周大福創建有限公司
CTF Services Limited

(incorporated in Bermuda with limited liability)
(stock code: 00659)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

HIGHLIGHTS

- **The Group achieved a 4% year-on-year uptick in overall AOP, reaching HK$2,225.3 million with the Group's Operating Businesses, namely Roads, Insurance, Logistics, Construction and Facilities Management (excluding Free Duty business which has been disposed of), recording an 8% year-on-year growth in AOP.**

- **The profit attributable to shareholders of the Company increased robustly by 15% to HK$1,157.6 million.**

- **The Group's financial position remained healthy. Total available liquidity stood at approximately HK$29.9 billion as at 31 December 2024, comprising cash and bank balances of approximately HK$18.6 billion and unutilized committed banking facilities of approximately HK$11.3 billion.**

- **Committed to sustainable and progressive dividend policy in respect of the ordinary dividend. Interim Ordinary Dividend is HK$0.30 per share (Last Period: interim ordinary dividend of HK$0.30 per share).**

- **With the aim to return and maximize value to our shareholders, following the receipt of cash proceeds from recent non-core businesses and legacy investment disposals and the Group's share of partial insurance settlements from Goshawk, the Board has resolved to declare a Special Dividend of HK$0.30 per share.**

The board of directors (the "Board") of CTF Services Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2024 (the "Current Period"), together with comparative figures for the six months ended 31 December 2023 (the "Last Period").

BUSINESS REVIEW

Group overview

During the Current Period, the Group adeptly navigated a dynamic economic landscape, capitalizing on opportunities while addressing challenges. Despite market fluctuations, the Group achieved a 4% year-on-year uptick in overall Attributable Operating Profit ("AOP", a non-HKFRS measure), reaching HK$2,225.3 million. This performance underscores our strong resilience and strategic focus. This increase in overall AOP was mainly attributable to (i) continued strong earnings growth of the Insurance segment; (ii) a substantial reduction in the Attributable Operating Loss ("AOL") of Gleneagles Hospital Hong Kong ("GHK Hospital"); and (iii) increased AOP contributions from ATL Logistics Centre Hong Kong Limited ("ATL") and China United International Rail Containers Co., Limited ("CUIRC") within the Logistics segment. These positive factors were partly offset by (i) underperformance of Free Duty business (which the Group disposed of in the Current Period) and Hong Kong Convention and Exhibition Centre ("HKCEC") within the Facilities Management segment; and (ii) a slight decline in the AOP of the Roads segment, mainly due to the expiration of concession periods for Guangzhou City Northern Ring Road in March 2024.

The Group's Operating Businesses, namely Roads, Insurance, Logistics, Construction and Facilities Management (excluding Free Duty business which has been disposed of), experienced steady growth as a whole, achieving a solid 8% year-on-year AOP increase in the Current Period. The Insurance segment and Logistics segment were the primary drivers of this growth, showcasing the resilience and quality of the Group's business portfolio.

In addition to the growth in overall AOP of the Group's businesses, there was a significant reduction in profit attributable to holders of perpetual capital securities following the redemption of the 5.75% senior perpetual capital securities ("2019 Perpetual Capital Securities") with an outstanding principal amount of US$1,019.1 million in January 2024 and the share of non-operating income from Goshawk Aviation Limited ("Goshawk", a joint venture of the Group) resulting from the partial insurance settlements with its insurers over the loss of six aircraft. These positive factors were partly offset by higher net finance costs and net fair value loss on investment properties during the Current Period. Taking all these factors into account, profit attributable to shareholders of the Company increased robustly by 15% to HK$1,157.6 million.

The Group continues to proactively refine its business portfolio by divesting stagnant assets. The successful sale of its Free Duty business in December 2024 marked a full exit from this sector. Additionally, the Group's joint venture entity completed the disposal of its entire interests in Hyva III B.V. and its subsidiaries ("Hyva Group") in January 2025. These strategic moves will enable the Group to recuperate cash for future acquisitions and allocate resources to segments with stronger growth prospects. The announced acquisition of Hsin Chong Aster Building Services Limited ("Hsin Chong Aster"), a leading contractor in electrical and mechanical ("E&M") engineering services, is expected to be completed in the first quarter of 2025. This will strengthen CTFS Construction Group's E&M capabilities, facilitating comprehensive, one-stop solutions for clients and thereby contributing to improved profitability.

During the Current Period, the Group's contribution from operations in Hong Kong accounted for 58% of its AOP (Last Period: 56%), while the Mainland contributed 39% of its AOP (Last Period: 43%). Adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") ("Adjusted EBITDA", a non-HKFRS measure of the Group's operating profitability) decreased by 5% year-on-year to HK$3,556.8 million. Basic earnings per share was HK$0.29 in the Current Period, reflecting a growth of 2% year-on-year.

The Group's average borrowing costs reduced to approximately 4.2% (Last Period: 4.8%) per annum for the Current Period. In view of the higher-for-longer interest rate environment for Hong Kong Dollar borrowings, the Group proactively managed its financing cost by using Renminbi ("RMB") debt with lower financing costs to replace a portion of offshore debt with higher financing costs. The RMB debt proportion rose to 63% of its total debt as at 31 December 2024, compared to 60% as at 30 June 2024 and 49% as at 31 December 2023. Furthermore, the ratio of RMB liabilities to RMB assets increased further to about 78% (30 June 2024: about 65%). As RMB-denominated debts serve as a natural hedge against the Group's RMB assets, this enables the Group to reduce substantially the negative impact on its equity resulting from potential further depreciation of the RMB against the Hong Kong Dollar. Net finance costs increased by 85% year-on-year in the Current Period due to an increase in net debt balance following the redemption of the 2019 Perpetual Capital Securities with an outstanding principal amount of US$1,019.1 million in January 2024 and the special dividend payment in April 2024. On the other hand, profit attributable to holders of perpetual capital securities fell significantly by 65% during the Current Period and substantially offset the impact from higher net finance costs.

During the Current Period, the Group further enhanced its debt structure to navigate the volatile market environment. In August 2024, the Group issued US$400 million 6.375% senior notes due 2028 at the issue price of 99.265%, thereby strengthening the debt profile by diversifying funding source and optimizing the maturity profile. As at 31 December 2024, the ratio of fixed-rate debt to total debt expanded to 68% from 54% as of 30 June 2024. In January 2025, the Group received the notice of acceptance of registration from the China Securities Regulatory Commission ("CSRC") and the Shanghai Stock Exchange for the registration of perpetual corporate bonds in an aggregate amount of up to RMB5.0 billion, to be issued in multiple tranches over two years. This will enable the Group to judiciously time the issuance of the perpetual corporate bonds in the Mainland in the near future.

In January 2025, the Company issued HK$780 million 4% convertible bonds due July 2025 with the primary objective of restoring its public float to meet the minimum requirement of 25% as stipulated in Rule 8.08(1)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The initial conversion price for the convertible bonds is HK$8.043 per share, and the bonds are convertible into a maximum of 96,978,739 new shares upon conversion. Assuming full conversion of the bonds into new shares, the public float of the Company will increase from approximately 23.83% to approximately 25.64%.

The Group adheres to prudent financial management and maintains robust credit ratings. In January 2025, China Lianhe Credit Rating Co., Ltd. (聯合資信評估股份有限公司) affirmed the credit rating of the Company at "AAA" with a stable outlook. Additionally, the Group was 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 April 2024. These will facilitate the Group's financing activities and cooperations with financial institutions and investors. The Group has also been exploring various sustainable, social and green finance options to demonstrate its commitment to Environmental, Social and Governance ("ESG"). As at 31 December 2024, the Group's sustainability-linked and green facilities amounted to approximately HK$15.5 billion (30 June 2024: approximately HK$14.1 billion).

During the Current Period, the Group's financial position remained healthy. Total available liquidity stood at approximately HK$29.9 billion as at 31 December 2024, comprising cash and bank balances of approximately HK$18.6 billion and unutilized committed banking facilities of approximately HK$11.3 billion, far exceeded the short-term debts of approximately HK$2.3 billion that come due in less than a year. The Group's net debt balance edged up to approximately HK$16.1 billion (30 June 2024: approximately HK$15.1 billion), primarily attributable to the redemption of US$268.2 million principal amount of perpetual capital securities during the Current Period. Net gearing ratio, calculated as net debt over total equity, rose slightly to 39% (30 June 2024: 35%).

The Group remained committed to its sustainable and progressive dividend policy in respect of the ordinary dividend, which aims to steadily increase or at least maintain the Hong Kong Dollar value of ordinary dividend per share in each financial year. The Board has resolved to declare an interim ordinary dividend of HK$0.30 per share for the Current Period (the "Interim Ordinary Dividend") (Last Period: interim ordinary dividend of HK$0.30 per share).

In addition to the cash proceeds from the disposal of Free Duty business and Hyva Group, up to the preceding day of this announcement, Goshawk has received an aggregate amount of approximately US$145.2 million (equivalent to approximately HK$1.1 billion), before professional fees incurred, upon completion of certain settlement procedures with the insurers over the loss of six aircraft, of which the Group is entitled to 50% of these insurance settlements. In light of these favorable developments, the Board has resolved to declare a special dividend of HK$0.30 per share during the Board meeting held on 26 February 2025 (the "Special Dividend"). This decision underscores the Company's commitment to creating value for shareholders and attests to its strong financial position. Including the Interim Ordinary Dividend and the Special Dividend, total interim dividend for the Current Period amounts to HK$0.60 per share ("Total Interim Dividend").

Profit Contribution
For the six months ended 31 December

	2024 **HK$'m**	2023 HK$'m
Attributable Operating Profit[1]	**2,225.3**	2,134.0
Non-operating items		
Net loss on fair value of investment properties, net of tax	**(89.7)**	(22.4)
Impairments, remeasurement and provisions, net	**(307.4)**	(295.0)
Gain on disposal of a project	**42.7**	-
Share of non-operating income of a joint venture, net	**81.1**	-
Share-based payment	-	(44.4)
Unallocated corporate office items		
Net finance costs	**(505.3)**	(273.6)
Net exchange (loss)/gain	**(0.5)**	20.7
Expenses and others	**(179.6)**	(198.6)
	(958.7)	(813.3)
Profit for the period after tax and non-controlling interests[2]	**1,266.6**	1,320.7
Profit attributable to:		
Shareholders of the Company	**1,157.6**	1,008.8
Holders of perpetual capital securities	**109.0**	311.9
	1,266.6	1,320.7

Notes:

(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 2 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.

(2) Reconciliation from Attributable Operating Profit to profit for the period after tax and non-controlling interests is set out in note 2 to the "Results" section of this announcement.

Adjusted EBITDA[3]

For the six months ended 31 December

	2024 **HK$'m**	2023 HK$'m
Operating profit	**1,846.6**	1,718.4
Adjustments		
Depreciation and amortization[4]	**903.2**	892.3
Other non-operating/non-cash items		
Net loss on fair value of investment properties[5]	**223.2**	48.4
Profit on disposal of assets held-for-sale[5]	**(42.7)**	-
Impairment losses related to associated companies[5]	**-**	179.9
Share-based payment[6]	**-**	44.4
Dividends received from associated companies and joint ventures	**581.0**	743.4
Other adjustment[7]	**45.5**	100.5
Adjusted EBITDA[3]	**3,556.8**	3,727.3

Notes:

(3) 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.

(4) 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 3 to the "Results" section of this announcement.

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

(6) As disclosed in note 3(a) to the "Results" section of this announcement.

(7) Adjustment is made to include dividends from joint ventures which were reinvested by the Group.

OPERATIONAL REVIEW

AOP Contribution by Segment

For the six months ended 31 December

	2024	2023
	HK$'m	HK$'m
Roads	**767.1**	816.7
Insurance	**614.3**	413.0
Logistics	**387.8**	356.8
Construction	**390.9**	394.7
Facilities Management[#]	**9.3**	124.2
Strategic Investments	**55.9**	28.6
Total	**2,225.3**	2,134.0

[#] *If excluding the divested Free Duty business, the Facilities Management segment reported an AOP of HK$48.5 million in the Current Period, compared to an AOP of HK$71.7 million in the Last Period.*

Roads

The Group is currently managing fourteen toll roads projects in the following areas in the Mainland: Guangdong Province, Zhejiang Province, Tianjin Municipality, Shanxi Province, Hubei Province, Hunan Province and Guangxi Zhuang Autonomous Region under its Roads segment. During the Current Period, the resilient business performance of the Roads segment was bolstered by the strategic locations of the Group's road portfolio. Overall like-for-like average daily traffic flow increased by 2% year-on-year, while like-for-like average daily toll revenue saw a decline of 3% year-on-year. This was primarily caused by a rise in short-distance travelling traffic, coupled with a decrease in long-distance travelling traffic of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) following the opening of Shenzhen-Zhongshan Link in June 2024.

In the first half of financial year ending 30 June 2025 ("FY2025"), despite steady travel demand for the Group's expressways, the total AOP of the Roads segment declined by 6% year-on-year to HK$767.1 million mainly due to the expiry of concession periods for Guangzhou City Northern Ring Road in March 2024. The Group's major expressways, namely Hangzhou Ring Road, Tangjin Expressway (Tianjin North Section), Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and the three expressways in Central region (namely Suiyuenan Expressway, Sui-Yue Expressway and Changliu Expressway), contributed over 80% of the Roads segment's AOP. Like-for-like average daily traffic flow of these expressways grew by 3% year-on-year, while like-for-like average daily toll revenue decreased by 4% year-on-year.

During the Current Period, the Zhiyi West Lake Service Area on the Group's wholly owned Hangzhou Ring Road achieved the Platinum certification, the highest level of LEED certification, from the U.S. Green Building Council. This accomplishment made it the first service area in the Mainland to receive this prestigious recognition, highlighting the market's acknowledgement of its efforts. The Zhiyi West Lake Service Area has been thoughtfully designed with multifunctional features, including sustainable building practices, photovoltaic power generation, electric vehicle charging stations, water conservation system, and smart technology. These initiatives collectively reflect the Group's commitment to sustainable development.

As at 31 December 2024, the overall average remaining concession period of the Group's road portfolio was approximately 11.5 years. The expansion works of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Guangzhou-Zhaoqing Expressway have been underway since November 2022 and the end of 2023, respectively. The Group will be eligible to apply for extension of concession period upon expansion completion to lengthen the Group's average concession period.

Insurance

The Group's Insurance segment achieved an impressive 49% rise in AOP, reaching HK$614.3 million in the Current Period. This remarkable growth is mainly driven by the increase in the Contractual Service Margin ("CSM") release owing to business growth. Supported by the profitable business growth and favourable economic movements, the CSM release surged by 52% year-on-year to HK$570.2 million, while CSM balance, net of reinsurance, grew by 13% to approximately HK$9.2 billion as of 31 December 2024 as compared to 30 June 2024. This will fuel profits to be booked over the contract period in the future.

Chow Tai Fook Life Insurance Company Limited ("CTF Life") experienced a 26% decline in overall Annual Premium Equivalent ("APE"), totalling HK$1,547.4 million in the Current Period. This reduction is primarily attributed to the release of pent-up demand from Mainland Chinese visitors following the border reopening in the Last Period. Weaker performance in the partnership and premier business channels also led to this decline, although it was partially mitigated by robust performance from the agency channel. Mainland Chinese visitors accounted for approximately 57% (Last Period: 56%) of APE. The Value of New Business ("VONB") decreased by 22% to HK$525.9 million in the Current Period, primarily due to slowdown in APE. To mitigate this effect, CTF Life has continued its existing initiatives to strengthen its agency force. These efforts have resulted in a significant improvement in agency productivity. There is also an expansion of the VONB margin (representing VONB as a percentage of APE) to 34% (Last Period: 32%) driven by effective capital management and product design catered specifically for the Hong Kong Risk Based Capital ("HKRBC") regime which was effective since July 2024. CTF Life's investment income from its fixed income portfolio further increased to 4.6% per annum in the Current Period (Last Period: 4.5%). In the first nine months of 2024, CTF Life's market position remained competitive, ranking 11th among Hong Kong life insurance companies by APE.

In response to the increasing demand for wealth management solutions, CTF Life proudly launched two innovative products in the first half of FY2025: the Prime Treasure Savings Insurance Plan and the MyWealth Savings Insurance Plan 2 ("MyWealth 2"). Both products provide guaranteed cash value accumulation, establishing a secure financial foundation. They include a "Policy Split Option" for flexible asset planning, and feature a "Dual Succession Scheme" that enables seamless wealth transfer across generations. "MyWealth 2" further enhances its offerings with a Wealth Booster Option for improved returns, alongside flexible Wealth Accumulation Switching Options and a Currency Switching Option, granting our customers greater autonomy.

CTF Life's financial position remained robust during the Current Period. The solvency regime transitioned from the past Hong Kong Insurance Ordinance basis to HKRBC basis in the first half of FY2025. As at 31 December 2024, the HKRBC solvency ratio stood at 266%, which is distinctly higher than the minimum regulatory requirement of 100%. Embedded value increased by 11% from 30 June 2024 to HK$23.5 billion as of 31 December 2024 contributed by expected return on embedded value, value brought from new business, and the transition of solvency regime to HKRBC basis since 1 July 2024 amid CTF Life's effective capital management. Moody's has continued to maintain the insurance financial strength rating of CTF Life at "A3/Stable", while Fitch Ratings has affirmed CTF Life's A- insurer financial strength rating with stable rating outlook.

During the Current Period, CTF Life garnered notable recognition for its innovative products and commitment to excellence across multiple categories. "FamCare 198" Critical Illness Protector was honored as a Top 3 Finalist in the Most Innovative Product/Service Award at the 2024 Hong Kong Insurance Awards. Furthermore, CTF Life proudly secured the Gold Award for Outstanding ESG (Non-Listed Company) at the 2023/2024 ESG Achievement Awards, marking its third consecutive year of recognition in this domain. CTF Life also received several awards and notable recognitions across various events, including the Spark Awards 2024. Additionally, CTF Life's IT efforts were recognized in the Data - Insurance category at the Hong Kong Business Technology Excellence Awards 2024.

CTF Life also took a pioneering step as the first company from the banks, diverse financials and insurance sector focusing in the Greater Bay Area to commit to the Science Based Targets initiative (SBTi). This commitment represents a pivotal milestone in the dedication to combating climate change and fostering sustainability through science-based targets that support the Paris Agreement. By prioritizing the long-term value for its stakeholders, CTF Life is embracing sustainable growth that transcends traditional insurance offerings. The strategic transition towards net-zero emissions underscores CTF Life's commitment to integrating ESG considerations into every facet of its operations and investment portfolio.

Logistics

The Logistics segment noted operational improvement during the Current Period. ATL achieved sustained growth, and CUIRC demonstrated a substantial surge, which was partially offset by a decline in profits from logistics properties in the Mainland. These collectively resulted in an overall increase in the Logistics segment's AOP by 9% year-on-year, reaching HK$387.8 million.

The Logistics Asset & Management portfolio consists of ATL in Hong Kong and seven logistics properties in the Mainland, with a gross leasable area of approximately 5.9 million square feet and 6.5 million square feet, respectively, as at 31 December 2024. ATL's exceptional warehouse location and convenient facilities have established it as a best-in-class asset, consistently delivering resilient rental performance and maintaining high occupancy rates. As at 31 December 2024, ATL's occupancy rate stood at a healthy level of 93.6% (30 June 2024: 96.3%), accompanied by a remarkable average rental growth of 10% year-on-year. Additionally, as at 31 December 2024, the average occupancy rate of six logistics properties in Chengdu and Wuhan was stable at 85.0% (30 June 2024: 85.4%), while the logistics property in Suzhou remained fully let (30 June 2024: 100.0%). Overall, the logistics properties in the Mainland experienced an average rental decline of 9% year-on-year, owing to rental adjustments aligned with prevailing market prices for tenancy renewals with short-term destocking pressures impacting pricing and occupancy rates in the near-term.

The burgeoning demand for multimodal transportation services and China-Europe Express Rail, augmented terminal capacity and an elevated necessity for ancillary logistics services have increasingly contributed to the success of CUIRC's operation. During the Current Period, CUIRC recorded a strong year-on-year growth of 25% in AOP, with throughput increasing by 6% year-on-year to 3,485,000 TEUs. In response to the growing demand, CUIRC has been actively expanding the capacity of its terminal. The project to double the handling capacity of the Tianjin terminal is proceeding as planned and is expected to be completed in the first half of 2025.

Construction

The Construction segment of the Group was mainly represented by CTFS Construction Group, which comprises (i) Hip Hing Group, focusing on the design and construction of building works within the Hong Kong market; (ii) Vibro Group, the oldest foundation contractor in Hong Kong; and (iii) Quon Hing Group, one of the largest concrete products suppliers in Hong Kong. During the Current Period, CTFS Construction Group demonstrated resilience by maintaining a steady AOP of HK$390.9 million, despite facing challenges from intense competition and rising material costs. Major projects undertaken by CTFS Construction Group during the Current Period included residential development at Kai Tak, commercial development in Causeway Bay and residential development at Yin Ping Road, Tai Wo Ping.

As at 31 December 2024, the gross value of contracts on hand was approximately HK$48.9 billion, while the remaining works to be completed was HK$28.3 billion. To mitigate the impact from the slowdown in the private sector of the Hong Kong property market, CTFS Construction Group has strategically shifted its focus towards procuring projects from institutional clients as well as the Hong Kong Government. As of 31 December 2024, about 53% of the remaining works to be completed were from government and institutional related projects, a significant increase from 34% as of 31 December 2023. Conversely, the proportion of private-sector projects (including commercial and residential) was down from 66% to 47%. During the Current Period, CTFS Construction Group secured approximately HK$4.5 billion in new contracts, including, but not limited to, excavation and lateral support works (stages 1 & 2) for the integrated basement and underground road in zones 2A, 2B & 2C of The West Kowloon Cultural District, foundation, excavation and lateral support, pile cap and basement slab works for New Kowloon Inland Lot No. 6590, Kai Tak, Area 2A Site 3, and residential redevelopment at No. 30, 34, 36 & 38 Magazine Gap Road (Mansion C superstructure).

Hip Hing Group's technological proficiency has been recognized globally, with its Kai Tak Sports Park ("KTSP") project winning the Design for Buildings category at the buildingSMART openBIM Awards 2024, selected from among 164 submissions worldwide. This accolade underscores the project's exceptional use of openBIM in the built asset industry. Additionally, the project secured a runner-up position in the Construction for Buildings category, highlighting its innovative design and cutting-edge engineering achievements.

Facilities Management

The Facilities Management segment, excluding Free Duty business which was divested during the Current Period, reported an AOP of HK$48.5 million in the Current Period, compared to an AOP of HK$71.7 million in the Last Period. GHK Hospital demonstrated considerable improvement, with a significantly reduced AOL compared to the Last Period, contributing positively to the segment. However, this was partially offset by subdued food and beverage revenue at HKCEC, resulting from reduced banquet events amid a sluggish economy, and KTSP remaining in its pre-operational phase. Divestment of the Free Duty business, which recorded an AOP of HK$52.5 million in the Last Period but shifted to an AOL of HK$39.2 million in the Current Period, is expected to enhance Facilities Management segment's future profitability.

Driven by its premier healthcare service and enhanced reputation, GHK Hospital has shown consistent progress during the Current Period. This advancement is evidenced by the increase in the number of inpatients, outpatients and day cases by 2%, 5% and 28% year-on-year, respectively. Consequently, revenue demonstrated a stable growth and AOL further narrowed in the Current Period. EBITDA surged by 35% year-on-year, with the EBITDA margin continuing to grow. As at 31 December 2024, the number of regularly utilized beds remained at 313 (30 June 2024: 313), and the average occupancy rate stood at 64% (30 June 2024: 65%).

To support GHK Hospital's development, additional ancillary healthcare services have been introduced, facilitating seamless patients referrals. In November 2024, the Group's business venture with IHH Healthcare Berhad, namely, Parkway Medical Services (Hong Kong) Limited ("Parkway Medical"), opened a new clinic on Western District of Hong Kong Island, offering comprehensive primary healthcare services, including general outpatient consultations, health screenings, vaccinations and traditional Chinese medicine services such as internal medicine, acupuncture and bone-setting. In September 2024, the Gleneagles Primo Surgical Centre was launched in Central, providing diagnostic and treatment services for head, neck and breast-related diseases, as well as minor surgical procedures. These expansions, alongside Gleneagles Healthcare Wong Chuk Hang Hong Kong, Gleneagles Healthcare South Horizons Hong Kong, Gleneagles Medical Clinic Central Hong Kong, Gleneagles Pro-HEART Cardiac Centre and Parkway Laboratory Services Central Hong Kong, collectively form a robust service network for GHK Hospital. Additionally, GHK Hospital unveiled the first private hospital clinical trials centre in Hong Kong in September 2024, in partnership with the Faculty of Medicine of The University of Hong Kong. This centre focuses on conducting clinical research on treatments, procedures, drugs, vaccines and medical devices, with an initial emphasis on oncology. It marked an important step in GHK Hospital's commitment to advancing medical research and patient care.

HKCEC has been focusing on attracting a diverse range of exhibitions and events to be held in Hong Kong, augmented by the return of international and regional activities, along with new events. In the Current Period, total patronage grew by 9% year-on-year, reaching approximately 4.6 million under 426 events hosted by HKCEC.

Kai Tak Sports Park Limited ("KTSPL"), in which the Group holds a 25% interest, was awarded a 25-year Design-Build-and-Operate (DBO) contract by the Hong Kong government for the KTSP project in end-2018. KTSP features state-of-the-art venues and facilities designed to host large-scale vibrant events, enhance community engagement and boost Hong Kong's mega event economy. The retail mall spanning nearly 700,000 square feet across three main buildings within KTSP now features over 30 leading sports brands and a total of 70 restaurants. During the Current Period, KTSP remained in its pre-operational phase.

The Group completed the disposal of its entire stake in Free Duty business during the Current Period, marking a full exit from all investments in duty free-related businesses.

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 the Current Period, AOP grew remarkably by 95% to HK$55.9 million (Last Period: HK$28.6 million), which mainly comprised the share of results, net fair value change, interest and dividend income from a range of investments. The respectable increase in AOP was mainly attributable to the positive contributions from certain businesses with improvement in operating performance within the segment as well as the decrease in expected credit loss provision recorded.

To demonstrate the Group's commitment to optimizing its business portfolio and unlocking value for shareholders, the Group's joint venture entity completed the disposal of its entire interests in Hyva Group, along with the Group's shareholder loan, to Jost-Werke International Beteiligungsverwaltung GmbH in January 2025. The enterprise value of Hyva Group under the disposal amounted to US$425 million, with the Group's share of net proceeds of approximately HK$1.2 billion. The Group's share of remeasurement loss of HK$319.9 million arising from the disposal of this legacy project was recorded in the Current Period as a non-operating item.

BUSINESS OUTLOOK

Roads

The government of the People's Republic of China ("PRC") has proposed multiple easing policies to stimulate domestic demand. While the anticipated macroeconomic rebound may fuel the resurgence of truck traffic and support the ongoing recovery of passenger car traffic, the toll road sector still faces uncertainties, which may lead to unpredictable revenue volatilities. Looking ahead, the Group will maintain agility and efficiency in daily operations, closely monitoring market trends while navigating potential difficulties.

Insurance

As CTF Life embarks on its rebranding journey, the company anticipates increasing synergies within the Chow Tai Fook Group. This collaboration is expected to foster integrated development across various sectors, particularly through strategic partnerships that leverage the strengths of the Group's diverse businesses. Alongside the new brand, the "CTF Life CIRCLE" membership programme was launched to fully embody the brand promise. It offers "diverse experience", "lifestyle privileges" and access to the Chow Tai Fook Group's "membership alliance", providing customers and their families with exceptional lifestyle experiences. Members can enjoy exclusive offers across the Chow Tai Fook Group's extensive portfolio, including hotel accommodation, retail, food & beverage, education, healthcare services and more.

In addition, CTF Life will continue to bolster its agency force, enhance its distribution capabilities and expand its market reach. This strategy includes augmenting the number of agents who can sell higher-margin products, boosting agency productivity and diversifying the backgrounds of its agents. CTF Life strives to continue improving on customer engagement and service delivery. Strengthening the agency network will ensure its competitive edge in the evolving insurance landscape.

To meet the rising demand for healthcare safeguards and investment products with death protection, CTF Life has introduced the "ChampCare" Medical Insurance Plan (VHIS) ("ChampCare") and the "We Shine" Protection Linked Plan (ILAS) in January 2025. In addition to providing tax deduction benefits, "ChampCare" fully covers eligible medical expenses under key basic benefit items, ensuring that treatment is not hindered by inadequate group medical coverage or personal financial constraints. It also offers a comprehensive array of thoughtfully designed enhanced benefits, promoting the overall protection of both physical and mental well-being.

As CTF Life steps into its 40th anniversary, the company remains committed to innovation and excellence, positioning itself for sustained growth and profitability in the years to come. The alignment with Chow Tai Fook Group's initiatives, along with an increased agency force, sets a promising trajectory for the wealth management business, enabling CTF Life to deliver exceptional value to its stakeholders. In line with this, the Group will also leverage on its life insurance business to expand as a holistic wealth management platform, offering a more comprehensive suite of services.

Logistics

ATL will continue to surpass the competition and maintain its preeminent position by leveraging its superior warehouse facilities and unparalleled location. The solid demand for ATL is non-discretionary, as it mainly serves as a distribution hub for the major retailers and the third-party logistics in Hong Kong.

The logistics industry plays a pivotal role in the Mainland economy. Fuelled by sustained demand in e-commerce, ongoing consumption recovery, continued export activities and favourable governmental policies, the Mainland logistics industry is poised for sustainable development in the medium term. Business customers increasingly prioritize logistics service quality and reliability. The competitive landscape is transitioning from a focus on cost-cutting to the provision of integrated, high-standard logistics services, which the Group strives to provide. The Group has been vigilant in exploring price dislocation of logistics assets in the Mainland that may provide above-average risk-adjusted returns from a low valuation point, particularly targeting high-standard logistics warehouses in strategic locations within the Greater Bay Area, to cultivate an ecosystem within the Logistics segment and bolster recurring cash flow.

Supply chain reconfiguration and the need for efficient distribution networks will continue to serve as a fundamental cornerstone of the Group's Logistics segment, buoyed by the desirable locations of the Group's properties in the strategic hubs of Hong Kong, Chengdu, Wuhan and Suzhou.

In November 2024, the government of the PRC unveiled reforms to the comprehensive transportation system aimed at reducing the logistics costs across society and improving economic efficiency. These reforms include further optimization of the freight transportation structure and an increase in the proportion of railway freight volume and railway freight turnover. This initiative is expected to secure robust demand and a promising outlook for CUIRC.

Construction

The Hong Kong Government's development initiative of the Northern Metropolis in the coming decade aims to create a new economic growth engine and address land shortages. The Northern Metropolis's total land area of approximately 30,000 hectares will potentially house up to 2.5 million residents, indicating a sustained demand for building construction projects in the medium to long term, which will benefit CTFS Construction Group.

With its proven track record and technical expertise, CTFS Construction Group is well positioned to stand out from the competition to secure new projects. The Group's continuous efforts in optimizing building procedures and adopting technologies like Building Information Modelling ("BIM") will further improve efficiency and mitigate cost pressures.

Additionally, the upcoming completion of the acquisition of Hsin Chong Aster, an electrical and mechanical engineering specialist, will strengthen CTFS Construction Group's competitive position. This acquisition will enable the delivery of comprehensive solutions that align with the growing demand for integrated construction services in Hong Kong in a more cost-efficient manner.

Facilities Management

The Group remains confident in the future of the Facilities Management segment. The Chief Executive's 2024 Policy Address introduced the Incentive Scheme for Recurrent Exhibitions 2.0, with an additional HK$500 million allocated to support new and international exhibitions of large scale. This initiative aims to boost the mega-event economy and the convention and exhibition industry. HKCEC will capitalize on this opportunity by consistently delivering exceptional customer service through its world-class facilities. By leveraging emerging technologies and innovative event formats, HKCEC aims to enhance attendee engagement and bolster Hong Kong's international image.

GHK Hospital's operational and financial metrics are on an upward trajectory. It continues to elevate service quality and strengthen its brand reputation through a meticulously curated set of strategic initiatives aimed at attracting a broader patient demographic. By leveraging innovation and cutting-edge technology, GHK Hospital is poised to introduce sophisticated medical systems and state-of-the-art robotic surgical systems to significantly enhance clinical outcomes. Additionally, Parkway Medical is set to grow its service network by inaugurating more clinics and centres at selected locations across the city. A hallmark of this expansion is the forthcoming ambulatory care centre, which will provide an array of services, including day surgeries, oncology services and endoscopic procedures, with a grand opening anticipated by the end of 2025.

KTSP is on track for its official opening in early 2025, with a promising outlook ahead. KTSP will become a vital part of Hong Kong's event landscape. The KTSP stadium will serve as a key venue for both local and international events, contributing to Hong Kong's economic growth. Notable events already confirmed include the World Grand Prix 2025, Hong Kong Rugby Sevens, concerts by internationally renowned superstars, and the 15th National Games of the PRC. Additional events in the pipeline promise a dynamic calendar ahead. These events will draw large crowds and fans from overseas, engaging the community as well as bringing benefits to surrounding businesses. The Group is dedicated to enhancing its operations, optimizing venue usage and leasing strategies, which should lead to progressively improving financial results in the future.

LOOKING FORWARD

The Group remains steadfast in its commitment to prudent capital and cash flow management, ensuring a healthy liquidity profile. We will continue to rigorously evaluate, while maintaining a disciplined approach, compelling investment opportunities in logistics and wealth management businesses arising from market challenges. This strategy aims to enhance long-term growth prospects and further strengthen the quality of our business portfolio.

Operational excellence across our diversified portfolio remains a cornerstone of our strategy, providing foundational strength to safeguard cash flow resilience and solid performance. This resilience supports our sustainable and progressive dividend policy, even amidst market volatilities. Our focus on the interests of our stakeholders and creating value over economic cycles is unwavering, underpinned by a stringent risk management policy.

As the market landscape evolves rapidly, the Group will stay vigilant, agile, and adaptive to navigate risks and seize opportunities. This proactive approach ensures sustainable growth and enhances 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 and debt issuance in the capital markets as well as bank borrowings, both offshore and onshore, for which the proportion will change from time to time depending on the financial market conditions. The capital structure of the Group was 46% debt and 54% equity as at 31 December 2024, compared with 41% debt and 59% equity as at 30 June 2024. The Group has redeemed US$268.2 million in aggregate principal amount of senior perpetual capital securities with floating rate coupon from a private investor in the Current Period. The Group has also issued US$400 million 6.375% senior notes due 2028 in the Current Period which further improves its debt maturity profile.

In addition, with an aim to further broadening the Group's funding streams, 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 equity instrument at lower cost, the Company made an application to the CSRC and the Shanghai Stock Exchange in the Mainland for registration of perpetual 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. The notice of acceptance was received from the CSRC in January 2025.

In January 2025, the Company issued HK$780 million 4% convertible bonds due July 2025 with the primary objective of restoring its public float as required under Rule 8.08(1)(a) of the Listing Rules. The initial conversion price for the convertible bonds is HK$8.043 per share. While the Company has no imminent funding needs, assuming no other change in the share capital of the Company, the issuance of the convertible bonds will help to increase its public float from approximately 23.83% at present to approximately 25.64% should the convertible bonds be fully converted into ordinary shares of the Company, thereby fulfilling the minimum requirement of 25%.

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 bond forward, 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 the Current Period. Through a notable increase in RMB borrowings, including Panda Bonds[*] issued, raising offshore and onshore RMB bank loans and entering into cross currency swap contracts, about 78% of the Group's RMB denominated assets are naturally hedged as at 31 December 2024.

[*] "Panda Bonds" refers to RMB-denominated bonds issued by offshore incorporated entities in the domestic bond market in the Mainland.

Liquidity and capital resources

As at 31 December 2024, the Group's total cash and bank balances amounted to HK$18,612.2 million, compared with HK$14,788.0 million as at 30 June 2024. Including the total unutilized committed banking facilities amounted to approximately HK$11.3 billion as at 31 December 2024, total available liquidity of the Group stood at approximately HK$29.9 billion as at 31 December 2024. Cash and bank balances as at 31 December 2024 were mainly denominated as to 36% in Hong Kong Dollar, 48% in United States Dollar and 16% in RMB. The Group's net debt as at 31 December 2024 was HK$16,083.5 million, compared with HK$15,107.4 million as at 30 June 2024. The slight increase in net debt was mainly due to the redemption of certain portion of the Group's perpetual capital securities during the Current Period. The Group's net gearing ratio increased from 35% as at 30 June 2024 to 39% as at 31 December 2024.

Debt profile and maturity

In order to manage the risks of higher-for-longer interest rates associated with Hong Kong Dollar borrowings and the negative impact on the Group's equity resulting from potential further depreciation of RMB against Hong Kong Dollar, the Group continues to adopt a debt structure characterized by high proportion of RMB borrowings which offers both a lower effective borrowing costs and a natural hedge to its RMB denominated assets. As at 31 December 2024, after taking into account cross currency swap contracts entered, RMB borrowings and Hong Kong Dollar borrowings accounted for 63% and 37% respectively of the Group's total debt (30 June 2024: 60% and 39%).

As at 31 December 2024, the Group's total debt increased to HK$34,695.7 million from HK$29,895.4 million as at 30 June 2024. The Group has managed to spread out its debt maturity profile to reduce refinancing risks. Amongst the total debt as at 31 December 2024, 7% will mature in the next 12-month, 36% will mature in the second year, 51% will mature in the third to fifth year and 6% will mature after the fifth year. As a result of the favorable movement in both Hong Kong Interbank Offered Rate in Hong Kong and Loan Prime Rate in the Mainland as well as the continued shift in our debt mix in the Current Period, the average borrowing cost of the Group's debt portfolio decreased to approximately 4.2% per annum, significantly lower than 4.8% per annum in Last Period. As at 31 December 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

As at 31 December 2024, the Group has been committed for capital and loan contributions to certain associated companies, joint ventures as well as investment funds, financial and other investments of HK$4,689.9 million (30 June 2024: HK$5,130.0 million) as well as additions of property, plant and equipment and intangible assets of HK$232.8 million (30 June 2024: HK$129.4 million). In addition, the Group's commitment as at 31 December 2024 also included the amount for acquisition of the entire issued share capital and shareholder's loan of Hsin Chong Aster at a initial consideration of HK$538.6 million, subject to adjustment, and so adjusted of not less than HK$311.0 million but not more than HK$1,000.0 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 contracts of the Group were HK$5,060.0 million as at 31 December 2024, compared with HK$4,839.5 million as at 30 June 2024. These comprised guarantees for banking facilities of associated companies and joint ventures.

In addition, a joint and several guarantee in favour of the Hong Kong Government for the punctual, true and faithful performance and observance by KTSPL under the contract entered into between the Hong Kong Government and KTSPL for the design, construction and operation of KTSP is provided by its shareholders. KTSPL is an associated company of the Group in which the Group has a 25% interest. 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 31 December 2024 and 30 June 2024.

Under the main transaction agreement and the related transaction documents in relation to the disposal of aircraft leasing business by Goshawk to SMBC Aviation Capital Limited ("SMBC"), 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 approximately HK$1,537.4 million) as at 31 December 2024 and 30 June 2024.

RESULTS

The unaudited consolidated interim results of the Group for the Current Period together with comparative figures for the Last Period are set out as follows:

Condensed Consolidated Income Statement

		(Unaudited) For the six months ended 31 December	
		2024	2023
	Note	**HK$'m**	HK$'m
Revenue			
Non-insurance		**10,120.8**	12,361.6
Insurance		**1,988.9**	1,616.9
	2	**12,109.7**	13,978.5
Cost of sales	*3,5*	**(8,770.6)**	(10,804.4)
Insurance service expenses	*3*	**(1,420.7)**	(1,253.1)
Net (expenses)/income from reinsurance contracts held		**(18.9)**	79.5
Insurance finance expenses		**(890.5)**	(1,332.9)
Other income and gains, net	*4*	**1,329.7**	1,625.4
Selling and marketing expenses	*3*	**(85.7)**	(84.5)
General and administrative expenses	*3*	**(406.4)**	(490.1)
Operating profit	*3*	**1,846.6**	1,718.4
Finance costs		**(727.2)**	(537.5)
Share of results of			
Associated companies		**111.1**	43.3
Joint ventures		**357.8**	475.5
Profit before income tax		**1,588.3**	1,699.7
Income tax expenses	*6*	**(323.3)**	(359.6)
Profit for the period		**1,265.0**	1,340.1
Profit/(loss) attributable to			
Shareholders of the Company		**1,157.6**	1,008.8
Holders of perpetual capital securities		**109.0**	311.9
Non-controlling interests		**(1.6)**	19.4
		1,265.0	1,340.1
Basic and diluted earnings per share attributable to shareholders of the Company	*7*	**HK$0.29**	HK$0.28

Condensed Consolidated Statement of Comprehensive Income

	(Unaudited) For the six months ended 31 December	
	2024	2023
	HK$'m	HK$'m
Profit for the period	**1,265.0**	1,340.1
Other comprehensive (loss)/income		
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")	**(80.9)**	(92.5)
Remeasurement of post-employment benefit obligation	**0.5**	0.3
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	**7.6**	230.8
Release of reserve upon disposal of debt instruments as financial assets at FVOCI	**66.9**	(3.0)
Share of other comprehensive loss of associated companies and a joint venture	**(1.2)**	(4.9)
Cash flow hedges	**(113.6)**	(54.3)
Net insurance finance (expenses)/income	**(2.3)**	49.6
Currency translation differences	**(66.8)**	174.5
Other comprehensive (loss)/income for the period, net of tax	**(189.8)**	300.5
Total comprehensive income for the period	**1,075.2**	1,640.6
Total comprehensive income/(loss) attributable to		
Shareholders of the Company	**967.9**	1,308.2
Holders of perpetual capital securities	**109.0**	311.9
Non-controlling interests	**(1.7)**	20.5
	1,075.2	1,640.6

Condensed Consolidated Statement of Financial Position

	Note	(Unaudited) As at 31 December 2024 HK$'m	(Audited) As at 30 June 2024 HK$'m
ASSETS			
Intangible assets		**5,977.3**	5,928.8
Intangible concession rights		**11,537.3**	12,226.1
Investment properties		**5,229.1**	5,479.1
Property, plant and equipment		**1,203.6**	1,252.2
Right-of-use assets		**895.2**	974.4
Associated companies		**4,646.7**	4,540.3
Joint ventures	*9*	**17,310.2**	17,403.8
Insurance contract assets		**1,252.0**	548.3
Reinsurance contract assets		**68.9**	221.2
Debt instruments as financial assets at amortized cost		**1,390.4**	1,391.4
Financial assets at FVOCI		**12,721.2**	11,624.4
Financial assets at fair value through profit or loss ("FVPL")		**62,566.1**	59,746.6
Derivative financial instruments		**211.6**	367.2
Inventories		**21.2**	18.4
Trade and other receivables	*10*	**9,004.0**	9,158.9
Investments related to unit-linked contracts		**9,030.7**	9,041.3
Cash and bank balances		**18,612.2**	14,788.0
Assets held-for-sale		**-**	373.3
Total assets		**161,677.7**	155,083.7
EQUITY			
Share capital		**3,997.5**	3,997.5
Reserves		**34,472.1**	34,898.7
Shareholders' funds		**38,469.6**	38,896.2
Perpetual capital securities		**2,349.1**	4,436.4
Non-controlling interests		**17.3**	19.1
Total equity		**40,836.0**	43,351.7
LIABILITIES			
Deferred tax liabilities		**1,191.0**	1,266.5
Insurance contract liabilities		**69,322.6**	64,565.9
Reinsurance contract liabilities		**21.8**	55.5
Financial liabilities related to unit-linked contracts		**3,994.4**	4,188.8
Borrowings and other interest-bearing liabilities		**34,695.7**	29,895.4
Derivative financial instruments		**684.1**	384.9
Trade and other payables	*11*	**9,964.8**	9,699.2
Lease liabilities		**656.4**	738.9
Taxation		**310.9**	570.9
Liabilities directly associated with assets held-for-sale		**-**	366.0
Total liabilities		**120,841.7**	111,732.0
Total equity and liabilities		**161,677.7**	155,083.7

Notes:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements (the "interim financial statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix D2 of the Listing Rules. The interim financial statements should be read in conjunction with the annual financial statements for the financial year ended 30 June 2024 ("FY2024").

The accounting policies used in the preparation of the interim financial statements are consistent with those set out in the annual report for FY2024 except as described in note 1(a) below.

(a) Adoption of amendments to standards and interpretation

During the Current Period, the Group has adopted the following amendments to standards and interpretation which are relevant to the Group's operations and are mandatory for FY2025:

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
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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

1. Basis of preparation and accounting policies (continued)

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

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

HKAS 21 (Amendments)	Lack of Exchangeability
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 18	Presentation and Disclosure in Financial Statements
HKFRS 19	Subsidiaries without Public Accountability: Disclosures
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 and amendments to standards, certain of which may be relevant to the Group's operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the consolidated financial statements.

2. Revenue and segment information

The Group's revenue is analyzed as follows:

	For the six months ended 31 December 2024		
HK$'m	**Hong Kong**	**The Mainland**	**Total**
Roads	**-**	**1,439.6**	**1,439.6**
Insurance	**1,988.9**	**-**	**1,988.9**
Logistics	**-**	**75.7**	**75.7**
Construction	**7,365.8**	**-**	**7,365.8**
Facilities Management	**1,236.4**	**3.3**	**1,239.7**
	10,591.1	**1,518.6**	**12,109.7**

	For the six months ended 31 December 2023		
HK$'m	Hong Kong	The Mainland	Total
Roads	-	1,468.4	1,468.4
Insurance	1,616.9	-	1,616.9
Logistics	-	84.3	84.3
Construction	9,375.5	-	9,375.5
Facilities Management	1,424.1	9.3	1,433.4
	12,416.5	1,562.0	13,978.5

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.

2. Revenue and segment information (continued)

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

HK$'m	Roads	Insurance	Logistics	Construction	Facilities Management	Strategic Investments	Total	
For the six months ended 31 December 2024								
Total revenue	**1,439.6**	**1,990.3**	**75.7**	**7,365.8**	**1,243.7**	**-**	**12,115.1**	
Inter-segment	**-**	**(1.4)**	**-**	**-**	**(4.0)**	**-**	**(5.4)**	
Revenue – external	**1,439.6**	**1,988.9**	**75.7**	**7,365.8**	**1,239.7**	**-**	**12,109.7**	
Revenue from contracts with customers								
Recognized at a point in time	**1,439.6**	**-**	**-**	**-**	**619.6**	**-**	**2,059.2**	
Recognized over time	**-**	**91.9**	**-**	**7,365.8**	**620.1**	**-**	**8,077.8**	
	1,439.6	**91.9**	**-**	**7,365.8**	**1,239.7**	**-**	**10,137.0**	
Revenue from other sources	**-**	**1,897.0**	**75.7**	**-**	**-**	**-**	**1,972.7**	
	1,439.6	**1,988.9**	**75.7**	**7,365.8**	**1,239.7**	**-**	**12,109.7**	
Attributable Operating Profit/(Loss)								
Company and subsidiaries	**448.2**	**614.3**	**46.6**	**356.9**	**86.5**	**32.2**	**1,584.7**	
Associated companies	**129.2**	**-**	**(1.9)**	**34.0**	**(77.2)**	**43.3**	**127.4**	
Joint ventures	**189.7**	**-**	**343.1**	**-**	**-**	**(19.6)**	**513.2**	
	767.1	**614.3**	**387.8**	**390.9**	**9.3**	**55.9**	**2,225.3**	
Reconciliation								
Non-operating items								
Net loss on fair value of investment properties, net of tax							**(89.7)**	**(i)**
Impairments, remeasurement and provisions, net							**(307.4)**	**(ii)**
Gain on disposal of a project							**42.7**	**(iii)**
Share of non-operating income of a joint venture, net							**81.1**	**(iv)**
Unallocated corporate office items								
Net finance costs							**(505.3)**	
Net exchange loss							**(0.5)**	
Expenses and others							**(179.6)**	
Profit for the period after tax and non-controlling interests							**1,266.6**	
Profit attributable to holders of perpetual capital securities							**(109.0)**	
Profit attributable to shareholders of the Company							**1,157.6**	

(i) Net loss on fair value of investment properties recognized in the condensed consolidated income statement is HK$223.2 million (note 4), in which a loss of HK$37.6 million is recognized as part of Attributable Operating Profit in various reportable segments. The amount also includes gain on fair value of an investment property shared from a joint venture of HK$93.5 million (net of tax) which is included in "share of results of joint ventures".

(ii) The amount mainly represents share of remeasurement loss of a joint venture of HK$319.9 million (note 9(a)) which is included in "share of results of joint ventures".

(iii) The amount represents profit on disposal of assets held-for-sale of HK$42.7 million (note 4) which is included in "other income and gains, net".

(iv) The amount represents share of non-operating income of a joint venture of HK$95.6 million (note 9(b)) less professional fee incurred, which is included in "share of results of joint ventures".

2. Revenue and segment information (continued)

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

HK$'m	Roads	Insurance	Logistics	Construction	Facilities Management	Strategic Investments	Corporate	Total
For the six months ended 31 December 2024								
Amortization of intangible assets	-	41.0	-	1.4	15.6	-	-	58.0
Amortization of intangible concession rights	570.8	-	-	-	-	-	-	570.8
Depreciation of property, plant and equipment	50.4	15.8	-	26.3	52.4	-	7.4	152.3
Depreciation of right-of-use assets	0.2	53.8	-	18.6	45.1	-	4.4	122.1
Insurance finance expenses	-	890.5	-	-	-	-	-	890.5
Net loss/(gain) on fair value of financial assets at FVPL	-	224.3	-	1.4	-	(0.9)	-	224.8
Interest income	(27.0)	(1,482.8)	(1.0)	(22.1)	(53.1)	(44.9)	(123.1)	(1,754.0)
Finance costs	54.1	9.9	4.2	20.2	10.2	0.2	628.4	727.2
Income tax expenses	155.2	60.0	12.0	69.5	21.1	5.5	-	323.3
Additions to assets (remark)	47.3	163.1	0.1	35.7	14.8	-	2.4	263.4
As at 31 December 2024								
Company and subsidiaries	14,785.8	98,104.4	2,998.2	8,627.9	2,659.3	4,211.6	8,333.6	139,720.8
Associated companies	2,390.1	-	261.6	162.8	146.5	1,683.2	2.5	4,646.7
Joint ventures	5,735.9	-	9,616.1	-	-	1,588.0	370.2	17,310.2
Total assets	22,911.8	98,104.4	12,875.9	8,790.7	2,805.8	7,482.8	8,706.3	161,677.7
Total liabilities	4,940.6	74,582.0	362.4	7,991.7	887.5	90.7	31,986.8	120,841.7

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.

2. Revenue and segment information (continued)

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

HK$'m	Roads	Insurance	Logistics	Construction	Facilities Management	Strategic Investments	Total	
For the six months ended 31 December 2023								
Total revenue	1,468.4	1,618.3	84.3	9,376.2	1,434.8	-	13,982.0	
Inter-segment	-	(1.4)	-	(0.7)	(1.4)	-	(3.5)	
Revenue – external	1,468.4	1,616.9	84.3	9,375.5	1,433.4	-	13,978.5	
Revenue from contracts with customers								
Recognized at a point in time	1,468.4	-	-	-	752.0	-	2,220.4	
Recognized over time	-	97.0	-	9,375.5	681.4	-	10,153.9	
	1,468.4	97.0	-	9,375.5	1,433.4	-	12,374.3	
Revenue from other sources	-	1,519.9	84.3	-	-	-	1,604.2	
	1,468.4	1,616.9	84.3	9,375.5	1,433.4	-	13,978.5	
Attributable Operating Profit/(Loss)								
Company and subsidiaries	408.8	413.0	54.6	363.2	221.6	31.6	1,492.8	
Associated companies	89.6	-	(8.2)	31.5	(97.4)	38.5	54.0	
Joint ventures	318.3	-	310.4	-	-	(41.5)	587.2	
	816.7	413.0	356.8	394.7	124.2	28.6	2,134.0	
Reconciliation								
Non-operating items								
Net loss on fair value of investment properties							(22.4)	(v)
Impairments and provisions							(295.0)	(vi)
Share-based payment (note 3(a))							(44.4)	
Unallocated corporate office items								
Net finance costs							(273.6)	
Net exchange gain							20.7	
Expenses and others							(198.6)	
Profit for the period after tax and non-controlling interests							1,320.7	
Profit attributable to holders of perpetual capital securities							(311.9)	
Profit attributable to shareholders of the Company							1,008.8	

(v) Net loss on fair value of investment properties recognized in the condensed consolidated income statement for the Last Period was HK$48.4 million (note 4), in which a loss of HK$26.0 million was recognized as part of Attributable Operating Profit in various reportable segments.

(vi) The amount mainly represented impairment losses related to associated companies of HK$179.9 million (note 4) included in "other income and gains, net" and share of impairment loss of a joint venture of HK$99.7 million included in "share of results of joint ventures".

2. Revenue and segment information (continued)

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

HK$'m	Roads	Insurance	Logistics	Construction	Facilities Management	Strategic Investments	Corporate	Total
For the six months ended 31 December 2023								
Amortization of intangible assets	-	37.0	-	-	15.6	-	-	52.6
Amortization of intangible concession rights	562.8	-	-	-	-	-	-	562.8
Depreciation of property, plant and equipment	52.1	21.4	0.5	25.5	45.4	-	7.7	152.6
Depreciation of right-of-use assets	0.3	52.5	-	19.7	47.4	-	4.4	124.3
Insurance finance expenses	-	1,332.9	-	-	-	-	-	1,332.9
Net (gain)/loss on fair value of financial assets at FVPL	-	(5.9)	-	1.0	-	(6.6)	-	(11.5)
Interest income	(29.4)	(1,325.5)	(0.1)	(18.6)	(58.2)	(42.4)	(125.5)	(1,599.7)
Finance costs	74.9	23.6	4.3	23.3	12.2	0.1	399.1	537.5
Income tax expenses/(credit)	206.0	60.6	2.1	72.0	28.8	(7.0)	(2.9)	359.6
Additions to assets (remark)	89.0	96.5	0.2	94.8	34.2	-	12.2	326.9
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.

2. Revenue and segment information (continued)

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

As at 31 December 2024

HK$'m	Non-insurance and corporate	Insurance	Total
Assets			
Intangible assets	**136.6**	**5,840.7**	**5,977.3**
Intangible concession rights	**11,537.3**	**-**	**11,537.3**
Investment properties	**4,585.1**	**644.0**	**5,229.1**
Associated companies	**4,646.7**	**-**	**4,646.7**
Joint ventures	**17,310.2**	**-**	**17,310.2**
Insurance contract assets	**-**	**1,252.0**	**1,252.0**
Reinsurance contract assets	**-**	**68.9**	**68.9**
Debt instruments as financial assets at amortized cost	**117.2**	**1,273.2**	**1,390.4**
Financial assets at FVOCI	**747.1**	**11,974.1**	**12,721.2**
Financial assets at FVPL	**2,476.8**	**60,089.3**	**62,566.1**
Trade and other receivables	**8,246.0**	**758.0**	**9,004.0**
Investments related to unit-linked contracts	**-**	**9,030.7**	**9,030.7**
Cash and bank balances	**11,716.7**	**6,895.5**	**18,612.2**
Others	**2,053.6**	**278.0**	**2,331.6**
	63,573.3	**98,104.4**	**161,677.7**
Liabilities			
Insurance contract liabilities	**-**	**69,322.6**	**69,322.6**
Reinsurance contract liabilities	**-**	**21.8**	**21.8**
Financial liabilities related to unit-linked contracts	**-**	**3,994.4**	**3,994.4**
Borrowings and other interest-bearing liabilities	**34,329.4**	**366.3**	**34,695.7**
Trade and other payables	**9,595.6**	**369.2**	**9,964.8**
Others	**2,334.7**	**507.7**	**2,842.4**
	46,259.7	**74,582.0**	**120,841.7**

(c) Information by geographical areas:

	Assets expected to be recovered more than 12 months (remark)	
HK$'m	**As at 31 December 2024**	As at 30 June 2024
Hong Kong	**10,173.4**	10,299.7
The Mainland	**14,641.6**	15,533.3
Others	**27.5**	27.6
	24,842.5	25,860.6

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. Operating profit

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

	Note	For the six months ended 31 December 2024 HK$'m	2023 HK$'m
Crediting			
Gross rental income from investment properties		**117.3**	126.3
Less: outgoings		**(29.0)**	(31.1)
		88.3	95.2
Charging			
Cost of inventories sold		**505.8**	552.7
Cost of construction		**6,156.5**	8,214.9
Amortization of intangible assets		**58.0**	52.6
Amortization of intangible concession rights		**570.8**	562.8
Depreciation of property, plant and equipment		**152.3**	152.6
Depreciation of right-of-use assets		**122.1**	124.3
Agency commission and allowances		**1,164.8**	1,364.7
Expenses on short-term leases		**4.8**	5.5
Expenses on variable lease payments		**68.9**	72.9
Staff costs (including directors' emoluments and share-based payment)	*(a)*	**1,484.0**	1,459.0
Other costs and expenses		**701.0**	682.9
		10,989.0	13,244.9
Amounts attributed to insurance contracts		**(1,726.3)**	(1,865.9)
Amortization of insurance acquisition cash flows		**442.8**	311.7
Incurred claims and other directly attributable expenses		**917.7**	942.9
Losses on onerous contracts, net of reversal		**60.2**	(1.5)
		10,683.4	12,632.1
Represented by			
Cost of sales	*5*	**8,770.6**	10,804.4
Insurance service expenses		**1,420.7**	1,253.1
Selling and marketing expenses		**85.7**	84.5
General and administrative expenses		**406.4**	490.1
		10,683.4	12,632.1

(a) The Group recognized the total share-based payment expense of HK$44.4 million in the Last Period in relation to share options granted by the Company.

4. Other income and gains, net

	For the six months ended 31 December	
	2024	2023
	HK$'m	HK$'m
Net gain associated with investments related to unit-linked contracts	**191.1**	178.9
Profit on disposal of assets held-for-sale	**42.7**	-
Interest income		
- Debt instruments as financial assets at FVPL	**1,160.9**	1,061.6
- Debt instruments as financial assets at FVOCI	**279.8**	212.8
- Debt instruments as financial assets at amortized cost	**29.4**	23.2
- Bank deposits and others	**283.9**	302.1
Dividend income	**202.7**	149.4
Others	**102.5**	63.9
Net (loss)/gain on fair value of derivative financial instruments	**(304.6)**	0.9
Net (loss)/gain on fair value of financial assets at FVPL	**(224.8)**	11.5
Net loss on fair value of investment properties	**(223.2)**	(48.4)
Charges associated with financial liabilities related to unit-linked contracts	**(89.9)**	(71.4)
Net exchange loss	**(67.5)**	(14.9)
Net (loss)/profit on disposal of debt instruments as financial assets at FVOCI	**(66.9)**	3.0
Impairment losses related to associated companies	**-**	(179.9)
Expected credit loss provision, net of reversal		
- Debt instruments as financial assets at FVOCI	**(8.0)**	(83.5)
- Debt instruments as financial assets at amortized cost	**(0.3)**	0.2
- Trade and other receivables	**21.9**	16.0
	1,329.7	1,625.4
Represented by		
Net investment income and gains from insurance business	**1,089.0**	1,474.5
Others	**240.7**	150.9
	1,329.7	1,625.4

5. Cost of sales

		For the six months ended 31 December	
		2024	2023
	Note	**HK$'m**	HK$'m
Cost of inventories sold		**505.8**	552.7
Cost of construction		**6,156.5**	8,214.9
Cost of services rendered		**2,108.3**	2,036.8
	3	**8,770.6**	10,804.4

6. 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 Current Period. Taxation on the Mainland and overseas profits has been calculated on the estimated taxable profits for the Current Period at the rates of tax prevailing in the regions in which the Group operates. These rates range from 12% to 25% (2023: 12% to 25%). 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 condensed consolidated income statement represents:

	For the six months ended 31 December	
	2024	2023
	HK$’m	HK$’m
Current tax		
Hong Kong profits tax	**139.9**	130.6
The Mainland and overseas taxation	**233.7**	261.3
Deferred tax credit	**(50.3)**	(32.3)
	323.3	359.6

Share of taxation of associated companies and joint ventures of HK$59.2 million (2023: HK$49.1 million) and HK$160.3 million (2023: HK$168.6 million) respectively are included in the condensed consolidated income statement as share of results of associated companies and joint ventures respectively.

7. Earnings per share

The calculation of basic earnings per share is based on earnings of HK$1,157.6 million (2023: HK$1,111.5 million), which represented profit attributable to shareholders of the Company of HK$1,157.6 million (2023: comprised profit attributable to shareholders of the Company of HK$1,008.8 million and gain on derecognition as equity of perpetual capital securities of HK$102.7 million); on the weighted average of 3,997,540,085 (2023: 3,911,133,705) ordinary shares outstanding during the Current Period.

There is no dilutive potential ordinary share outstanding for the Current Period.

For the Last Period, diluted earnings per share was based on earnings of HK$1,111.5 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 Last Period was as follows:

	Number of shares
Weighted average number of shares for calculating basic earnings per share	3,911,133,705
Effect of dilutive potential ordinary shares	
Share options	8,846,617
Weighted average number of shares for calculating diluted earnings per share	3,919,980,322

8. Dividend

A final dividend of HK$1,399.1 million that related to FY2024 was paid in December 2024 (final dividend for the financial year ended 30 June 2023 paid: HK$1,212.7 million).

On 26 February 2025, the Board resolved to declare an Interim Ordinary Dividend of HK$0.30 per share and Special Dividend of HK$0.30 per share for FY2025, both payable in cash (FY2024: interim ordinary dividend of HK$0.30 per share and special dividend of HK$1.79 per share, both payable in cash with a scrip option), on or about 9 April 2025, to the shareholders whose names appear on the register of members of the Company on 21 March 2025. This Total Interim Dividend, amounting to HK$2,398.5 million, has not been recognized as liability in the interim financial statements but will be reflected as an appropriation of the retained profits in the annual financial statements for FY2025 (interim dividend for FY2024: HK$8,175.9 million).

9. Joint ventures

(a) Hyva I B.V., a joint venture of the Group, is principally engaged in manufacturing and supply of components used in hydraulic loading and unloading systems. During the Current Period, Hyva I B.V. and one of its subsidiaries (together the "Hyva Sellers") entered into an agreement to dispose all of their entire interests in Hyva Group.

In accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the carrying value of interests in Hyva Group shall be remeasured to the lower of carrying amount or fair value less costs to sell. The fair value less costs to sell is determined with reference to the sale consideration by Hyva Sellers. Accordingly, the Group's share of remeasurement loss of HK$319.9 million was included in the share of results of joint ventures in the Current Period. The transaction was subsequently completed in January 2025.

(b) Goshawk, a joint venture with 50% equity interest held by the Group and previously engaged in commercial aircraft leasing, has made full impairment for six aircraft in the financial year ended 30 June 2022. Goshawk filed insurance claims in this regard.

During the Current Period, Goshawk has successfully concluded certain settlement arrangements with some of its insurers. Accordingly, an income of HK$95.6 million for the insurance claim is shared by the Group upon the execution of these settlement agreements and included in "share of results of joint ventures".

Up to the preceding day of this announcement, Goshawk has received an aggregate amount of approximately US$145.2 million (equivalent to approximately HK$1.1 billion) upon completion of certain settlement procedures with the insurers, of which the Group is entitled to 50% of these insurance settlements. Therefore, the Group is expected to further share an income of approximately HK$0.45 billion for the insurance claim in the second half of financial year ending 30 June 2025 (excluding the aforementioned HK$95.6 million shared by the Group during the Current Period).

10. Trade and other receivables

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

	As at 31 December 2024 HK$'m	As at 30 June 2024 HK$'m
Under 3 months	**1,253.5**	1,836.3
4 to 6 months	**22.1**	58.8
Over 6 months	**58.7**	32.3
	1,334.3	1,927.4

11. Trade and other payables

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

	As at 31 December 2024 HK$'m	As at 30 June 2024 HK$'m
Under 3 months	**91.0**	995.5
4 to 6 months	**7.3**	20.9
Over 6 months	**39.7**	22.2
	138.0	1,038.6

12. Comparative figures

Certain comparative figures for the Last Period have been reclassified to conform with the presentation for the Current Period.

INTERIM ORDINARY DIVIDEND AND SPECIAL DIVIDEND

The Board has resolved to declare an Interim Ordinary Dividend of HK$0.30 per share and Special Dividend of HK$0.30 per share for FY2025, both payable in cash, to the shareholders whose names appear on the register of members of the Company on 21 March 2025. It is expected that the Interim Ordinary Dividend and Special Dividend will be paid on or about 9 April 2025. Including the Interim Ordinary Dividend and the Special Dividend, Total Interim Dividend for the Current Period therefore amounts to HK$0.60 per share.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to the Interim Ordinary Dividend and the Special Dividend, the register of members of the Company will be closed with details as set out below:

Latest time to lodge transfer documents for registration	4:30 pm on 20 March 2025
Closure of register of members	21 March 2025
Record date	21 March 2025
Interim Ordinary Dividend and Special Dividend payment date	on or about 9 April 2025

On the abovementioned closure date, no transfer of shares will be registered. In order to qualify for the Interim Ordinary Dividend and the Special Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than the aforementioned latest time.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, approximately 12,800 staff were employed by entities under the Group's management of which approximately 3,200 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 the Current Period were HK$1.459 billion (2023: HK$1.404 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 by the Group to employees on an ongoing basis.

AUDIT COMMITTEE AND REVIEW OF INTERIM 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 systems. 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 unaudited condensed consolidated interim financial statements of the Group for the Current Period with the management and the external auditor. The Audit Committee has also reviewed the interim report.

The unaudited consolidated interim results of the Group for the Current Period have been reviewed by the Company's external auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

CORPORATE GOVERNANCE PRACTICES

The Board firmly believes that good corporate governance is fundamental to delivering 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 the Current Period, 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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Current Period.

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 the Current Period.

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 the Current Period.

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 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.

By order of the Board
CTF Services Limited
Dr Cheng Kar Shun, Henry
Chairman

Hong Kong, 26 February 2025