to HK$29,895.4 million from HK$23,796.9 million as at 30 June 2023. The Group has managed to spread out its debt maturity profile to reduce refinancing risks. Amongst the total debt as at 30 June 2024, 15% will mature in the next 12-month, 36% will mature in the second year, 42% will mature in the third to fifth year and 7% will mature after the fifth year. In FY2024, the average borrowing cost of the Group's debt portfolio is approximately 4.7% per annum (FY2023: 4.1%). As at 30 June 2024, the Group has provided pledges over the concession rights of operation of Changliu Expressway and Sui-Yue Expressway as securities for bank loans made to the subsidiary companies which own and operate the expressways. The Group has also provided a pledge over a proportion of equity interest in a joint venture as a security for bank loans of that joint venture. Besides, the Group has provided pledges over the investment properties which include a logistics centre in Suzhou as well as certain office units and carpark spaces in Hong Kong as securities for certain bank loans of the Group.

Commitments

The Group's total outstanding commitments for capital expenditures was HK$5,259.4 million as at 30 June 2024, compared with HK$3,156.1 million as at 30 June 2023. These comprised commitments for capital contributions to certain associated companies, joint ventures as well as investment funds, financial and other investments of HK$5,130.0 million as well as additions of intangible assets and property, plant and equipment of HK$129.4 million. Sources of funds for capital expenditures include internal resources of the Group and committed external financing from reputable international banks.

Financial guarantee

Financial guarantee of the Group were HK$4,839.5 million as at 30 June 2024, compared with HK$2,140.1 million as at 30 June 2023. These comprised guarantees for banking facilities of associated companies and joint ventures.

In addition, the Company and New World Development Company Limited, through their respective wholly-owned subsidiaries, provided a joint and several guarantee in favour of the Hong Kong Government for the punctual, true and faithful performance and observance by Kai Tak Sports Park Limited ("KTSPL") under the contract entered into between the Hong Kong Government and KTSPL for the design, construction and operation of Kai Tak Sports Park. Taking into consideration the deed of counter-indemnity which has been entered into, the Group's guarantee towards KTSPL is up to the extent of 25% of the contract sum or an amount of approximately HK$7.5 billion as at 30 June 2024 and 30 June 2023. KTSPL is an associated company of the Group in which the Group has a 25% interest.

Under the main transaction agreement and the related transaction documents in relation to the disposal of aircraft leasing business by Goshawk Aviation Limited ("Goshawk") to SMBC Aviation Capital Limited ("SMBC") which completed during FY2023, the Group provides a financial guarantee to support the performance of Goshawk of its payment obligation to satisfy claims that may be brought by SMBC against Goshawk. The Group's potential liability under the financial guarantee is limited to a total amount of US$197.1 million (equivalent to HK$1,537.4 million) as at 30 June 2024 and 30 June 2023.

RESULTS

The audited consolidated results of the Group for FY2024 together with comparative figures for FY2023 are set out as follows:

Consolidated Income Statement
For the year ended 30 June

	Note	**2024 HK$'m**	2023 HK$'m (restated)
Revenue			
Non-insurance		**22,968.5**	24,225.6
Insurance		**3,453.1**	2,895.8
	3	**26,421.6**	27,121.4
Cost of sales	*4,6*	**(19,977.7)**	(21,624.7)
Insurance service expenses	*4*	**(2,508.0)**	(1,928.3)
Net income/(expenses) from reinsurance contracts held		**79.9**	(21.6)
Net insurance finance (expenses)/income		**(1,431.0)**	157.1
Other income and gains, net	*5*	**2,217.8**	382.8
Selling and marketing expenses	*4*	**(194.4)**	(137.1)
General and administrative expenses	*4*	**(945.6)**	(1,095.3)
Operating profit	*4*	**3,662.6**	2,854.3
Finance costs		**(1,198.8)**	(938.2)
Share of results of			
Associated companies		**14.8**	176.8
Joint ventures		**842.0**	754.1
Profit before income tax		**3,320.6**	2,847.0
Income tax expenses	*7*	**(700.6)**	(763.9)
Profit for the year		**2,620.0**	2,083.1
Profit attributable to			
Shareholders of the Company		**2,084.2**	1,446.9
Holders of perpetual capital securities		**457.9**	612.0
Non-controlling interests		**77.9**	24.2
		2,620.0	2,083.1
Basic and diluted earnings per share attributable to shareholders of the Company	*8*	**HK$0.56**	HK$0.40

Consolidated Statement of Comprehensive Income
For the year ended 30 June

	2024	2023
	HK$'m	HK$'m (restated)
Profit for the year	**2,620.0**	2,083.1
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Net fair value change on equity instruments as financial assets at fair value through other comprehensive income ("FVOCI")	**(87.3)**	(284.3)
Remeasurement of post-employment benefit obligation	**15.9**	2.2
Items that have been reclassified/may be subsequently reclassified to profit or loss		
Net fair value change on debt instruments as financial assets at FVOCI and other net movement	**(27.8)**	(222.7)
Release of reserve upon disposal of debt instruments as financial assets at FVOCI	**123.7**	3.2
Release of reserve upon deregistration of subsidiaries	**(9.1)**	-
Release of reserve upon reclassification of interest in an associated company to financial assets at FVOCI	**(5.9)**	-
Release of reserve upon disposal of interest in a joint venture	**-**	(6.4)
Share of other comprehensive income of associated companies	**2.2**	0.2
Cash flow hedges	**(39.2)**	41.4
Net insurance finance expenses	**(21.2)**	(115.9)
Currency translation differences	**(40.5)**	(1,753.8)
Other comprehensive loss for the year, net of tax	**(89.2)**	(2,336.1)
Total comprehensive income/(loss) for the year	**2,530.8**	(253.0)
Total comprehensive income/(loss) attributable to		
Shareholders of the Company	**1,997.8**	(883.6)
Holders of perpetual capital securities	**457.9**	612.0
Non-controlling interests	**75.1**	18.6
	2,530.8	(253.0)

Consolidated Statement of Financial Position

	Note	**As at 30 June 2024 HK$'m**	As at 30 June 2023 HK$'m (restated)	As at 1 July 2022 HK$'m (restated)
ASSETS				
Intangible assets		**5,928.8**	5,863.2	5,890.1
Intangible concession rights		**12,226.1**	13,306.4	13,081.9
Investment properties		**5,479.1**	5,875.0	4,842.2
Property, plant and equipment		**1,252.2**	1,317.0	1,315.7
Right-of-use assets		**974.4**	1,192.2	1,360.7
Associated companies	*10*	**4,540.3**	4,708.3	6,443.4
Joint ventures	*11*	**17,403.8**	17,773.3	15,413.5
Insurance contract assets		**548.3**	1,160.3	-
Reinsurance contract assets		**221.2**	28.5	-
Debt instruments as financial assets at amortized cost		**1,391.4**	55.2	-
Financial assets at FVOCI		**11,624.4**	11,384.1	12,111.0
Financial assets at fair value through profit or loss ("FVPL")		**59,746.6**	53,742.6	42,428.2
Derivative financial instruments		**367.2**	287.8	91.9
Inventories		**18.4**	239.6	170.0
Trade and other receivables	*12*	**9,158.9**	9,375.6	14,816.6
Investments related to unit-linked contracts		**9,041.3**	8,940.1	8,649.2
Cash and bank balances		**14,788.0**	19,255.9	13,452.6
Assets held-for-sale		**373.3**	-	-
Total assets		**155,083.7**	154,505.1	140,067.0
EQUITY				
Share capital		**3,997.5**	3,910.5	3,911.1
Reserves		**34,898.7**	41,427.6	44,544.9
Shareholders' funds		**38,896.2**	45,338.1	48,456.0
Perpetual capital securities		**4,436.4**	10,353.6	10,528.5
Non-controlling interests		**19.1**	50.8	50.1
Total equity		**43,351.7**	55,742.5	59,034.6
LIABILITIES				
Deferred tax liabilities		**1,266.5**	1,412.5	1,514.3
Insurance contract liabilities		**64,565.9**	56,414.4	41,012.0
Reinsurance contract liabilities		**55.5**	12.2	56.1
Financial liabilities related to unit-linked contracts		**4,188.8**	4,424.6	4,603.3
Borrowings and other interest-bearing liabilities		**29,895.4**	23,796.9	23,590.9
Derivative financial instruments		**384.9**	216.6	172.7
Trade and other payables	*13*	**9,699.2**	10,819.6	8,289.4
Lease liabilities		**738.9**	963.4	1,124.7
Taxation		**570.9**	702.4	669.0
Liabilities directly associated with assets held-for-sale		**366.0**	-	-
Total liabilities		**111,732.0**	98,762.6	81,032.4
Total equity and liabilities		**155,083.7**	154,505.1	140,067.0

Notes:

1. Basis of preparation and accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and interpretations (collectively, the "HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, certain financial assets and financial liabilities (including derivative financial instruments) which have been measured at fair value.

(a) Adoption of new standard and amendments to standards

During FY2024, the Group has adopted the following new standard and amendments to standards which are relevant to the Group's operations and are mandatory for FY2024:

HKFRS 17 and HKFRS 17 (Amendments)	Insurance Contracts
HKAS 1 (Amendments) and HKFRS Practice Statement 2	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendments)	International Tax Reform – Pillar Two Model Rules

Except for HKFRS 17 as detailed below, the adoption of the amendments to standards does not have significant effect on the results and financial position of the Group.

1. Basis of preparation and accounting policies (continued)

(b) Adoption of HKFRS 17 "Insurance Contracts"

HKFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaced the previous HKFRS 4 "Insurance Contracts" ("HKFRS 4"). Under HKFRS 17, a comprehensive model (general measurement model) is introduced to measure insurance contracts based on the estimates of the present value of future cash flows with a risk adjustment (the fulfilment cash flows) and the unearned profits (the contractual service margin ("CSM")). The fulfilment cash flows are the current estimates of the future cash flows that the Group expects to collect from premiums and payout for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. The CSM represents the estimate of unearned profits of the insurance contracts, and is systematically recognized as insurance revenue based on the services provided over the coverage period of the insurance contract. Details of the change in accounting policies are set out in note 2.

Transition

The Group adopted HKFRS 17 on 1 July 2023 (i.e. the date of initial adoption) and has applied the full retrospective approach on transition to all contracts issued on or after 1 July 2022 (i.e. the transition date). For contracts issued prior to 1 July 2022, fair value approach was applied as obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort (e.g. assumptions that would have been made in an earlier period and information is only available at higher levels of aggregation).

Under fair value approach, the Group determined the CSM to be the difference between the fair value of a group of insurance contracts, and its fulfilment cash flows at 1 July 2022. The fair value of an insurance contract is the price that a market participant would be willing to pay to assume the obligation and the remaining risks of the in-force contracts as at the transition date. Assumptions about expected future cash flows and risk allowances to determine the fair value of the insurance contracts were adjusted for the market participant's view, as required by HKFRS 13 "Fair Value Measurement". The entire amount of the CSM of the Group at 1 July 2022 is attributable to the insurance contracts applying the fair value approach.

1. Basis of preparation and accounting policies (continued)

(b) Adoption of HKFRS 17 "Insurance Contracts" (continued)

Transition (continued)

Redesignation of financial assets at the date of initial application of HKFRS 17

The Group has adopted HKFRS 9 "Financial Instruments" ("HKFRS 9") before 1 July 2023. In accordance with HKFRS 17, the Group reassessed its business models for managing financial assets and redetermined the classification of financial assets if they are connected with contracts within the scope of HKFRS 17 at the date of initial application of HKFRS 17 on 1 July 2023. The Group has applied the classification overlay for the purpose of presenting comparative information. The classification overlay is based on how the Group expects the financial assets would be designated at the date of initial application of HKFRS 17.

The following table presents the carrying amount of financial assets by measurement categories before and after the date of initial application of HKFRS 17 on 1 July 2023.

	As at 30 June 2023 HK\$'m (previously stated)	Adjustments HK\$'m	As at 30 June 2023 HK\$'m (restated)	Adjustments HK\$'m	As at 1 July 2023 HK\$'m (restated)
Debt instruments as financial assets at amortized cost	**6,895.0**	**(6,839.8)**	**55.2**	**1,299.6**	**1,354.8**
Financial assets at FVOCI	**43,174.3**	**(31,790.2)**	**11,384.1**	**(2,787.7)**	**8,596.4**
Financial assets at FVPL	**15,002.6**	**38,740.0**	**53,742.6**	**1,767.1**	**55,509.7**

Debt instruments are reclassified to FVPL out of FVOCI or amortized cost categories and equity instruments are reclassified to FVPL out of FVOCI category as for eliminating accounting mismatch on connected insurance contract liabilities.

Debt instruments are reclassified to amortized cost out of FVOCI category as a result of reassessment on their business model on the basis of facts and circumstances that exist at 1 July 2023.

1. Basis of preparation and accounting policies (continued)

(b) Adoption of HKFRS 17 "Insurance Contracts" (continued)

Transition (continued)

Overall effect on adoption of HKFRS 17

The Group has applied the transition provisions in HKFRS 17 and has not disclosed the impact of the adoption of HKFRS 17 on each financial statement line item. The tables show the impact on adoption of HKFRS 17 on total equity of the Group.

	As at 30 June 2022 HK$'m (previously stated)	Adjustments HK$'m	As at 1 July 2022 HK$'m (restated)
Total equity	**53,887.1**	**5,147.5**	**59,034.6**

	As at 30 June 2023 HK$'m (previously stated)	Adjustments HK$'m	As at 1 July 2023 HK$'m (restated)
Total equity	**50,141.1**	**5,880.4**	**56,021.5**

HKFRS 17 significantly reduces the accounting mismatch between financial assets and insurance contract liabilities, with mechanisms to adjust insurance contract liabilities considering market fluctuation from assets. As a result, insurance contract liabilities under HKFRS 17 were significantly reduced when compared with the previous HKFRS 4 basis, leading to the increase in total equity upon transition.

In addition, deferred acquisition costs, value of business acquired for insurance contracts (and the related deferred tax liabilities) as well as other receivables and payables under previous accounting practices including premium receivable, policy loans and payable to policyholders are derecognized on transition date and are remeasured in the insurance contracts liabilities under HKFRS 17. Insurance and investment contracts liabilities (including unit-linked contracts) under previous accounting practices are also reassessed if they meet the definition of insurance contracts under HKFRS 17, which are recalculated with the new measurement models.

1. Basis of preparation and accounting policies (continued)

(c) Change in presentation of consolidated statement of financial position

The Group, taken into account the characteristics of insurance contracts and expectation on the scaling of assets and liabilities of its insurance business with the adoption of HKFRS 17 due to the capitalization of future profits in the CSM as liabilities and natural business growth, changes the presentation of its consolidated statement of financial position in FY2024 that provides relevant, comparable and understandable information to present all assets and liabilities in the order of liquidity in accordance with HKAS 1 "Presentation of Financial Statements". The comparative figures have been restated accordingly.

(d) Standards, amendments to standards and interpretation which are not yet effective

The following new standards, amendments to standards and interpretation are mandatory for accounting period beginning on or after 1 July 2024 or later periods but which the Group has not early adopted:

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HKFRS 18	Presentation and Disclosure in Financial Statements
HKFRS 19	Subsidiaries without Public Accountability: Disclosures
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKAS 21 (Amendments)	Lack of Exchangeability
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKFRSs Amendments	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

2. Change in accounting policies

As explained in note 1(b) above, the Group has adopted HKFRS 17 which resulted in change in accounting policies used in the preparation of the consolidated financial statements.

Accounting policies applied from 1 July 2023

Insurance contracts, investment contracts with discretionary participating features ("DPF") and reinsurance contracts held

The Group uses different measurement approaches, depending on the type of contract, as follows:

	Product classification	**Measurement model**
Insurance contracts issued		
Traditional life and annuities participating contracts	Insurance contracts or investment contracts with DPF	Variable Fee Approach ("VFA")
Traditional life non-participating contracts and protection products	Insurance contracts	General Measurement Model ("GMM") or Premium Allocation Approach ("PAA")
Universal life contracts	Insurance contracts	GMM
Unit-linked insurance contracts	Insurance contracts	VFA
Unit-linked investment contracts without DPF	Investment contracts	Financial liabilities measured at FVPL under HKFRS 9
Reinsurance contracts held		
Reinsurance contracts	Reinsurance contracts	GMM or PAA

(a) Definition and classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

Contracts that have a legal form of insurance but do not transfer significant insurance risk are classified as investment contracts, and they follow financial instruments accounting under HKFRS 9. Investment contracts without DPF issued by the Group fall under this category and classified as financial liabilities.

Some investment contracts issued by the Group contain DPF, whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Group's discretion, potentially significant additional benefits based on the return of specified pools of investment assets. The Group accounts for these contracts under HKFRS 17.

2. Change in accounting policies (continued)

(a) Definition and classification (continued)

The Group issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Underlying items comprise specified portfolios of investment assets that determine amounts payable to policyholders. The Group's policy is to hold such investment assets.

A reinsurance contract held transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts.

All references to insurance contracts in the consolidated financial statements apply to insurance contracts issued, reinsurance contracts held and investment contracts with DPF, unless specifically stated otherwise.

(b) Level of aggregation and separation of insurance components

Insurance contracts are aggregated into groups, and groups into portfolios, subject to similar risks and managed together. Each portfolio is further disaggregated into semi-annual cohorts and each cohort into three groups based on their profitability: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such groups are not subsequently reconsidered.

(c) Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some marketing and training costs, are recognized in general and administrative expenses or selling and marketing expenses as incurred.

2. Change in accounting policies (continued)

(d) Insurance acquisition cash flows

Insurance acquisition cash flows represents cash flows arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis and considering, in an unbiased way, all reasonable and supportable information available without undue cost or effort. The amounts allocated to groups of insurance contracts yet to be recognized are revised at each reporting date, to reflect any changes in assumptions that determine the inputs to the method of allocation used.

(e) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

(f) Initial measurement – Groups of contracts not measured under PAA

The Group measures a group of contracts as the sum of: (a) the fulfilment cash flows, which include estimates of future cash flows, an adjustment to reflect time value of money, and a risk adjustment for non-financial risk; and (b) the CSM.

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognize as it provides insurance contract services in the future.

On initial recognition of a group of contracts, if the total of the fulfilment cash flows, any cash flows arising at that date and any amount arising from the derecognition of any assets or liabilities previously recognized for cash flows related to the group (including assets for insurance acquisition cash flows) is a net inflow, then the group of contracts is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognized in profit or loss immediately, with no CSM recognized on the consolidated statement of financial position on initial recognition, and a loss component is established in the amount of loss recognized.

2. Change in accounting policies (continued)

(g) Subsequent measurement – Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC"). The LRC comprises (a) the fulfilment cash flows related to future service allocated to the group at that date and (b) the CSM of the group at that date. The LIC includes the fulfilment cash flows related to incurred claims and expenses that have not yet been paid and allocated to the group at the reporting date.

The fulfilment cash flows are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows, of discount rates and of non-financial risk. For insurance contracts measured under the VFA, the Group's share of the investment experience and assumption changes are absorbed by the CSM and released over time to profit or loss. For insurance contracts measured under the GMM, the fair value change of the investment assets backing these policies does not affect the measurement of insurance contracts.

(h) Initial and subsequent measurement – Groups of contracts measured under the PAA

The Group uses the PAA to simplify the measurement of groups of contracts in the following situations:

- the Group reasonably expects that the measurement of LRC would not differ materially from the result of apply accounting policies of contracts not measured under the PAA; or

- where the coverage period of each contract is one year or less.

(i) Reinsurance contracts held

Reinsurance contracts held measured under the GMM

The Group applies the same accounting policies as that applied to the underlying insurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods; and (b) any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognized in profit or loss.

2. Change in accounting policies (continued)

(i) Reinsurance contracts held (continued)

Reinsurance contracts held measured under the GMM (continued)

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts**.**

Reinsurance contracts held measured under the PAA

The Group applies the same accounting policy to measure the reinsurance contracts held under PAA, as the underlying insurance contracts.

When a loss is recognized on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognized in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognized.

(j) Derecognition and modification

An insurance contract is derecognized when:

- it is extinguished, i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled; or

- its terms modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognized. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

(k) Presentation of insurance contracts

Portfolios of insurance contracts and reinsurance contracts held in an asset position are presented separately from those in a liability position. Portfolios of insurance contracts issued are presented separately from portfolios of reinsurance contracts held.

The Group disaggregates amounts recognized in the consolidated income statement and the consolidated statement of comprehensive income into (a) insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

2. Change in accounting policies (continued)

(k) Presentation of insurance contracts (continued)

Income and expenses from reinsurance contracts held are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as "net income/(expenses) from reinsurance contracts held". The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance revenue.

Insurance revenue and insurance service expenses exclude any investment components and are recognized as follows:

Insurance revenue – insurance contracts not measured under the PAA

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognizes insurance revenue. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period;

- changes in the risk adjustment for non-financial risk relating to current services;

- amounts of the CSM recognized for the services provided in the period; and

- other amounts, including experience adjustments for premium receipts for current or past services.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts. The allocated amount is recognized as insurance revenue with the same amount recognized as insurance service expenses.

Release of the CSM – insurance contracts not measured under the PAA

The amount of the CSM of a group of insurance contracts that is recognized as insurance revenue in each reporting period is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the reporting period (before any allocation) equally to each coverage unit provided in the current period and expected to be provided in future periods, and recognizing in profit or loss the amount of the CSM allocated to coverage units provided in the current period. The number of coverage units is the quantity of services provided by the contracts in the group, determined considering for each contract the quantity of benefits provided and its expected coverage period.

2. Change in accounting policies (continued)

(k) Presentation of insurance contracts (continued)

Insurance revenue – insurance contracts measured under the PAA

For groups of insurance contracts measured under the PAA, the Group allocated the expected premium into insurance revenue based on the (a) passage of time; or (b) the expected timing of the incurred expenses, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time.

Loss component – insurance contracts not measured under PAA

For contracts not measured under the PAA, the Group establishes a loss component of the LRC for onerous group of contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently excluded from insurance revenue when they occur. When the fulfilment cash flows occur, they are allocated between the loss component and the LRC excluding the loss component.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognized in profit or loss generally as they are incurred. They exclude repayments of investment components and include the following:

- incurred claims, benefits, and other incurred directly attributable expenses;
- insurance acquisition cash flows amortization;
- losses on onerous contract or reversals of those losses; and
- changes that relate to past service.

For contracts not measured under the PAA, amortization of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above. For contracts measured under the PAA, amortization of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in general and administrative expenses or selling and marketing expenses in the profit or loss.

Net income/(expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held based on the allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognizes an allocation of reinsurance premiums paid as reinsurance expenses within net expenses from reinsurance contracts held for the coverage or other services received by the Group under groups of reinsurance contracts held.

2. Change in accounting policies (continued)

(k) Presentation of insurance contracts (continued)

Net income/(expenses) from reinsurance contracts held (continued)

For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For groups of reinsurance contracts held measured under the PAA, the Group recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts and reinsurance contracts held arising from the effect of the time value of money and changes in the time value of money, the effect of financial risk and changes in financial risk.

The Group presents insurance finance income or expenses for the insurance contracts measured under the VFA in profit or loss. Such insurance finance income or expenses includes changes in the measurement of the group of contracts impacted by the changes in the value of underlying items (excluding additions and withdrawals). It therefore has an offsetting impact to investment income earned on underlying assets backing insurance contracts, which include the gain or losses arising on assets measured at FVPL and under the line “other income and gains, net”.

For the insurance contracts measured under the GMM, the Group disaggregates total insurance finance income or expenses between profit or loss and other comprehensive income. The amount recognized in profit or loss is determined by a systematic allocation of the expected total finance income or expenses over the duration of the group of insurance contracts. Insurance finance income or expenses presented in other comprehensive income, which reflects the effect of changes in discount rates on measurement of these insurance contracts, are accumulated in the insurance finance reserve. If the Group derecognizes these insurance contracts, its related remaining amount accumulated in insurance finance reserve is reclassified to profit or loss.

3. Revenue and segment information

The Group's revenue is analyzed as follows:

2024 **HK$'m**	**Hong Kong**	**The Mainland**	**Total**
Roads	**-**	**2,807.0**	**2,807.0**
Insurance	**3,453.1**	**-**	**3,453.1**
Logistics	**-**	**160.9**	**160.9**
Construction	**17,265.2**	**-**	**17,265.2**
Facilities Management	**2,718.1**	**17.3**	**2,735.4**
Strategic Investments	**-**	**-**	**-**
	23,436.4	**2,985.2**	**26,421.6**

2023 HK$'m (restated)	Hong Kong	The Mainland	Total
Roads	-	2,731.8	2,731.8
Insurance	2,895.8	-	2,895.8
Logistics	-	139.5	139.5
Construction	19,638.5	-	19,638.5
Facilities Management	1,685.1	29.9	1,715.0
Strategic Investments	-	0.8	0.8
	24,219.4	2,902.0	27,121.4

Management has determined the operating segments based on the reports reviewed by the Executive Committee of the Company that are used to make strategic decisions in accordance with HKFRS 8 "Operating Segments". The Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. The Executive Committee considers the businesses of the Group from product and service perspectives, which comprised (i) Roads; (ii) Insurance; (iii) Logistics; (iv) Construction; (v) Facilities Management; and (vi) Strategic Investments.

The Executive Committee assesses the performance of the operating segments based on a measure of Attributable Operating Profit (including share of results from associated companies and joint ventures). This measurement basis excludes the effects of non-operating and unallocated corporate office items. Corporate interest income, finance costs and expenses are not allocated to segments.

3. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2024 and related comparative figures is as follows:

HK$'m	Roads	Insurance	Logistics	Construction	Facilities Management	Strategic Investments	Total	
2024								
Total revenue	**2,807.0**	**3,454.7**	**160.9**	**17,265.9**	**2,739.6**	**-**	**26,428.1**	
Inter-segment	**-**	**(1.6)**	**-**	**(0.7)**	**(4.2)**	**-**	**(6.5)**	
Revenue – external	**2,807.0**	**3,453.1**	**160.9**	**17,265.2**	**2,735.4**	**-**	**26,421.6**	
Revenue from contracts with customers								
Recognized at a point in time	**2,807.0**	**-**	**-**	**-**	**1,439.1**	**-**	**4,246.1**	
Recognized over time	**-**	**206.6**	**-**	**17,265.2**	**1,296.3**	**-**	**18,768.1**	
	2,807.0	**206.6**	**-**	**17,265.2**	**2,735.4**	**-**	**23,014.2**	
Revenue from other sources	**-**	**3,246.5**	**160.9**	**-**	**-**	**-**	**3,407.4**	
	2,807.0	**3,453.1**	**160.9**	**17,265.2**	**2,735.4**	**-**	**26,421.6**	
Attributable Operating Profit/(Loss)								
Company and subsidiaries	**807.0**	**964.9**	**100.0**	**709.8**	**387.8**	**(48.6)**	**2,920.9**	
Associated companies	**174.7**	**-**	**(15.6)**	**(4.8)**	**(159.5)**	**103.3**	**98.1**	
Joint ventures	**589.7**	**-**	**637.9**	**-**	**-**	**(79.2)**	**1,148.4**	
	1,571.4	**964.9**	**722.3**	**705.0**	**228.3**	**(24.5)**	**4,167.4**	
Reconciliation								
Non-operating items								
Net loss on fair value of investment properties, net of tax							**(342.6)**	**(i)**
Impairments and provisions, net							**(51.5)**	**(ii)**
Gain on disposal of projects							**12.3**	**(iii)**
Share of non-operating expenses of a joint venture							**(52.8)**	
Share-based payment (note 4(a))							**(44.4)**	
Unallocated corporate office items								
Gain on fair value of derivative financial instruments							**1.9**	
Net finance costs							**(744.1)**	
Net exchange gain							**5.1**	
Expenses and others							**(409.2)**	
Profit for the year after tax and non-controlling interests							**2,542.1**	
Profit attributable to holders of perpetual capital securities							**(457.9)**	
Profit attributable to shareholders of the Company							**2,084.2**	

(i) Net loss on fair value of investment properties recognized in the consolidated income statement is HK$380.5 million (note 5), in which a loss of HK$26.0 million is recognized as part of Attributable Operating Profit in various reportable segments.

(ii) The amount mainly represents share of impairment loss of a joint venture of HK$99.7 million (note 11) which included in "share of results of joint ventures"; impairment losses related to associated companies, net of reversal, of HK$118.8 million (note 5) which included in "other income and gains, net"; and share of impairment losses from an associated company of HK$63.1 million (note 10) which included in "share of results of associated companies"; net of reversal of provisions of HK$250.6 million (note 5(a)) which included in "other income and gains, net".

(iii) The amount represents profit on disposal of interest in a joint venture of HK$6.4 million (note 5) and profit on reclassification of interest in an associated company to financial assets at FVOCI of HK$5.9 million (note 5) which are included in "other income and gains, net".

3. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2024 and related comparative figures is as follows: (continued)

HK$'m	Roads	Insurance	Logistics	Construction	Facilities Management	Strategic Investments	Corporate	Total
2024								
Amortization of intangible assets	-	74.6	-	1.5	31.2	-	-	107.3
Amortization of intangible concession rights	1,101.7	-	-	-	-	-	-	1,101.7
Depreciation of property, plant and equipment	99.7	37.2	0.9	51.7	94.0	-	15.2	298.7
Depreciation of right-of-use assets	0.5	108.2	-	39.2	94.1	-	8.8	250.8
Net insurance finance expenses	-	1,431.0	-	-	-	-	-	1,431.0
Net loss on fair value of financial assets at FVPL	-	1,456.2	-	4.7	-	127.6	-	1,588.5
Interest income	(60.4)	(2,770.8)	(0.7)	(36.1)	(115.4)	(87.4)	(197.1)	(3,267.9)
Finance costs	138.0	41.5	8.6	45.8	23.4	0.3	941.2	1,198.8
Income tax expenses/(credit)	435.5	108.9	(6.5)	147.0	45.0	(28.6)	(0.7)	700.6
Additions to assets (remark)	134.5	159.0	0.2	167.0	120.0	-	13.6	594.3
As at 30 June 2024								
Company and subsidiaries	14,331.6	92,981.3	3,192.5	9,035.5	3,563.7	4,019.7	6,015.3	133,139.6
Associated companies	2,234.5	-	266.3	149.8	166.3	1,720.9	2.5	4,540.3
Joint ventures	5,644.6	-	9,506.3	-	-	1,967.3	285.6	17,403.8
Total assets	22,210.7	92,981.3	12,965.1	9,185.3	3,730.0	7,707.9	6,303.4	155,083.7
Total liabilities	5,159.9	70,188.3	347.1	8,036.2	1,342.7	86.3	26,571.5	111,732.0

Remark: Represented assets expected to be recovered more than 12 months after the reporting period other than financial instruments, deferred tax assets, post-employment benefit assets, insurance contract assets and reinsurance contract assets.

3. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2024 and related comparative figures is as follows: (continued)

HK$'m	Roads	Insurance	Logistics	Construction	Facilities Management	Strategic Investments	Total	
2023 (restated)								
Total revenue	2,731.8	2,897.2	139.5	19,662.4	1,730.7	0.8	27,162.4	
Inter-segment	-	(1.4)	-	(23.9)	(15.7)	-	(41.0)	
Revenue – external	2,731.8	2,895.8	139.5	19,638.5	1,715.0	0.8	27,121.4	
Revenue from contracts with customers								
Recognized at a point in time	2,731.8	-	-	-	797.1	-	3,528.9	
Recognized over time	-	199.2	-	19,638.5	917.9	0.8	20,756.4	
	2,731.8	199.2	-	19,638.5	1,715.0	0.8	24,285.3	
Revenue from other sources	-	2,696.6	139.5	-	-	-	2,836.1	
	2,731.8	2,895.8	139.5	19,638.5	1,715.0	0.8	27,121.4	
Attributable Operating Profit/(Loss)								
Company and subsidiaries	784.1	624.7	59.1	727.3	118.6	(107.8)	2,206.0	
Associated companies	207.9	-	(12.2)	18.2	(180.0)	162.0	195.9	
Joint ventures	540.8	-	631.6	-	(0.5)	(129.9)	1,042.0	
	1,532.8	624.7	678.5	745.5	(61.9)	(75.7)	3,443.9	
Reconciliation								
Non-operating items								
Net gain on fair value of investment properties, net of tax							78.7	(iv)
Impairments							(490.8)	(v)
Net loss on disposal of projects, net of tax							(64.6)	(vi)
Net gain on redemption of senior notes							88.6	(vii)
Share-based payment (note 4(a))							(51.8)	
Unallocated corporate office items								
Net gain on fair value of derivative financial instruments							67.9	
Net finance costs							(538.7)	
Net exchange loss							(45.5)	
Expenses and others							(428.8)	
Profit for the year after tax and non-controlling interests							2,058.9	
Profit attributable to holders of perpetual capital securities							(612.0)	
Profit attributable to shareholders of the Company							1,446.9	

(iv) Net gain on fair value of investment properties recognized in the consolidated income statement was HK$59.5 million (note 5), in which a gain of HK$18.7 million was recognized as part of Attributable Operating Profit in various reportable segments. The amount HK$78.7 million also included gain on fair value of an investment property shared from a joint venture of HK$46.8 million (net of tax) which was included in "share of results of joint ventures".

(v) The amount mainly represented share of impairment loss of a joint venture of HK$310.7 million (note 11) which included in "share of results of joint ventures"; and impairment losses related to associated companies of HK$104.1 million (note 5) which included in "other income and gains, net".

(vi) The amount represented loss on disposal of interest in a joint venture of HK$101.9 million (note 5) which included in "other income and gains, net"; and net gain on disposal related to a joint venture of HK$39.0 million (being mainly a gain on disposal of HK$92.7 million and other non-operating expenses shared by the Group in "share of results of joint ventures", less transaction costs).

(vii) The amount represented gain on redemption of fixed rate bonds of HK$90.5 million (note 5) which included in "other income and gains, net", less transaction costs.

3. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2024 and related comparative figures is as follows: (continued)

HK$'m	Roads	Insurance	Logistics	Construction	Facilities Management	Strategic Investments	Corporate	Total
2023 (restated)								
Amortization of intangible assets	-	63.3	-	-	31.2	-	-	94.5
Amortization of intangible concession rights	1,039.4	-	-	-	-	-	-	1,039.4
Depreciation of property, plant and equipment	89.7	45.9	0.5	52.0	96.3	0.4	13.0	297.8
Depreciation of right-of-use assets	1.0	107.9	1.0	35.5	92.5	-	7.8	245.7
Net insurance finance income	-	(157.1)	-	-	-	-	-	(157.1)
Net loss on fair value of financial assets at FVPL	-	2,312.1	-	2.1	-	67.5	-	2,381.7
Interest income	(68.4)	(2,148.9)	(1.6)	(15.4)	(79.7)	(97.9)	(95.0)	(2,506.9)
Finance costs	136.1	90.7	1.2	49.8	26.5	0.2	633.7	938.2
Income tax expenses/(credit)	386.6	177.1	10.6	153.4	10.0	29.7	(3.5)	763.9
Additions to assets (remark)	2,538.2	150.1	1,199.3	63.0	56.4	6.0	41.8	4,054.8
As at 30 June 2023 (restated)								
Company and subsidiaries	15,745.2	83,862.2	3,371.7	8,990.1	4,060.2	5,814.3	10,179.8	132,023.5
Associated companies	2,190.7	-	281.4	255.3	206.2	1,771.9	2.8	4,708.3
Joint ventures	5,709.7	-	9,476.1	-	-	2,246.7	340.8	17,773.3
Total assets	23,645.6	83,862.2	13,129.2	9,245.4	4,266.4	9,832.9	10,523.4	154,505.1
Total liabilities	5,896.8	62,506.7	423.4	8,388.9	1,470.2	136.1	19,940.5	98,762.6

Remark: Represented assets expected to be recovered more than 12 months after the reporting period other than financial instruments, deferred tax assets, post-employment benefit assets, insurance contract assets and reinsurance contract assets.

3. Revenue and segment information (continued)

(b) Additional information of assets and liabilities by the following line items:

As at 30 June 2024

HK$'m	Non-insurance and corporate	Insurance	Total
Assets			
Intangible assets	**153.5**	**5,775.3**	**5,928.8**
Intangible concession rights	**12,226.1**	**-**	**12,226.1**
Investment properties	**4,797.5**	**681.6**	**5,479.1**
Associated companies	**4,540.3**	**-**	**4,540.3**
Joint ventures	**17,403.8**	**-**	**17,403.8**
Insurance contract assets	**-**	**548.3**	**548.3**
Reinsurance contract assets	**-**	**221.2**	**221.2**
Debt instruments as financial assets at amortized cost	**105.7**	**1,285.7**	**1,391.4**
Financial assets at FVOCI	**695.2**	**10,929.2**	**11,624.4**
Financial assets at FVPL	**2,393.0**	**57,353.6**	**59,746.6**
Trade and other receivables	**8,653.4**	**505.5**	**9,158.9**
Investments related to unit-linked contracts	**-**	**9,041.3**	**9,041.3**
Cash and bank balances	**8,445.0**	**6,343.0**	**14,788.0**
Others	**2,688.9**	**296.6**	**2,985.5**
	62,102.4	**92,981.3**	**155,083.7**
Liabilities			
Insurance contract liabilities	**-**	**64,565.9**	**64,565.9**
Reinsurance contract liabilities	**-**	**55.5**	**55.5**
Financial liabilities related to unit-linked contracts	**-**	**4,188.8**	**4,188.8**
Borrowings and other interest-bearing liabilities	**29,371.3**	**524.1**	**29,895.4**
Trade and other payables	**9,289.0**	**410.2**	**9,699.2**
Others	**2,883.4**	**443.8**	**3,327.2**
	41,543.7	**70,188.3**	**111,732.0**

(c) Information by geographical areas:

	Assets expected to be recovered more than 12 months (remark)	
HK$'m	**2024**	2023
Hong Kong	**10,299.7**	10,580.8
The Mainland	**15,533.3**	16,943.3
Others	**27.6**	29.7
	25,860.6	27,553.8

Remark: Represented assets expected to be recovered more than 12 months after the reporting period other than financial instruments, deferred tax assets, post-employment benefit assets, insurance contract assets and reinsurance contract assets.

4. Operating profit

Operating profit of the Group is arrived at after crediting and charging the followings:

	Note	**2024 HK$'m**	2023 HK$'m (restated)
Crediting			
Gross rental income from investment properties		**243.0**	218.5
Less: outgoings		**(64.9)**	(56.9)
		178.1	161.6
Charging			
Auditors' remuneration			
- Provision for current year		**21.9**	32.7
- (Over)/under-provision for prior years		**(1.0)**	2.1
Cost of inventories sold		**1,103.1**	507.4
Cost of construction		**14,830.3**	17,132.1
Amortization of intangible assets		**107.3**	94.5
Amortization of intangible concession rights		**1,101.7**	1,039.4
Depreciation of property, plant and equipment		**298.7**	297.8
Depreciation of right-of-use assets		**250.8**	245.7
Agency commission and allowances		**3,040.8**	1,912.7
Expenses on short-term leases		**11.1**	20.1
Expenses on variable lease payments		**126.4**	170.9
Staff costs (including directors' emoluments and share-based payment)	*(a)*	**3,110.6**	2,995.5
Other costs and expenses		**1,253.3**	1,287.2
		25,255.0	25,738.1
Amounts attributed to insurance contracts		**(4,137.3)**	(2,881.0)
Amortization of insurance acquisition cash flows		**702.8**	370.2
Incurred claims and other directly attributable expenses		**1,803.0**	1,539.1
Losses on onerous contracts, net of reversal		**2.2**	19.0
		23,625.7	24,785.4
Represented by			
Cost of sales	*6*	**19,977.7**	21,624.7
Insurance service expenses		**2,508.0**	1,928.3
Selling and marketing expenses		**194.4**	137.1
General and administrative expenses		**945.6**	1,095.3
		23,625.7	24,785.4

(a) The Group recognized the total share-based payment expense of HK$44.4 million (2023: HK$51.8 million) for the current year in relation to share options granted by the Company.

5. Other income and gains, net

	Note	**2024 HK$'m**	2023 HK$'m (restated)
Net gain associated with investments related to unit-linked contracts		**641.2**	260.4
Reversal of provisions	*(a)*	**250.6**	-
Profit/(loss) on disposal of interest in a joint venture		**6.4**	(101.9)
Profit on reclassification of interest in an associated company to financial assets at FVOCI		**5.9**	-
Gain on redemption of fixed rate bonds		**-**	90.5
Interest income			
- Debt instruments as financial assets at FVPL		**2,240.4**	1,627.8
- Debt instruments as financial assets at FVOCI		**444.4**	516.2
- Debt instruments as financial assets at amortized cost		**51.0**	10.8
- Bank deposits and others		**532.1**	352.1
Dividend income		**340.9**	290.8
Others		**288.4**	217.3
Net exchange loss		**(25.0)**	(127.3)
Net loss on fair value of financial assets at FVPL		**(1,588.5)**	(2,381.7)
Net (loss)/gain on fair value of investment properties		**(380.5)**	59.5
Charges associated with liabilities related to unit-linked contracts		**(279.7)**	(90.9)
Impairment losses related to associated companies, net of reversal	*10*	**(118.8)**	(104.1)
Net loss on disposal of debt instruments as financial assets at FVOCI		**(123.7)**	(3.3)
Expected credit loss provision, net of reversal			
- Debt instruments as financial assets at FVOCI		**(105.3)**	(296.7)
- Debt instruments as financial assets at amortized cost		**(1.6)**	-
- Trade and other receivables		**39.6**	63.3
		2,217.8	382.8
Represented by			
Net investment income and gains from insurance business		**1,697.7**	0.4
Others		**520.1**	382.4
		2,217.8	382.8

(a) The amount includes (i) reversal of provision of HK$105.9 million (2023: nil) due to expiry of an indemnity relating to disposal of a subsidiary in prior years, and (ii) reversal of other provision of HK$144.7 million (2023: nil) after considering that it is no longer probable the Group will be required to settle as of the end of the reporting period.

6. Cost of sales

	Note	2024 HK$'m	2023 HK$'m (restated)
Cost of inventories sold		**1,103.1**	507.4
Cost of construction		**14,830.3**	17,132.1
Cost of services rendered		**4,044.3**	3,985.2
	4	**19,977.7**	21,624.7

7. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Taxation on the Mainland and overseas profits has been calculated on the estimated taxable profits for the year at the rates of tax prevailing in the regions in which the Group operates. These rates range from 12% to 25% (2023: 12% to 28%). Withholding tax on dividends is mainly provided at the rate of 5% or 10% (2023: 5% or 10%).

The assessable profits of the Group's insurance business are computed in accordance with the special provisions of the Hong Kong Inland Revenue Ordinance ("IRO"). Profits tax for the long-term insurance business, as defined by IRO, is computed at a rate of 16.5% (2023: 16.5%) of 5% of net premiums (gross premiums received less reinsurance premiums ceded) of the life insurance business in accordance with Section 23(1)(a) of IRO.

The amount of income tax charged to the consolidated income statement represents:

	2024 HK$'m	2023 HK$'m (restated)
Current tax		
Hong Kong profits tax	**254.9**	344.5
The Mainland and overseas taxation	**544.2**	556.2
Deferred tax credit	**(98.5)**	(136.8)
	700.6	763.9

Share of taxation of associated companies and joint ventures of HK$101.9 million (2023: HK$124.4 million) and HK$311.7 million (2023: HK$462.2 million) respectively are included in the consolidated income statement as share of results of associated companies and joint ventures respectively.

8. Earnings per share

The calculation of basic earnings per share is based on earnings of HK$2,186.9 million (2023 restated: HK$1,571.0 million), which comprised profit attributable to shareholders of the Company of HK$2,084.2 million (2023 restated: HK$1,446.9 million) and gain on redemption of perpetual capital securities of HK$102.7 million (2023: HK$124.1 million); on the weighted average of 3,928,599,060 (2023: 3,910,515,912) ordinary shares outstanding during the year.

For the current year, diluted earnings per share is based on earnings of HK$2,186.9 million (as stated above) and on the weighted average number of ordinary shares outstanding adjusted by assuming the conversion of all dilutive potential ordinary shares. The calculation of weighted average number of shares for calculating diluted earnings per share for the current year is as follows:

	Number of shares
Weighted average number of shares for calculating basic earnings per share	**3,928,599,060**
Effect of dilutive potential ordinary shares	
Share options	**4,433,803**
Weighted average number of shares for calculating diluted earnings per share	**3,933,032,863**

During FY2023, the share options of the Company had an anti-dilutive effect on the basic earnings per share as the adjusted exercise price of the share options was above the average market price of the ordinary shares during the outstanding period, and therefore were not included in the calculation of diluted earnings per share.

9. Dividends

	2024 **HK$'m**	2023 HK$'m
Interim ordinary dividend paid of HK$0.30 (2023: HK$0.30) per share	**1,173.6**	1,173.1
Special dividend paid of HK$1.79 (2023: nil) per share	**7,002.3**	-
Final ordinary dividend proposed of HK$0.35 (2023: paid of HK$0.31) per share	**1,399.1**	1,212.7
	9,575.0	2,385.8

At the meeting held on 25 September 2024, the Board recommended a final ordinary dividend of HK$0.35 per share. This proposed ordinary dividend has not been recognized as a dividend payable in the consolidated financial statements but will be reflected as an appropriation of the retained profits in the consolidated financial statements for the financial year ending 30 June 2025.

Subject to the passing of the relevant resolution at the annual general meeting of the Company to be held on 22 November 2024 ("AGM"), it is expected that the final ordinary dividend will be paid on or about 18 December 2024.

10. Associated companies

During the year, the Group has recognized impairment losses related to associated companies, net of reversal, of HK$118.8 million (2023: HK$104.1 million) (note 5) in "other income and gains, net", which includes:

(i) an impairment loss of HK$101.1 million (2023: nil) provided against an associated company principally engaged in chrome and platinum group metals mining, processing and trading in South Africa as the Group's share of its market value was lower than the carrying value, whereas its recoverable amount was primarily based on value in use approach using discounted cash flow method over a forecast period of life of mine of about 18 years with key assumptions used including metal price projection and discount rate;

(ii) an impairment loss of HK$85.4 million (2023: HK$30.0 million) provided against an associated company principally engaged in development and manufacturing of advanced robotics business taken into consideration the under-performance of its business brought by the downturn in market demand from the slow recovery of economy, whereas management has carried out a recoverability assessment primarily using value in use approach to estimate the present value of future cash flows over five years which has taken into account the key assumptions including revenue projection, terminal growth rate and discount rate; and

(iii) a reversal of impairment loss HK$67.7 million (2023: impairment loss of HK$74.1 million) recognized by the Group related to an associated company principally engaged in construction business primarily based on fair value less cost of disposal approach with reference to the Group's share of market value of the listed shares on the date which the Group reclassified such investment to financial assets at FVOCI as the Group ceased to have significant influence over that company following the resignation of the Group's representatives from the board of directors of that company.

Except for above and share of impairment losses from an associated company of HK$63.1 million (2023: nil), management is of the view that there is no other material impairment of the Group's investments in associated companies as at 30 June 2024.

11. Joint ventures

During the year, the share of results of joint ventures includes the Group's share of impairment of a joint venture of HK$99.7 million (2023: HK$310.7 million), which is principally engaged in manufacturing and supply of components used in hydraulic loading and unloading systems. In view of the longer than expected recovery from COVID-19 pandemic and the competitive market environment, management of the joint venture has carried out a recoverability assessment on the carrying value of its assets based on value in use approach using discounted cash flow method. The key assumptions include revenue projection, terminal growth rate and discount rate.

Except for above, management is of the view that there is no other material impairment of the Group's investments in joint ventures as at 30 June 2024.

12. Trade and other receivables

Included in trade and other receivables are trade receivables which are analyzed based on invoice date as follows:

	As at 30 June 2024 HK$'m	As at 30 June 2023 HK$'m	As at 1 July 2022 HK$'m
Under 3 months	**1,836.3**	2,016.3	1,572.1
4 to 6 months	**58.8**	8.7	81.3
Over 6 months	**32.3**	68.9	70.3
	1,927.4	2,093.9	1,723.7

13. Trade and other payables

Included in trade and other payables are trade payables which are analyzed based on invoice date as follows:

	As at 30 June 2024 HK$'m	As at 30 June 2023 HK$'m	As at 1 July 2022 HK$'m
Under 3 months	**995.5**	1,241.1	615.2
4 to 6 months	**20.9**	11.7	5.2
Over 6 months	**22.2**	18.1	13.4
	1,038.6	1,270.9	633.8

14. Comparative figures

The Group has restated the comparative figures in the consolidated financial statements due to the adoption of HKFRS 17. In addition, certain comparative figures have been reclassified to conform with the presentation for the current year.

FINAL DIVIDEND

The Company is committed to delivering a sustainable and progressive dividend policy. The aim of its dividend policy is to steadily increase or at least maintain the Hong Kong Dollar value of ordinary dividend per share annually. The prospective dividend growth, however, remains dependent upon the financial performance and future funding needs of the Company.

The Board has resolved to recommend a final ordinary dividend for FY2024 (the "Final Dividend") of HK$0.35 per share (2023: final ordinary dividend of HK$0.31 per share) in cash to the shareholders whose names appear on the register of members of the Company on 28 November 2024. Together with the interim ordinary dividend of HK$0.30 per share (2023: HK$0.30 per share) and the special dividend of HK$1.79 per share for FY2024 paid in April 2024, total distribution of dividend by the Company for FY2024 will be HK$2.44 per share (2023: HK$0.61 per share).

Subject to the passing of the relevant resolution at the AGM, it is expected that the Final Dividend will be paid on or about 18 December 2024.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the AGM and entitlement to the Final Dividend, the register of members of the Company will be closed. Details of such closures are set out below:

For determining eligibility to attend and vote at the AGM:	
Latest time to lodge transfer documents for registration	4:30 pm on 18 November 2024
Closure of register of members	19 to 22 November 2024 (both days inclusive)
Record date	22 November 2024
AGM date	22 November 2024
For determining entitlement to the Final Dividend:	
Latest time to lodge transfer documents for registration	4:30 pm on 27 November 2024
Closure of register of members	28 November 2024
Record date	28 November 2024
Final Dividend payment date	on or about 18 December 2024

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM and to qualify for the Final Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, approximately 13,200 staff were employed by entities under the Group's management of which approximately 3,500 staff were employed in Hong Kong. Total staff related costs including provident funds, staff bonus and deemed share option benefits but excluding directors' remunerations and their deemed share option benefits during FY2024 were HK$2.999 billion (2023: HK$2.882 billion). Remuneration packages including salaries, bonuses and share options are granted to employees according to individual performance and are reviewed according to general market conditions every year. Structured training programmes were provided to employees on an ongoing basis.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company was set up by the Board with specific terms for the purpose of reviewing and providing supervision over the Group's financial reporting process, and risk management and internal control. It currently comprises three independent non-executive directors of the Company. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the audited consolidated financial statements of the Group for FY2024 with the management and the external auditor.

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for FY2024 as set out in the preliminary results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC Hong Kong"), to the amounts set out in the Group's audited consolidated financial statements for FY2024. The work performed by PwC Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PwC Hong Kong on the preliminary results announcement.

CORPORATE GOVERNANCE PRACTICES

The Board firmly believes that good corporate governance is fundamental to achieving strategic goals, enhancing shareholder value and balancing stakeholders' interests. The Company has been committed to maintaining a high standard of corporate governance and to devoting considerable effort to improve its practices in light of the regulatory requirements and expectation of the investors.

Throughout FY2024, the Company has complied with all the applicable code provisions under the Corporate Governance Code as contained in Appendix C1 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

In June 2023, Century Acquisition Limited, a wholly owned subsidiary of Chow Tai Fook Enterprises Limited ("CTF Enterprises"), made pre-conditional voluntary general cash offers to acquire, inter alia, all the issued shares of the Company ("NWS Share Offer") (other than those beneficially owned by CTF Enterprises and its fellow subsidiary) for a cash consideration of HK$9.15 per share. On 9 November 2023, Financial Concepts Investment Limited ("Financial Concepts"), an indirect wholly-owned subsidiary of the Company, tendered its acceptance of the NWS Share Offer in respect of all the 2,979,975 shares of the Company held by Financial Concepts at an aggregate consideration of HK$27,266,771.25 (before expenses). Such disposal of shares was completed on 17 November 2023.

On 31 January 2024, Celestial Miles Limited ("CML", an indirect wholly-owned subsidiary of the Company) redeemed the 2019 Perpetual Capital Securities, which were listed on the Hong Kong Stock Exchange, issued by CML and unconditionally and irrevocably guaranteed by the Company at their outstanding principal amount, together with distribution accrued to such date. All the outstanding 2019 Perpetual Capital Securities were redeemed and listing of the securities on the Hong Kong Stock Exchange was withdrawn with effect from the close of business on 8 February 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during FY2024.

DEALINGS IN THE COMPANY'S SECURITIES BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code") as its own code of conduct for securities transactions by directors. Specific enquiry was made with all directors of the Company and it was established that they had all complied with the required standard of the Model Code during FY2024.

The Company has also adopted the "Code for Securities Transactions by Relevant Employees", which is no less exacting than the Model Code, for governing the securities transactions of specified employees ("Relevant Employees") who, because of their positions, are likely to come across unpublished inside information. Following specific enquiry by the Company, all Relevant Employees had confirmed that they complied with the standard set out in the "Code for Securities Transactions by Relevant Employees" during FY2024.

THE BOARD

As at the date of this announcement, (a) the executive directors of the Company are Dr Cheng Kar Shun, Henry, Mr Cheng Chi Ming, Brian, Mr Ho Gilbert Chi Hang, Mr Lam Jim and Mr Cheng Chi Leong, Christopher; (b) the non-executive directors of the Company are Dr Cheng Chi Kong, Adrian, Mr William Junior Guilherme Doo (alternate director to Mr William Junior Guilherme Doo: Mr Lam Wai Hon, Patrick) and Mr Tsang On Yip, Patrick; and (c) the independent non-executive directors of the Company are Mr Shek Lai Him, Abraham, Mr Lee Yiu Kwong, Alan, Mrs Oei Wai Chi Grace Fung, Mr Wong Kwai Huen, Albert, Professor Chan Ka Keung, Ceajer and Ms Ng Yuen Ting, Yolanda.

Dr Cheng Kar Shun, Henry
Chairman

Hong Kong, 25 September 2024

* *For identification purposes only*