HENDERSON LAND DEVELOPMENT COMPANY LIMITED
恒 基 兆 業 地 產 有 限 公 司
Incorporated in Hong Kong with limited liability
(Stock Code : 12)

2024 FINAL RESULTS ANNOUNCEMENT

CHAIRMEN'S STATEMENT

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

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

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

DIVIDENDS

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

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

BUSINESS REVIEW

Hong Kong

Property Sales

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

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

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

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

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

Property Development

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

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

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

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

(C) Projects in the New Territories

7.	Fanling Sheung Shui Town Lot No. 263, Kwu Tung	0.3	
8.	Hung Shui Kiu projects	3.4	*(Note 2)*
9.	Others	0.4	*(Note 2)*
	Sub-total:	**4.1**	
	Total:	**12.3**	

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

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

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

There are 24 major development projects with unsold units:

				As at 31 December 2024			
Project name and location		Gross floor area (sq. ft.)	Type of development	No. of unsold residential units	Saleable area of unsold units (sq. ft.)	Interest of the Group (%)	Saleable area of unsold units attributable to the Group (sq. ft.)
1.	The Henley 7 Muk Tai Street Kai Tak	654,602	Commercial/ Residential	566	293,754	100.00	293,754
2.	Henley Park 8 Muk Tai Street Kai Tak	397,967	Residential	300	165,230	100.00	165,230
3.	The Haddon 1 Whampoa Street Hung Hom	186,539	Commercial/ Residential	403	120,903	100.00	120,903
4.	Eden Manor 88 Castle Peak Road Kwu Tung	555,399	Residential	90	100,848	100.00	100,848
5.	The Paddington 456 Sai Yeung Choi Street North Cheung Sha Wan	171,664	Residential	300	90,257	100.00	90,257
6.	The Knightsbridge 22 Shing Fung Road Kai Tak	641,165	Commercial/ Residential	456	399,460	18.00	71,903
7.	Belgravia Place (Phase 1) 1 Berwick Street Cheung Sha Wan	293,566	Commercial/ Residential	250	65,691	100.00	65,691
8.	Miami Quay (Phase 1) 23 Shing Fung Road Kai Tak	318,577	Residential	512	210,783	29.30	61,759
9.	Baker Circle One (Phases 1-3) 38 Gillies Avenue South, 33 Whampoa Street and 18 Bulkeley Street Hung Hom	339,993	Commercial/ Residential	234	60,332	100.00	60,332
10.	Gateway•Square Mile 1 Ka Shin Street Mong Kok	88,368	Commercial/ Residential	136	37,776	100.00	37,776

11.	Double Coast (Phase 1) 19 Shing Fung Road Kai Tak (formerly known as Phase 1 of the project at New Kowloon Inland Lot No. 6576, Kai Tak)	181,664	Residential	281	115,110	30.00	34,533
12.	One Innovale 8 Ma Sik Road, Fanling	612,685	Residential	60	31,670	100.00	31,670
13.	The Harmonie 233 Castle Peak Road Cheung Sha Wan	159,748	Commercial/ Residential	61 *(Note 1)*	21,170 *(Note 1)*	100.00	21,170 *(Note 1)*
14.	Wellesley 23 Robinson Road Mid-Levels West	156,900 *(Note 2)*	Residential	22	38,929	50.00 *(Note 2)*	19,465
15.	The Quinn•Square Mile 5 Sham Mong Road Mong Kok	242,509	Commercial/ Residential	46	11,765	100.00	11,765
16.	The Upper South 71 Main Street Ap Lei Chau	40,318	Commercial/ Residential	47	9,509	100.00	9,509
17.	The Hampstead Reach 8 Ping Kin Lane Yuen Long	27,868	Residential	3	5,427	100.00	5,427
18.	The Royale 8 Castle Peak Road - Castle Peak Bay Tuen Mun	663,062	Residential	34	24,271	16.705	4,054
19.	South Walk•Aura 12 Tin Wan Street Aberdeen	37,550	Commercial/ Residential	14	3,443	100.00	3,443
20.	The Addition 350 Un Chau Street Cheung Sha Wan	79,903	Commercial/ Residential	7	2,536	100.00	2,536

21.	Aquila•Square Mile 38 Fuk Chak Street Mong Kok	180,427	Commercial/ Residential	9	2,249	100.00	2,249
22.	Global Gateway Tower 61A-61E and 63 Wing Hong Street Cheung Sha Wan	336,052	Industrial	Not applicable	75,693 *(Note 3)*	100.00	75,693 *(Note 3)*
23.	E-Trade Plaza 24 Lee Chung Street Chai Wan	173,850	Office	Not applicable	58,935 *(Note 3)*	100.00	58,935 *(Note 3)*
24.	Mega Cube 8 Wang Kwong Road Kowloon Bay	171,194	Office	Not applicable	48,622 *(Note 3)*	100.00	48,622 *(Note 3)*
			Total:	**3,831**	**1,994,363**		**1,397,524**

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

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

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

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

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

	Project name and location	Gross floor area (sq. ft.)	Type of development	No. of residential units	Gross floor area of residential units (sq. ft.)	Interest of the Group (%)	Gross floor area of residential units attributable to the Group (sq. ft.)
1.	Belgravia Place (Phase 2) 1 Berwick Street Cheung Sha Wan (launched for sale in February 2025)	122,751	Commercial/ Residential	248	92,736 *(Note)*	100.00	92,736 *(Note)*
2.	Eight Southpark 8 Nam Kok Road Ma Tau Kok (launched for sale in March 2025)	117,994	Commercial/ Residential	313	85,808 *(Note)*	76.468	65,616 *(Note)*
3.	New Kowloon Inland Lot No. 6554, Kai Tak	1,205,028	Commercial/ Residential/ Government facilities	2,060	1,074,630	30.00	322,389
4.	68-76B To Kwa Wan Road, To Kwa Wan	382,203	Commercial/ Residential	831	318,504	100.00	318,504
5.	8 Castle Road Mid-Levels	472,067	Residential	172	472,067	65.00	306,844
6.	1 Bailey Street Hung Hom	717,463	Commercial/ Residential	1,296	597,886	50.00	298,943
7.	2-16 Whampoa Street Hung Hom	134,874	Commercial/ Residential	241	113,277	100.00	113,277
8.	15 Wood Road Wan Chai	86,565	Commercial/ Residential	167	81,819	100.00	81,819
9.	Miami Quay (Phase 2) 23 Shing Fung Road Kai Tak	256,037	Residential	571	256,037	29.30	75,019
10.	18 Man On Street Mong Kok	57,763	Commercial/ Residential	126	52,339	100.00	52,339

11.	Parkwood 3 Mei Sun Lane Tai Po	49,077	Commercial/ Residential	122	41,024	100.00	41,024
12.	16-20 Temple Street Mong Kok	20,286	Commercial/ Residential	48	19,159	100.00	19,159
13.	29A Lugard Road The Peak	11,703	Residential	1	11,703	100.00	11,703
			Total:	**6,196**	**3,216,989**		**1,799,372**

Note: Representing the saleable area of the residential units.

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

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

		With 100% ownership interest acquired		With less than 100% ownership interest but the relevant compulsory sale application threshold has been met*		
By District		**Site area attributable to the Group (sq. ft.)**	**Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)**	**Site area attributable to the Group (sq. ft.)**	**Expected gross floor area attributable to the Group upon completion of the redevelopment project (sq. ft.)**	**Total expected gross floor area attributable to the Group (sq. ft.)**
Hong Kong						
1.	Mid-Levels	69,238	388,904	6,212	31,060	419,964
2.	Causeway Bay	4,400	47,083	2,019	18,171	65,254
3.	Aberdeen	4,950	42,075	2,868	25,506	67,581
4.	Quarry Bay	21,009	218,271			218,271
	Sub-total:	**99,597**	**696,333**	**11,099**	**74,737**	**771,070**
Kowloon						
5.	Tsim Sha Tsui	11,491	137,887			137,887 *(Note 1)*
6.	Hung Hom	41,215	380,654	3,400	30,600	411,254 *(Note 2)*
7.	Tai Kok Tsui	18,545	166,862			166,862 *(Note 3)*
8.	Ho Man Tin	4,698	39,590			39,590
9.	Cheung Sha Wan	6,510	58,590			58,590 *(Note 4)*
10.	Kowloon City	10,954	97,231			97,231 *(Note 4)*
	Sub-total:	**93,413**	**880,814**	**3,400**	**30,600**	**911,414**
	Total:	**193,010**	**1,577,147**	**14,499**	**105,337**	**1,682,484**

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

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

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

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

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

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

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

Land Bank

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

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

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

Land in Urban Areas

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

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

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

New Territories Land

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

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

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

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

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

Investment Properties

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

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

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

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

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

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

Retail portfolio

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

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

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

Office portfolio

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

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

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

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

Construction

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

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

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

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

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

Property Management

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

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

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

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

Mainland China

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

The following development projects were completed during the year:

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

The Group's mainland China strategy is as follows:

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

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

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

Land bank under development or held for future development

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

Usage of development land bank

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

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

Property Sales

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

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

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

Investment Properties

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

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

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

* *Including lettable areas in the basement.*

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

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

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

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

Property Management

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

Henderson Investment Limited ("HIL")

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

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

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

(I) Citistore

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

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

(II) Unicorn

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

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

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

Miramar Hotel and Investment Company, Limited (“Miramar”)

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

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

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

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

Food and Beverage Business
During the year, its food and beverage business recorded revenue of HK$290.4 million and an EBITDA profit of HK$11.3 million, representing an increase of 3.9% and a decrease of 62.4%, respectively as compared with last year. By the end of 2024, Miramar launched “Daai Zaak”, an exquisite private dining restaurant. In terms of festival food, revenue from the food processing workshop increased by 10.6% year-on-year. Notably, sales of Chinese New Year puddings reached a new high. Chinesology has become the first fine-dining Chinese restaurant in Hong Kong to receive the “Halal-Friendly Restaurant” certification granted by the Incorporated Trustees of the Islamic Community Fund of Hong Kong (Board of Trustees (BOT)).

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

Associated Companies

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

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

Utilities Businesses

Hong Kong Utility

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

Mainland Utilities

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

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

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

During the year, HKCG generally achieved cost pass-through for non-residential customers, and more than 70% of city-gas joint ventures completed cost pass-through for residential customers. Coupled with the decline in international natural gas prices, HKCG recorded a significant recovery in the dollar margin. The average dollar margin of city gas in 2024 was RMB0.52 per cubic metre, representing an increase of RMB0.05 per cubic metre as compared to 2023. On the other hand, to support the implementation of the "One City, One Enterprise" policy by various local governments, HKCG is advancing the optimisation and restructuring of gas projects in Chaozhou, Jinan, Dalian and other regions.

Gas Resources Business

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

Water and Environmental Businesses

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

Growth Businesses

Renewable Energy

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

Sustainable Aviation Fuel

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

Green Methanol

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

Hydrogen Energy

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

TERA-Award

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

Extended Businesses

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

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

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

Property Development and Investment Operations

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

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

Ferry, Shipyard and Related Operations

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

Healthcare, Medical Aesthetic and Beauty Services

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

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

Sunlight Real Estate Investment Trust ("Sunlight REIT")

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

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

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

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

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

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

CORPORATE FINANCE

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

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

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

Sustainability

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

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

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

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

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

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

PROSPECTS

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

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

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

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

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

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

Passing of Founder and Executive Director

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

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

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

APPRECIATION

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

Dr Lee Ka Kit
Chairman

Dr Lee Ka Shing
Chairman

Hong Kong, 20 March 2025

BUSINESS RESULTS

Consolidated Statement of Profit or Loss

for the year ended 31 December 2024

	Note	***2024*** **HK$ million**	*2023* HK$ million
Revenue	3	**25,256**	27,570
Direct costs		**(16,163)**	(17,540)
		9,093	10,030
Other net income	4	**3,191**	1,508
Selling and marketing expenses		**(1,406)**	(1,326)
Administrative expenses		**(2,345)**	(2,305)
Profit from operations before changes in fair value of investment properties and investment properties under development		**8,533**	7,907
Decrease in fair value of investment properties and investment properties under development	5	**(1,514)**	(1,700)
Profit from operations after changes in fair value of investment properties and investment properties under development		**7,019**	6,207
Finance costs	6(a)	**(2,331)**	(1,999)
Bank interest income		**452**	679
Net finance costs		**(1,879)**	(1,320)
Share of profits less losses of associates		**2,413**	2,794
Share of profits less losses of joint ventures		**685**	2,763
Profit before taxation	6	**8,238**	10,444
Income tax	7	**(955)**	(666)
Profit for the year		**7,283**	9,778

Consolidated Statement of Profit or Loss
for the year ended 31 December 2024 (continued)

	Note	***2024*** **HK$ million**	*2023* HK$ million
Attributable to:			
Equity shareholders of the Company		**6,296**	9,261
Non-controlling interests		**987**	517
Profit for the year		**7,283**	9,778
Earnings per share based on profit attributable to equity shareholders of the Company (reported earnings per share)			
Basic and diluted	*9(a)*	***HK$1.30***	*HK$1.91*
Earnings per share excluding the effects of the Group's aggregate attributable share of changes in fair value of investment properties and investment properties under development (net of deferred tax) (underlying earnings per share)			
Basic and diluted	*9(b)*	***HK$2.02***	*HK$2.00*

Details of dividends payable to equity shareholders of the Company are set out in note 8.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

	2024 **HK$ million**	*2023* HK$ million
Profit for the year	**7,283**	9,778
Other comprehensive income for the year-net, after tax and reclassification adjustments:		
Items that will not be reclassified to profit or loss:		
- Investments in equity securities designated as financial assets at fair value through other comprehensive income (non-recycling)	**46**	(92)
- Share of other comprehensive income of associates and joint ventures	**9**	30
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences	**(919)**	(783)
- Cash flow hedges	**(64)**	(415)
- Share of other comprehensive income of associates and joint ventures	**(1,098)**	(943)
Other comprehensive income for the year	**(2,026)**	(2,203)
Total comprehensive income for the year	**5,257**	7,575
Attributable to:		
Equity shareholders of the Company	**4,268**	7,113
Non-controlling interests	**989**	462
Total comprehensive income for the year	**5,257**	7,575

Consolidated Statement of Financial Position

at 31 December 2024

	Note	*At 31 December 2024* HK$ million	*At 31 December 2023* HK$ million
Non-current assets			
Investment properties		**271,874**	264,404
Other property, plant and equipment		**4,389**	4,508
Right-of-use assets		**981**	1,211
Goodwill		**262**	262
Trademarks		**94**	98
Interest in associates		**50,564**	51,903
Interest in joint ventures		**77,876**	78,933
Derivative financial instruments		**514**	743
Other financial assets		**4,611**	5,319
Deferred tax assets		**1,082**	1,027
		412,247	408,408
Current assets			
Deposits for acquisition of properties		**369**	382
Inventories	11	**85,608**	94,164
Trade and other receivables	12	**14,023**	14,441
Cash held by stakeholders		**1,074**	1,206
Cash and bank balances		**17,919**	21,623
		118,993	131,816
Assets of the disposal group classified as held for sale		**-**	2,326
		118,993	134,142
Current liabilities			
Trade and other payables	13	**26,811**	28,362
Amounts due to related companies		**97**	268
Lease liabilities		**262**	280
Bank loans		**8,001**	24,500
Guaranteed notes		**9,585**	6,244
Tax payable		**1,055**	441
		45,811	60,095
Liabilities associated with assets of the disposal group classified as held for sale		**-**	39
		45,811	60,134
Net current assets		**73,182**	74,008
Total assets less current liabilities		**485,429**	482,416

Consolidated Statement of Financial Position
at 31 December 2024 (continued)

	Note	***At 31 December 2024*** **HK$ million**	*At 31 December 2023* HK$ million
Non-current liabilities			
Bank loans		**54,626**	41,652
Guaranteed notes		**10,024**	19,439
Amount due to a fellow subsidiary		**66,215**	62,448
Amounts due to related companies		**3,575**	3,389
Derivative financial instruments		**996**	1,354
Lease liabilities		**757**	972
Provision for reinstatement costs		**14**	18
Deferred tax liabilities		**8,645**	9,044
		144,852	138,316
NET ASSETS		**340,577**	344,100
CAPITAL AND RESERVES			
Share capital		**52,345**	52,345
Other reserves		**269,802**	274,197
Total equity attributable to equity shareholders of the Company		**322,147**	326,542
Non-controlling interests		**18,430**	17,558
TOTAL EQUITY		**340,577**	344,100

Notes:

1 Basis of preparation

The financial information relating to the years ended 31 December 2024 and 31 December 2023 included in this preliminary announcement of annual results 2024 do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include reference to any matters to which the auditor drew attention by way of emphasis of matter without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

The statutory financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The statutory financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance (Cap. 622) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of the statutory financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

- investments designated as financial assets at fair value through other comprehensive income ("FVOCI");
- investments measured as financial assets at fair value through profit or loss ("FVPL");
- derivative financial instruments; and
- investment properties and certain investment properties under development.

The preparation of the statutory consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 Changes in accounting policies

(i) Amendments to HKFRSs and HKASs which are first effective for the current accounting period

The Group has applied the following amendments and interpretation to HKASs and HKFRSs issued by the HKICPA that are first effective for the current accounting period of the Group and the Company, and which are relevant to the Group's consolidated financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements : Classification of liabilities as current or non-current*

  In August 2020, the HKICPA issued amendments to HKAS 1 ("2020 HKAS 1 amendments") to clarify the requirements on determining whether a liability is current or non-current, in particular the determination over whether an entity has the right to defer settlement of the liability for at least twelve months after the reporting period. The 2020 HKAS 1 amendments:
  - specify that an entity's right to defer settlement must exist at the end of the reporting period;
  - clarify that the classification is unaffected by management's intentions or expectations about the entity's intention to exercise its right to defer settlement;
  - clarify how the lending conditions may affect classification; and
  - clarify the classification of liabilities that will or may be settled by the entity's issuance of its own equity instruments.

  In December 2022, the HKICPA published further amendments to HKAS 1 ("2022 HKAS 1 amendments") to clarify how an entity determines the current/non-current classification of a liability when its right to defer the settlement is subject to compliance with covenants.

  Under these amendments, both the 2020 HKAS 1 amendments and 2022 HKAS 1 amendments are to be applied as a package on a retrospective basis for annual reporting periods beginning on or after 1 January 2024.

- Hong Kong Interpretation 5 (Revised), *Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause*

  This interpretation specifies that the classification of a term loan as a current or non-current liability in accordance with paragraph 69(d) of HKAS 1 shall be determined by reference to the existence of the borrower's right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

  On this basis, a loan subject to loan agreement which includes a clause that gives the lender the unconditional right to require repayment of the loan from the borrower at any time shall be classified by the borrower as current in its statement of financial position.

2 Changes in accounting policies (continued)

(i) *Amendments to HKFRSs and HKASs which are first effective for the current accounting period (continued)*

- Amendments to HKFRS 16, *Leases : Lease liability in a sale and leaseback*

  These amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction, and require that (i) on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction; and (ii) after initial recognition, the seller-lessee shall apply the general requirements for subsequent accounting of the lease liability in such a way that the seller-lessee does not recognise any gain or loss relating to the right of use over the sold asset which is retained by the seller-lessee under the sale and leaseback. The gain or loss on disposal of the sold asset shall be included in measuring the right-of-use asset upon initial recognition. The seller-lessee would reduce the lease liability as if the variable lease payments estimated at the date of the transaction had been paid, and any difference between the estimated variable lease payments and the amounts actually paid shall be recognised in profit or loss.

The directors of the Company ("Directors") have assessed and considered that none of the abovementioned amendments and interpretation has any material impact on the Group's financial position at 31 December 2024 or the Group's financial performance for the year then ended.

(ii) *Amendments to HKFRSs and HKASs which are not yet effective for the current accounting period*

Up to the date of issue of the financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the financial year ended 31 December 2024 and which have not been adopted in the financial statements. These developments include the following which may be relevant to the Group:

	Effective for annual periods beginning on or after
Amendments to HKAS 21, *Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9 and HKFRS 7, *Classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRSs-Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	A date to be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements, except for HKFRS 18, where the presentation and disclosure of the consolidated financial statements are expected to change.

3 Revenue

Revenue of the Group represents revenue from the property development (including sales of properties), rental income, operation and management of department stores and supermarket-cum-stores, hotel room operation and other businesses mainly including income from hotel management (other than hotel room operation), construction, provision of finance, investment holding, project management, property management, agency services, security guard and cleaning services, food and beverage operation, travel operation, as well as the trading of building materials.

The major items are analysed as follows:

	2024	*2023*
	HK$ million	HK$ million
Property development (including sales of properties)	**12,506**	15,210
Rental income	**6,994**	6,876
Department stores and supermarket-cum-stores operations *(note (i))*	**1,548**	1,566
Hotel room operation	**331**	333
Other businesses	**3,877**	3,585
Total (note 10(b))	**25,256**	27,570

Note:

(i) Including commission income earned from consignment and concessionaire counters of the department stores operation, and the commission income earned from consignment counters of the supermarket-cum-stores operation, in the aggregate amount of HK$373 million for the year ended 31 December 2024 (2023: HK$422 million).

In accordance with HKFRS 15, *Revenue from contracts with customers*, (i) revenue from sales of properties and sales of goods from department stores and supermarket-cum-stores operations (including the commission income from consignment and concessionaire counters) are recognised at a point in time; and (ii) revenue from hotel room operation and promotion income from department stores and supermarket-cum stores operations are recognised over time. Rental income recognised from HKFRS 16, *Leases*, is categorically classified as revenue from other sources. In respect of the Group's other businesses, revenue from construction, property management, asset management, project management, security guard and cleaning services in the aggregate amount of HK$2,053 million (2023: HK$2,036 million) is recognised over time while the remaining is recognised at a point in time.

At 31 December 2024, the cumulative aggregate amount of revenue expected to be recognised in the consolidated statement of profit or loss in the future from pre-completion sales contracts entered into in relation to the Group's properties held for/under development for sale and completed properties for sale held by the Group's subsidiaries, which are pending assignment in Hong Kong and mainland China, amounted to HK$8,621 million (2023: HK$10,351 million) and which will be recognised when the pre-sold properties are assigned to the customers.

4 Other net income

	2024	*2023*
	HK$ million	HK$ million
Net loss on transfer of a subsidiary regarding an investment property *(note (i))*	**(2)**	-
Net gain on disposal of investment properties	**93**	64
Aggregate net gain on sales of property interests (note 10(a))	**91**	64
Net fair value gain/(loss) on investments measured as financial assets at FVPL	**43**	(2)
Net fair value loss on derivative financial instruments at FVPL:		
- Interest rate swap contracts, cross currency swap contracts, cross currency interest rate swap contracts and foreign exchange forward contracts (for which no hedge accounting was applied during the year)	**(71)**	(83)
Impairment loss on trade debtors, net (note 10(c))	**(36)**	(6)
Provision on inventories, net (note 10(a))	**(193)**	(192)
Exchange loss, net (note 6(d))	**(60)**	(45)
Gains on land resumptions *(note (ii))*	**3,421**	-
Gain on de-recognition of investment measured as financial asset at FVPL and gain on bargain purchase net of fair value loss (note 10(a)) *(note (iii))*	**-**	1,591
Others	**(4)**	181
	3,191	1,508

Notes:

(i) *Being the loss attributable to reported profit in relation to the Group's transfer to an independent third party of its interest in the entire issued share capital of a wholly-owned subsidiary which owns "Harbour East", being an investment property at No. 218 Electric Road, North Point, Hong Kong, and the related shareholder's loan pursuant to an agreement entered into between the parties on 10 December 2023. The transfer was completed on 28 January 2024. Taking into account the cumulative fair value gain on the investment property disposed of in the amount of HK$1,409 million, the Group recognised a gain on transfer attributable to underlying profit in the amount of HK$1,407 million during the year ended 31 December 2024.*

(ii) *Comprised mainly the aggregate pre-tax gains attributable to reported profit of HK$3,410 million resulting from the resumptions by HKSAR Government in April 2024 of certain land lots of approximately 1.45 million square feet held by the Group's subsidiaries in Fanling North and Kwu Tung North New Development Areas, and during the period from July to December 2024 of certain land lots of approximately 3.62 million square feet held by the Group's subsidiaries in Hung Shui Kiu/ Ha Tsuen New Development Area, both located in the New Territories, Hong Kong, for an aggregate cash compensation of approximately HK$5,900 million.*

Including the Group's attributable share of pre-tax loss of HK$101 million resulting from the resumption of certain land lots in Hung Shui Kiu/ Ha Tsuen New Development Area measuring approximately 0.23 million square feet attributable to the Group held by a joint venture and the pre-tax gains of HK$11 million resulting from the resumption of certain other land lots in the New Territories held by the Group's subsidiaries, the Group's attributable share of pre-tax gains on land resumptions attributable to reported profit amounted in aggregate to HK$3,320 million during the year ended 31 December 2024 (see note 10(a)).

(iii) *For the corresponding year ended 31 December 2023, the amount of HK$1,591 million comprised (a) a one-off gain from the de-recognition of investment measured as financial asset at FVPL and a gain on bargain purchase from the recognition of such investment as an interest in associate in the amount of HK$1,739 million; and (b) a net fair value loss on investment measured as financial asset at FVPL in the amount of HK$148 million.*

5 Decrease in fair value of investment properties and investment properties under development

The Group's investment properties and investment properties under development were revalued at 31 December 2024 by Cushman & Wakefield Limited, a firm of professional surveyors who have among their staff Members of The Hong Kong Institute of Surveyors with recent experience in the location and category of the properties being valued, on a market value basis.

The Group's management has reviewed the valuation results performed by the surveyors for financial reporting purposes by verifying all major inputs and assumptions, and assessing the reasonableness of property valuation. Such valuation is performed at each interim and annual reporting date and is reviewed and approved by senior management.

The valuations of completed investment properties in Hong Kong and mainland China were primarily based on income capitalisation approach which capitalised the net income of the properties and taking into account the reversionary potential of the properties after expiry of the current lease.

For certain investment properties in Hong Kong and mainland China which are still under development, the valuations were determined on redevelopment basis and by estimating the fair value of such properties as if they were completed in accordance with the relevant development plan and then deducting from that amount the estimated costs to complete the construction, financing costs and a reasonable profit margin.

As a result, a net fair value loss on the Group's investment properties and investment properties under development in Hong Kong and mainland China (after deducting non-controlling interests' attributable share and deferred tax), excluding those held by associates and joint ventures, in the amount of HK$1,833 million (2023: HK$1,677 million) has been recognised in the consolidated statement of profit or loss for the year (see note 9(b)).

In aggregate, the Group's attributable share of the net fair value loss (net of deferred tax) on investment properties and investment properties under development held by subsidiaries, associates and joint ventures for the year ended 31 December 2024 amounted to HK$2,022 million (2023: HK$489 million).

5 Decrease in fair value of investment properties and investment properties under development (continued)

A reconciliation of the abovementioned figures is as follows:

	For the year ended 31 December 2024		
	Hong Kong	Mainland China	Total
	HK$ million	HK$ million	HK$ million
Fair value (loss)/gain on investment properties and investment properties under development held by			
- subsidiaries			
(before deducting non-controlling interests' attributable share and deferred tax)	**(351)**	**(1,163)**	**(1,514)**
Less :			
Deferred tax	**-**	**267**	**267**
Non-controlling interests' attributable share of the fair value gain (net of deferred tax)	**(578)**	**(8)**	**(586)**
(after deducting non-controlling interests' attributable share and deferred tax) (note 9(b))	**(929)**	**(904)**	**(1,833)**
- associates			
(Group's attributable share) (notes 9(b) and 10(a)(iii))	**(208)**	**-**	**(208)**
- joint ventures			
(Group's attributable share) (notes 9(b) and 10(a)(iv))	**193**	**(174)**	**19**
	(944)	**(1,078)**	**(2,022)**

5 Decrease in fair value of investment properties and investment properties under development (continued)

A reconciliation of the abovementioned figures is as follows: (continued)

	For the year ended 31 December 2023		
	Hong Kong	Mainland China	Total
	HK$ million	HK$ million	HK$ million
Fair value (loss)/gain on investment properties and investment properties under development held by			
- subsidiaries (before deducting non-controlling interests' attributable share and deferred tax)	(1,352)	(348)	(1,700)
Less :			
Deferred tax	-	75	75
Non-controlling interests' attributable share of the fair value gain (net of deferred tax)	(48)	(4)	(52)
(after deducting non-controlling interests' attributable share and deferred tax) (note 9(b))	(1,400)	(277)	(1,677)
- associates (Group's attributable share) (notes 9(b) and 10(a)(iii))	217	2	219
- joint ventures (Group's attributable share) (notes 9(b) and 10(a)(iv))	1,112	(143)	969
	(71)	(418)	(489)

6 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

		2024	*2023*
		HK$ million	HK$ million
(a)	**Finance costs:**		
	Bank loans interest	**2,765**	2,660
	Interest on other loans	**3,126**	3,097
	Interest on guaranteed notes	**812**	968
	Finance cost on lease liabilities	**40**	40
	Other borrowing costs	**141**	154
		6,884	6,919
	Less: Amount capitalised *(note)*	**(4,553)**	(4,920)
	Finance costs (note 10(a))	**2,331**	1,999

Note: The borrowing costs have been capitalised at weighted average interest rates based on the principal amounts of the Group's bank loans, guaranteed notes and other loans during the period under which interest capitalisation was applicable, ranging from 3.31% to 5.88% (2023: ranging from 2.15% to 5.79%) per annum.

(b)	**Directors' emoluments**	**209**	208
(c)	**Staff costs (other than directors' emoluments):**		
	Salaries, wages and other benefits	**3,059**	2,963
	Contributions to defined contribution retirement plans	**124**	117
		3,183	3,080

6 Profit before taxation (continued)

Profit before taxation is arrived at after charging/(crediting): (continued)

		2024	*2023*
		HK$ million	HK$ million
(d)	**Other items:**		
	Net foreign exchange (gain)/loss	**(546)**	353
	Cash flow hedges: net foreign exchange loss/(gain) reclassified from equity	**335**	(77)
	Amount of exchange gain/(loss) capitalised	**271**	(231)
	Exchange loss, net (note 4)	**60**	45
	Amortisation of trademarks	**4**	4
	Depreciation		
	- on other property, plant and equipment	**190**	199
	- on right-of-use assets	**297**	336
		491	539
		(note 10(c))	(note 10(c))
	Cost of sales		
	- properties for sale	**9,463**	11,186
	- trading stocks and consumable stores	**923**	880
	Auditors' remuneration		
	- audit services	**24**	23
	- non-audit services	**8**	10
	Expenses relating to short-term leases	**17**	10
	Rentals receivable from investment properties less direct outgoings of HK$1,966 million (2023: HK$1,981 million) *(note (i))*	**(4,880)**	(4,720)
	Dividend income from investments designated as financial assets at FVOCI (non-recycling) and measured as financial assets at FVPL *(note (ii))*		
	- listed	**(25)**	(53)
	- unlisted	**(5)**	(7)

Notes:

(i) The rental income from investment properties included contingent rental income of HK$61 million (2023: HK$73 million).

(ii) During the year ended 31 December 2024, dividend income of HK$19 million related to investments designated as financial assets at FVOCI (non-recycling) held at 31 December 2024 (2023: dividend income of HK$22 million related to investments designated as financial assets at FVOCI (non-recycling) held at 31 December 2023).

7 Income tax

Income tax in the consolidated statement of profit or loss represents:

	2024	*2023*
	HK$ million	HK$ million
Current tax – Provision for Hong Kong Profits Tax		
Provision for the year	**727**	640
Under-provision in respect of prior years	**224**	-
	951	640
Current tax – Provision for taxation outside Hong Kong		
Provision for the year	**309**	342
Under/(over)-provision in respect of prior years	**3**	(181)
	312	161
Current tax – Provision for Land Appreciation Tax		
Provision for the year	**44**	83
(Over)/under-provision in respect of prior years	**(54)**	6
	(10)	89
Deferred tax		
Origination and reversal of temporary differences	**(298)**	(224)
	(298)	(224)
	955	666

Provision for Hong Kong Profits Tax has been made at 16.5% (2023: 16.5%) on the estimated assessable profits for the year, taking into account a one-off reduction of 100% (2023: 100%) of the tax payable for the year of assessment 2023/24 subject to a ceiling of HK$3,000 (2022/23: HK$6,000) for each business allowed by the Inland Revenue Department of the HKSAR Government.

Provision for taxation outside Hong Kong is provided for at the applicable rates of taxation for the year on the estimated assessable profits arising in the relevant foreign tax jurisdictions during the year.

Land Appreciation Tax is levied on properties in mainland China developed by the Group for sale, at progressive rates ranging from 30% to 60% (2023: 30% to 60%) on the appreciation of land value, which under the applicable regulations is calculated based on the revenue from sale of properties less deductible expenditure including lease charges of land use rights, borrowing costs and property development expenditure.

8 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to profit for the year

	2024	*2023*
	HK$ million	HK$ million
Interim dividend declared and paid of HK$0.50 (2023: HK$0.50) per share	**2,421**	2,421
Final dividend proposed after the end of the reporting period of HK$1.30 (2023: HK$1.30) per share	**6,294**	6,294
	8,715	8,715

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to profit for the previous financial year, approved and paid during the year

	2024	*2023*
	HK$ million	HK$ million
Final dividend in respect of the previous financial year, approved and paid during the year of HK$1.30 (2023: HK$1.30) per share	**6,294**	6,294

9 Earnings per share

(a) Reported earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of HK$6,296 million (2023: HK$9,261 million) and the weighted average number of 4,841 million ordinary shares (2023: 4,841 million ordinary shares) in issue during the year.

Diluted earnings per share were the same as the basic earnings per share for the year and the corresponding year ended 31 December 2023 as there were no dilutive potential ordinary shares in existence during both years.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the profit attributable to equity shareholders of the Company after excluding the effects of changes in fair value of investment properties and investment properties under development ("Underlying Profit") of HK$9,774 million (2023: HK$9,706 million). A reconciliation of profit is as follows:

	2024	*2023*
	HK$ million	HK$ million
Profit attributable to equity shareholders of the Company	**6,296**	9,261
Fair value loss of investment properties and investment properties under development during the year (after deducting non-controlling interests' attributable share and deferred tax) (note 5)	**1,833**	1,677
Share of fair value loss/(gain) of investment properties (net of deferred tax) during the year:		
– associates (note 5)	**208**	(219)
– joint ventures (note 5)	**(19)**	(969)
The Group's attributable share of the cumulative fair value gain/(loss) of investment properties disposed of during the year, net of tax:		
– subsidiaries	**1,454**	(44)
– associates and joint ventures	**2**	-
Underlying Profit	**9,774**	9,706
Underlying earnings per share, based on the weighted average number of ordinary shares in issue during the year (note 9(a))	**HK$2.02**	HK$2.00

10 Segment reporting

The Group manages its businesses by a mixture of business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance, the Group has identified the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

Property development	:	Development and sale of properties
Property leasing	:	Leasing of properties
Department stores and supermarket-cum-stores operations	:	Operation and management of department stores and supermarket-cum-stores
Hotel room operation	:	The operation of hotel properties owned by the Group generating room revenue
Other businesses	:	Hotel management (other than hotel room operation), construction, provision of finance (other than interest income from mortgage loans as well as interest income from property development joint ventures which are classified under the *"Property development"* segment), investment holding, project management, property management, agency services, security guard and cleaning services, food and beverage operation, travel operation, as well as the trading of building materials
Utility and energy	:	Production, distribution and marketing of gas, water supply, renewable energy businesses and emerging energy businesses

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases.

Revenue and expenses are allocated to the reportable segments with reference to revenues generated by those segments and the expenses incurred by those segments. Segment results form the basis of measurement used for assessing segment performance and represent profit or loss before provision on inventories, net, sales of property interests, gain on de-recognition of investment measured as financial asset at FVPL and gain on bargain purchase net of fair value loss, fair value change on investment properties and investment properties under development, net finance costs, income tax and items not specifically attributed to individual reportable segments, such as unallocated head office and corporate expenses, net.

(a) Results of reportable segments

Information regarding the Group's and its share of associates and joint ventures on reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 31 December 2023 is set out below.

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))*	Segment results	Share of revenue	Share of segment results	Combined revenue	Consolidated segment results	Revenue	Segment results	Combined revenue	Consolidated segment results
For the year ended 31 December 2024	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**	**HK$ million**
Property development									*(note 1)*	*(note 1)*
Hong Kong	11,692	4,808	679	(102)	12,371	4,706	(48)	(59)	12,323	4,647
Mainland China	814	(13)	7,411	1,002	8,225	989	-	(4)	8,225	985
	12,506	4,795	8,090	900	20,596	5,695	(48)	(63)	20,548	5,632
Property leasing										
Hong Kong	4,953	3,498	2,274	1,741	7,227	5,239	(385)	(323)	6,842	4,916
Mainland China	2,041	1,574	84	32	2,125	1,606	(25)	(15)	2,100	1,591
(note (ii))	6,994	5,072	2,358	1,773	9,352	6,845	(410)	(338)	8,942	6,507
Department stores and supermarket-cum stores operations										
-sale of own goods	1,230	(75)	-	-	1,230	(75)	(374)	39	856	(36)
-rental of consignment and concessionaire counters	318	138	-	-	318	138	(98)	(6)	220	132
	1,548	63	-	-	1,548	63	(472)	33	1,076	96
Hotel room operation	331	91	261	71	592	162	(165)	(47)	427	115
Other businesses	3,877	42	321	256	4,198	298	(914)	3	3,284	301
	25,256	10,063	11,030	3,000	36,286	13,063	(2,009)	(412)	34,277	12,651
Utility and energy	-	-	34,147	3,517	34,147	3,517	-	-	34,147	3,517
	25,256	10,063	45,177	6,517	70,433	16,580	(2,009)	(412)	68,424	16,168

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))*	Segment results	Share of revenue	Share of segment results	Combined revenue	Consolidated segment results	Revenue	Segment results	Combined revenue	Consolidated segment results
For the year ended 31 December 2024 (continued)	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
Provision on inventories, net	(note 4)	(193)		(131)		(324)		-		(324)
Sales of property interests *(note 2)*	(note 4)	91		1		92		-		92
Unallocated head office and corporate expenses, net		(1,428)		(76)		(1,504)		6		(1,498)
Profit from operations		8,533		6,311		14,844		(406)		14,438
Decrease in fair value of investment properties and investment properties under development		(1,514)		(206)		(1,720)		(588)		(2,308)
Finance costs	(note 6(a))	(2,331)		(1,558)		(3,889)		102		(3,787)
Bank interest income		452		192		644		(132)		512
Net finance costs		(1,879)		(1,366)		(3,245)		(30)		(3,275)
Profit before taxation		5,140		4,739		9,879		(1,024)		8,855
Income tax		(955)		(1,641)		(2,596)		37		(2,559)
Profit for the year		4,185		3,098		7,283		(987)		6,296

Notes:

(1) The revenue and segment results for the year ended 31 December 2024 related to the sale of leasehold land, interest income from mortgage loans and interest income from property development joint ventures (of which revenue in the amounts of HK$Nil, HK$203 million and HK$78 million respectively and segment profit in the amounts of HK$Nil, HK$176 million and HK$78 million respectively) are classified under the "Property development" segment. The pre-tax profit contribution from the property development segment in Hong Kong for the year ended 31 December 2024 also included the Group's attributable share of pre-tax gains attributable to reported profit in the aggregate amount of HK$3,320 million upon the resumptions by the HKSAR Government of the Group's leasehold lands during the year (note 4).

(2) The Group's attributable share of the realised cumulative fair value gain of investment properties disposed of during the year ended 31 December 2024 amounted to HK$1,456 million (note 9(b)). Adding to it the Group's attributable share of net gain attributable to reported profit on disposal of investment properties of HK$92 million (see above) for the year ended 31 December 2024, the Group's attributable share of the realised gain from the sales of property interests attributable to underlying profit amounted to HK$1,548 million during the year ended 31 December 2024.

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

In relation to the share of profits less losses of associates and joint ventures:

	Property development HK$ million	Property leasing HK$ million	Hotel room operation HK$ million	Other businesses HK$ million	Sub-total HK$ million	Utility and energy HK$ million	Total HK$ million
For the year ended 31 December 2024							
Share of profits less losses of associates *(note (iii))*							
- Material listed associate The Hong Kong and China Gas Company Limited	**-**	**165**	**5**	**(753)**	**(583)**	**2,954**	**2,371**
- Other listed associates and unlisted associates	**(18)**	**(87)**	**-**	**147**	**42**	**-**	**42**
	(18)	**78**	**5**	**(606)**	**(541)**	**2,954**	**2,413**
Share of profits less losses of joint ventures *(note (iv))*	**(37)**	**859**	**18**	**(155)**	**685**	**-**	**685**
	(55)	**937**	**23**	**(761)**	**144**	**2,954**	**3,098**

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))*	Segment results	Share of revenue	Share of segment results	Combined revenue	Consolidated segment results	Revenue	Segment results	Combined revenue	Consolidated segment results
For the year ended 31 December 2023	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million *(note 1)*	HK$ million *(note 1)*
Property development										
Hong Kong	14,675	2,264	185	(1)	14,860	2,263	(98)	(94)	14,762	2,169
Mainland China	535	195	8,963	1,932	9,498	2,127	-	(1)	9,498	2,126
	15,210	2,459	9,148	1,931	24,358	4,390	(98)	(95)	24,260	4,295
Property leasing										
Hong Kong	4,845	3,469	2,278	1,769	7,123	5,238	(383)	(323)	6,740	4,915
Mainland China	2,031	1,455	101	70	2,132	1,525	(29)	(18)	2,103	1,507
(note (ii))	6,876	4,924	2,379	1,839	9,255	6,763	(412)	(341)	8,843	6,422
Department stores and supermarket-cum stores operations										
-sale of own goods	1,205	(72)	-	-	1,205	(72)	(366)	37	839	(35)
-rental of consignment and concessionaire counters	361	172	-	-	361	172	(111)	(23)	250	149
	1,566	100	-	-	1,566	100	(477)	14	1,089	114
Hotel room operation	333	102	257	79	590	181	(166)	(54)	424	127
Other businesses	3,585	35	350	(40)	3,935	(5)	(712)	37	3,223	32
	27,570	7,620	12,134	3,809	39,704	11,429	(1,865)	(439)	37,839	10,990
Utility and energy	-	-	35,586	3,710	35,586	3,710	-	-	35,586	3,710
	27,570	7,620	47,720	7,519	75,290	15,139	(1,865)	(439)	73,425	14,700

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

For the year ended 31 December 2023	Company and its subsidiaries (before deducting non-controlling interests)		Associates and joint ventures				Attributable to non-controlling interests		Attributable to equity shareholders of the Company	
	Revenue *(note (i))* HK$ million	Segment results HK$ million	Share of revenue HK$ million	Share of segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million	Revenue HK$ million	Segment results HK$ million	Combined revenue HK$ million	Consolidated segment results HK$ million
(continued)										
Provision on inventories, net	(note 4)	(192)		-		(192)		-		(192)
Sales of property interests *(note 2)*	(note 4)	64		-		64		(1)		63
Gain on de-recognition of investment measured as financial asset at FVPL and gain on bargain purchase net of fair value loss	(note 4)	1,591		-		1,591		-		1,591
Unallocated head office and corporate expenses, net		(1,176)		(176)		(1,352)		3		(1,349)
Profit from operations		7,907		7,343		15,250		(437)		14,813
(Decrease)/increase in fair value of investment properties and investment properties under development		(1,700)		1,148		(552)		(54)		(606)
Finance costs	(note 6(a))	(1,999)		(1,297)		(3,296)		50		(3,246)
Bank interest income		679		317		996		(130)		866
Net finance costs		(1,320)		(980)		(2,300)		(80)		(2,380)
Profit before taxation		4,887		7,511		12,398		(571)		11,827
Income tax		(666)		(1,954)		(2,620)		54		(2,566)
Profit for the year		4,221		5,557		9,778		(517)		9,261

Notes:

(1) The revenue and segment results for the corresponding year ended 31 December 2023 related to the sale of leasehold land, interest income from mortgage loans and interest income from property development joint ventures (of which revenue in the amounts of HK$13 million, HK$224 million and HK$250 million respectively and segment profit in the amounts of HK$9 million, HK$210 million and HK$250 million respectively) are classified under the "Property development" segment.

(2) The Group's attributable share of the realised cumulative fair value loss of investment properties disposed of during the corresponding year ended 31 December 2023 amounted to HK$44 million (note 9(b)). Deducting from it the Group's attributable share of net gain attributable to reported profit on disposal of investment properties of HK$63 million (see above) for the corresponding year ended 31 December 2023, the Group's attributable share of the realised gain from the sales of property interests attributable to underlying profit amounted to HK$19 million during the corresponding year ended 31 December 2023.

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

In relation to the share of profits less losses of associates and joint ventures:

	Property development HK$ million	Property leasing HK$ million	Hotel room operation HK$ million	Other businesses HK$ million	Sub-total HK$ million	Utility and energy HK$ million	Total HK$ million
For the year ended 31 December 2023							
Share of profits less losses of associates *(note (iii))*							
- Material listed associate The Hong Kong and China Gas Company Limited	-	375	7	(733)	(351)	2,875	2,524
- Other listed associates and unlisted associates	126	121	-	23	270	-	270
	126	496	7	(710)	(81)	2,875	2,794
Share of profits less losses of joint ventures *(note (iv))*	797	1,938	25	3	2,763	-	2,763
	923	2,434	32	(707)	2,682	2,875	5,557

10 Segment reporting (continued)

(a) Results of reportable segments (continued)

Notes:

(i) The revenue figures above are arrived at after the elimination of inter-segment revenues, in the amounts of HK$455 million (2023: HK$443 million) and HK$2,757 million (2023: HK$1,942 million) in relation to the reportable segments under "Property leasing" and "Others", respectively.

(ii) Revenue for the "Property leasing" segment comprised rental income of HK$6,055 million (2023: HK$5,969 million) and rental-related income of HK$939 million (2023: HK$907 million), which in aggregate amounted to HK$6,994 million for the year (2023: HK$6,876 million) (see note 3).

(iii) The Group's share of profits less losses of associates contributed from the "Property leasing" segment during the year of HK$78 million (2023: HK$496 million) included the Group's attributable share of net decrease in fair value of investment properties (net of deferred tax) during the year of HK$208 million (2023: attributable share of net increase in fair value of investment properties (net of deferred tax) during the year of HK$219 million) (see note 5).

The Group's share of losses less profits of associates contributed from the "Other businesses" segment during the year of HK$606 million (2023: HK$710 million) included the Group's share of profit after tax from hotel management (other than hotel room operation) during the year of HK$2 million (2023: HK$3 million).

(iv) The Group's share of profits less losses of joint ventures contributed from the "Property leasing" segment during the year of HK$859 million (2023: HK$1,938 million) included the Group's attributable share of net increase in fair value of investment properties (net of deferred tax) during the year of HK$19 million (2023: HK$969 million) (see note 5).

The Group's share of losses less profits of joint ventures contributed from the "Other businesses" segment during the year of HK$155 million (2023: share of profits less losses of HK$3 million) included the Group's share of profit after tax contributed from hotel management (other than hotel room operation) during the year of HK$7 million (2023: HK$10 million).

10 Segment reporting (continued)

(b) Geographical information

The following table sets out information about the geographical segment location of (i) the Group's revenue from external customers; and (ii) the Group's investment properties, other property, plant and equipment, right-of-use assets, goodwill, trademarks, interests in associates and joint ventures (together, the "Specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the Specified non-current assets is based on the physical location of the asset in the case of investment properties, other property, plant and equipment and right-of-use assets, the location of the operation to which the cash-generating unit(s) is(are) allocated in the case of goodwill and trademarks, and the location of operations in the case of interests in associates and joint ventures.

	Revenue from external customers		**Specified non-current assets**	
	For the year ended 31 December		**At 31 December**	
	2024	*2023*	***2024***	*2023*
	HK$ million	HK$ million	**HK$ million**	HK$ million
Hong Kong	**21,904**	24,539	**338,042**	328,977
Mainland China	**3,352**	3,031	**67,962**	72,306
The United Kingdom	**-**	-	**36**	36
	25,256	27,570	**406,040**	401,319
	(note 3)	(note 3)		

(c) Other segment information

	Depreciation and amortisation		**Impairment loss/ (reversal of impairment loss) on trade debtors, net**	
	For the year ended 31 December		**For the year ended 31 December**	
	2024	*2023*	***2024***	*2023*
	HK$ million	HK$ million	**HK$ million**	HK$ million
Property development	**53**	73	**27**	8
Property leasing	**26**	40	**9**	(2)
Department stores and supermarket-cum-stores operations				
-sale of own goods	**151**	149	**-**	-
-rental of consignment and concessionaire counters	**7**	10	**-**	-
Hotel room operation	**75**	74	**-**	-
Other businesses	**179**	193	**-**	-
	491	539	**36**	6
	(note 6(d))	(note 6(d))	**(note 4)**	(note 4)

11 Inventories

	2024	*2023*
	HK$ million	HK$ million
Property development		
Leasehold land held for development for sale	**9,495**	11,384
Properties held for/under development for sale	**42,281**	53,923
Completed properties for sale	**33,693**	28,698
	85,469	94,005
Other operations		
Trading stocks and consumable stores	**139**	159
	85,608	94,164

12 Trade and other receivables

	2024 HK$ million	*2023* HK$ million
(i) Debtors and current receivables		
Trade receivables (other than those transferred to the disposal group)	**310**	322
Instalments receivable	**103**	119
Sub-total : Trade debtors	**413**	441
Other debtors	**5,692**	5,921
Prepayments and deposits (other than those transferred to the disposal group)	**4,208**	3,732
Gross amount due from customers for contract work [^]	**15**	44
Amounts due from associates	**27**	31
Amounts due from joint ventures	**203**	284
	10,558	10,453
(ii) Other current financial assets		
Loans receivable	**2,557**	3,384
Financial assets measured at FVPL	**851**	482
Derivative financial instruments	**57**	122
	3,465	3,988
	14,023	14,441

[^] *This balance represented the excess of cumulative revenue recognised in profit or loss over the cumulative payments made by customers at the end of the reporting period, and was recognised as contract asset.*

Included in other debtors is an amount receivable of HK$1,864 million (2023: HK$1,864 million) which was overdue at 31 December 2024, but which is pledged against certain collaterals provided by the debtor.

Loans receivable, of which HK$795 million (2023: HK$695 million) are secured and interest-bearing at interest rates ranging from 3.8% to 5.5% and Hong Kong Interbank Offered Rate plus 2.25% (2023: ranging from 3.8% to 12.0%) per annum, and HK$1,762 million (2023: HK$2,689 million) are unsecured and interest-bearing at interest rates ranging from 6.0% to 9.0% (2023: ranging from 3.8% to 9.0%) per annum, are both expected to be recovered within one year from the end of the reporting period, and were both not past due at 31 December 2024 and 31 December 2023.

12 Trade and other receivables (continued)

Typical payment terms which impact on the amount of contract assets recognised are as follows:

Gross amount due from customers for contract work

The Group's construction contracts include payment schedules which require staged payments over the construction period once certain milestones are reached as certified by architects' certificates. At 31 December 2023, the Group had one construction contract for agreed retention period of twelve months for 10% of the contract value, which amounts were included in contract assets until the end of the retention period as the Group's entitlements to these final payments were conditional on the Group's construction works satisfactorily passing inspection. At 31 December 2024, the Group did not have any construction contract.

All of the trade and other receivables are expected to be recovered or recognised as expense within one year except for various deposits, prepayments and other debtors of HK$4,185 million (2023: HK$3,517 million) which are expected to be recovered after more than one year from the end of the reporting period.

The amounts due from associates and joint ventures at 31 December 2024 and 31 December 2023 are unsecured, interest-free, have no fixed terms of repayment and were not past due at 31 December 2024 and 31 December 2023.

At the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the dates of invoices or demand notes and net of loss allowance, is as follows:

	2024	*2023*
	HK$ million	HK$ million
Current or up to 1 month	**252**	309
More than 1 month and up to 3 months	**66**	54
More than 3 months and up to 6 months	**33**	30
More than 6 months	**62**	48
	413	441

13 Trade and other payables

	2024	*2023*
	HK$ million	HK$ million
Creditors and accrued expenses (other than those transferred to the disposal group)	**8,597**	9,342
Gross amount due to customers for contract work [(#)]	**5**	98
Rental and other deposits received (other than those transferred to the disposal group)	**2,007**	1,954
Forward sales deposits received and other contract liabilities[(#)]	**5,672**	4,899
Derivative financial instruments	**677**	109
Amounts due to associates	**1,543**	1,812
Amounts due to joint ventures	**8,310**	10,148
	26,811	28,362

[(#)] These balances represented the excess of cumulative payments made by customers over the cumulative revenue recognised in profit or loss at the end of the reporting period, and were recognised as contract liabilities.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Forward sales deposits received

The Group receives 5% to 15% of the amount of sale consideration as deposits from customers when they sign the sale and purchase agreements relating to property sales. Such deposit is recognised as a contract liability until the property is completed and legally assigned to the customer. The rest of the sale consideration is typically paid when legal assignment is completed.

However, depending on market conditions, the Group may offer to customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the sale consideration early while construction is still ongoing, rather than upon legal assignment. Such advance payment schemes result in contract liabilities being recognised throughout the remaining property construction period for the full amount of the sale consideration.

13 Trade and other payables (continued)

Movements in contract liabilities

	Forward sales deposits received and other contract liabilities	
	2024	*2023*
	HK$ million	HK$ million
At 1 January	**4,899**	3,909
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(3,302)**	(2,876)
Increase in contract liabilities as a result of forward sales deposits received from customers during the year in relation to property projects held for/under development and completed property projects pending assignment/completion, and other contract liabilities in relation to provision of services at the end of the year	**4,075**	3,866
At 31 December	**5,672**	4,899

(a) All of the Group's trade and other payables are expected to be settled within one year or are repayable on demand except for an amount of HK$1,253 million (2023: HK$1,281 million) which is expected to be settled after more than one year from the end of the reporting period.

(b) At the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the due dates for settlement, is as follows:

	2024	*2023*
	HK$ million	HK$ million
Due within 1 month or on demand	**1,574**	1,384
Due after 1 month but within 3 months	**631**	645
Due after 3 months but within 6 months	**260**	277
Due after 6 months	**2,719**	1,733
	5,184	4,039

(c) The amounts due to associates and joint ventures at 31 December 2024 and 31 December 2023 are unsecured, interest-free and have no fixed terms of repayment except for aggregate amounts due to certain associates and certain joint ventures of HK$1,082 million (2023: HK$2,503 million) which are unsecured, interest-bearing at interest rates ranging from 2.45% to 2.80% and 20% below the RMB Loan Prime Rate (2023: ranging from 2.80% to 3.80% and RMB Loan Prime Rate minus 0.2%) per annum and wholly repayable between 28 January 2025 and 19 December 2025 (2023: between 29 January 2024 and 27 November 2024).

14 Non-adjusting events after the reporting period

(a) After the end of the reporting period, the Directors proposed a final dividend. Further details are disclosed in note 8.

(b) On 15 January 2025, a wholly-owned subsidiary of the Group (as the Vendor) together with the Company as the Vendor's guarantor entered into a conditional agreement with a wholly-owned subsidiary of Miramar Hotel and Investment Company Limited ("Miramar"), a 50.0753% owned subsidiary of the Group (as the Purchaser) pursuant to which the Purchaser has agreed conditionally to acquire from the Vendor the entire issued share capital and the shareholder's loan of the Vendor's wholly-owned subsidiary who, through its indirect wholly-owned subsidiary (the "Subsidiary"), owns a land lot and the property erected thereon known as "Champagne Court (香檳大廈)" (the "Property") at No. 16 Kimberley Road, Kowloon, Hong Kong, for a total consideration of HK$3,120 million (subject to adjustments), which is conditional upon (i) the approval of the transaction by Miramar's independent shareholders; and (ii) the Purchaser being satisfied with the Subsidiary's good title to the Property.

The Vendor will procure the completion of the proposed redevelopment of the Property into a new hotel cum commercial complex ("New Hotel"). The Vendor shall deliver vacant possession of the New Hotel to the Purchaser on or before the latest handover date, being the expiry of 48 months after the issuance of the written acknowledgement by the Building Authority of Hong Kong of completion of demolition works in respect of the existing building (subject to unforeseeable extension of time due to certain events beyond the Vendor's control).

15 Review of results

The financial results for the year ended 31 December 2024 have been reviewed with no disagreement by the Audit Committee of the Company.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by KPMG on this announcement.

FINANCIAL REVIEW

Results of operations

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

Revenue and profit

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

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

Note:

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

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

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

Discussions on the major reportable segments are set out below.

Property development

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

Gross revenue - subsidiaries and by geographical contribution

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

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

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

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

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

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

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

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

(vi) HK$884 million from “Baker Circle · Dover” in Hung Hom, Kowloon;

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

(viii) HK$297 million from “Aquila · Square Mile” in Mong Kok, Kowloon; and

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

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

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

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

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

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

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

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

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

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

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

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

Property leasing

Gross revenue – subsidiaries and by geographical contribution

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

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

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

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

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

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

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

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

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

Department stores and supermarket-cum-stores operations

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

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

Hotel room operation

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

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

Other businesses

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

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

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

and

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

Associates

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

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

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

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

Joint ventures

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

Finance costs

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

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

Revaluation of investment properties and investment properties under development

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

Financial resources and liquidity

Medium Term Note Programme

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

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

Maturity profile and interest cover

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

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

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

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

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

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

The interest cover of the Group is calculated as follows:

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

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

Treasury and financial management

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

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

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

Material acquisitions and disposals

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

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

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

Resumption of certain land lots by the HKSAR Government

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

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

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

Non-adjusting event after the reporting period

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

The Vendor will procure the completion of the proposed redevelopment of the Property into a new hotel cum commercial complex ("New Hotel"). The Vendor shall deliver vacant possession of the New Hotel to the Purchaser on or before the latest handover date, being the expiry of 48 months after the issuance of the written acknowledgement by the Building Authority of Hong Kong of completion of demolition works in respect of the existing building (subject to unforeseeable extension of time due to certain events beyond the Vendor's control).

Charge on assets

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

Capital commitments

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

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

Contingent liabilities

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

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

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

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

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

Employees and remuneration policy

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

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

OTHER INFORMATION

Closure of Register of Members

1. Book Close for determining the entitlement to attend and vote at the annual general meeting

   The Register of Members of the Company will be closed from Thursday, 29 May 2025 to Tuesday, 3 June 2025, both days inclusive, during which period no transfer of shares will be registered, for the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting. In order to be entitled for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 28 May 2025.

2. Book Close for determining the qualification for the proposed final dividend

   The Register of Members of the Company will be closed from Monday, 9 June 2025 to Wednesday, 11 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at the above address not later than 4:30 p.m. on Friday, 6 June 2025.

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

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

Audit Committee

The Audit Committee met in March 2025 and reviewed the systems of internal control, risk management and compliance, and the annual report for the year ended 31 December 2024.

Corporate Governance

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

Model Code for Securities Transactions by Directors

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

Forward-Looking Statements

This announcement contains certain statements that are forward looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

On behalf of the Board

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

Hong Kong, 20 March 2025

As at the date of this announcement, the Board comprises: (1) executive directors: Lee Ka Kit (Chairman and Managing Director), Lee Ka Shing (Chairman and Managing Director), Lam Ko Yin, Colin (Vice Chairman), Yip Ying Chee, John, Fung Lee Woon King, Kwok Ping Ho, Suen Kwok Lam, Wong Ho Ming, Augustine and Fung Hau Chung, Andrew; (2) non-executive director: Lee Pui Ling, Angelina; and (3) independent non-executive directors: Kwong Che Keung, Gordon, Ko Ping Keung, Wu King Cheong, Woo Ka Biu, Jackson, Poon Chung Kwong and Au Siu Kee, Alexander.