

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Stock Code: 0017)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2025

The board of directors of New World Development Company Limited (新世界發展有限公司) (the “Company”) hereby announces the audited results of the Company and its subsidiaries for the year ended 30 June 2025. This announcement, containing the full text of the Annual Report 2025 of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcement of annual results.

By Order of the Board

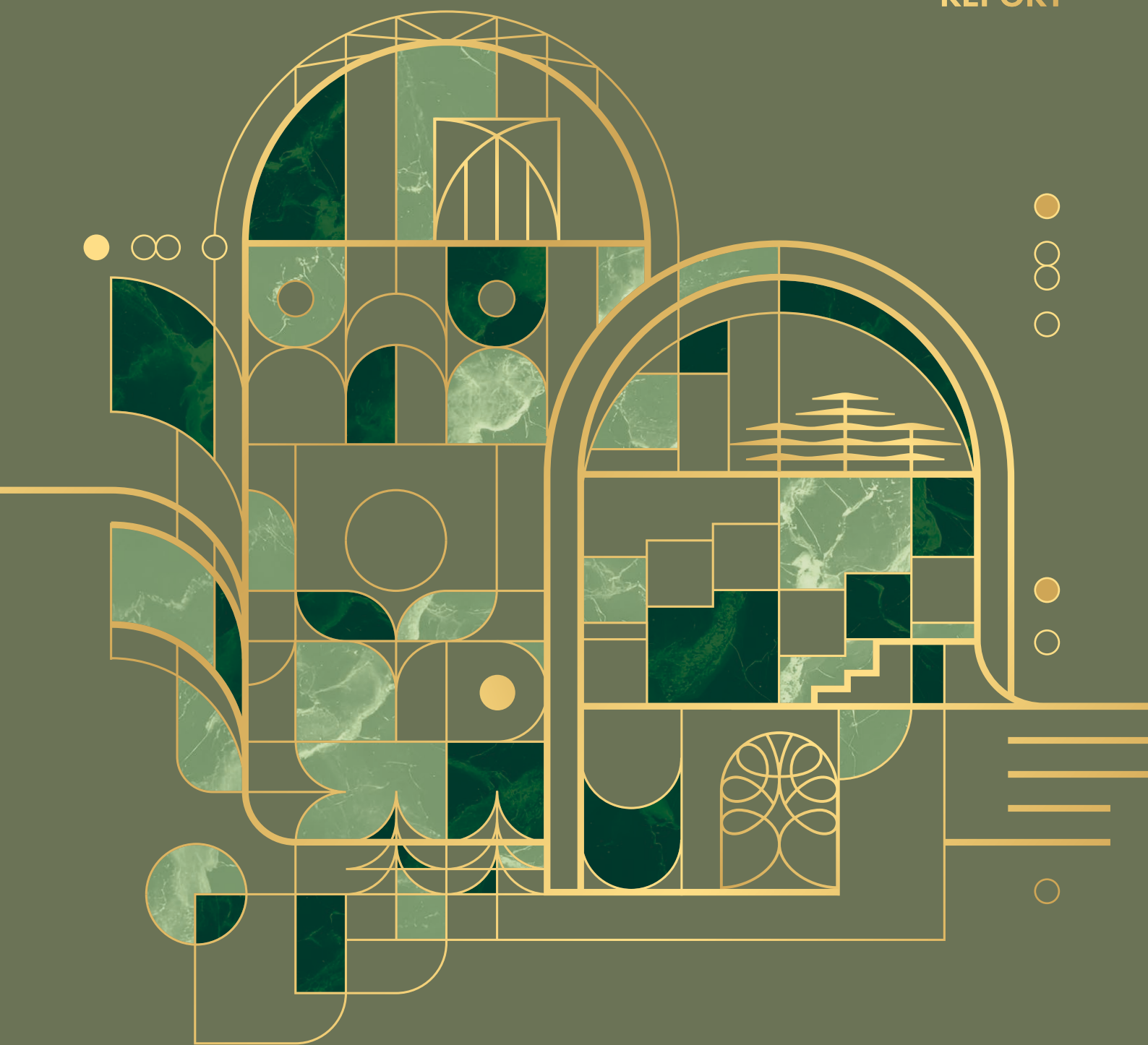
Lau Fu-Keung Hui Ka-Wai

Joint Company Secretaries

Hong Kong, 26 September 2025

As at the date of this announcement, the board of directors of the Company comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Ms. Huang Shaomei, Echo, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Chiu Wai-Han, Jenny, Mr. Ho Gilbert Chi-Hang and Mr. Lau Fu-Keung; (b) four non-executive directors, namely, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng and Mr. Cheng Chi-Ming, Brian; and (c) six independent non-executive directors, namely Mr. Lee Luen-Wai, John, Mr. Ip Yuk-Keung, Albert, Mr. Chan Johnson Ow, Mrs. Law Fan Chiu-Fun, Fanny, Ms. Lo Wing-Sze, Anthea and Ms. Wong Yeung-Fong, Fonia.

2025 ANNUAL REPORT



New World Development Company Limited

(Stock Code: 0017)

Content

2	Corporate Structure
3	Financial Highlights
4	Chairman's Statement
6	CEO's Report
28	Major Property Projects in Hong Kong
30	Major Property Projects in Mainland China
32	Directors' Profile
46	Corporate Sustainability
102	Corporate Governance Report
140	Investor Relations
142	Corporate Information
143	Report of the Directors
164	Management Discussion and Analysis
170	Independent Auditor's Report
176	Consolidated Income Statement
177	Consolidated Statement of Comprehensive Income
178	Consolidated Statement of Financial Position
180	Consolidated Statement of Changes in Equity
182	Consolidated Statement of Cash Flows
184	Notes to the Financial Statements
276	Five-year Financial Summary
278	Project Summary
294	Glossary of Terms

Disclaimer

The photographs, images, drawings or sketches shown in this annual report represent an artist's impression of the development concerned only. They are not drawn to scale and/or may have been edited and processed with computerised imaging techniques. Prospective purchasers should make reference to the sales brochure for details of the development. The vendor also advises prospective purchasers to conduct an on-site visit for a better understanding of the development site, its surrounding environment and the public facilities nearby.

All parties engaged in the production of this annual report have made their best efforts to ensure the highest accuracy of all information, photographs, images, drawings or sketches herein contained as to the printing of this annual report and to minimise the existence of clerical errors. Readers are invited to make enquiries to sales personnel or consult relevant professionals for verification of doubts or particulars of specific items.

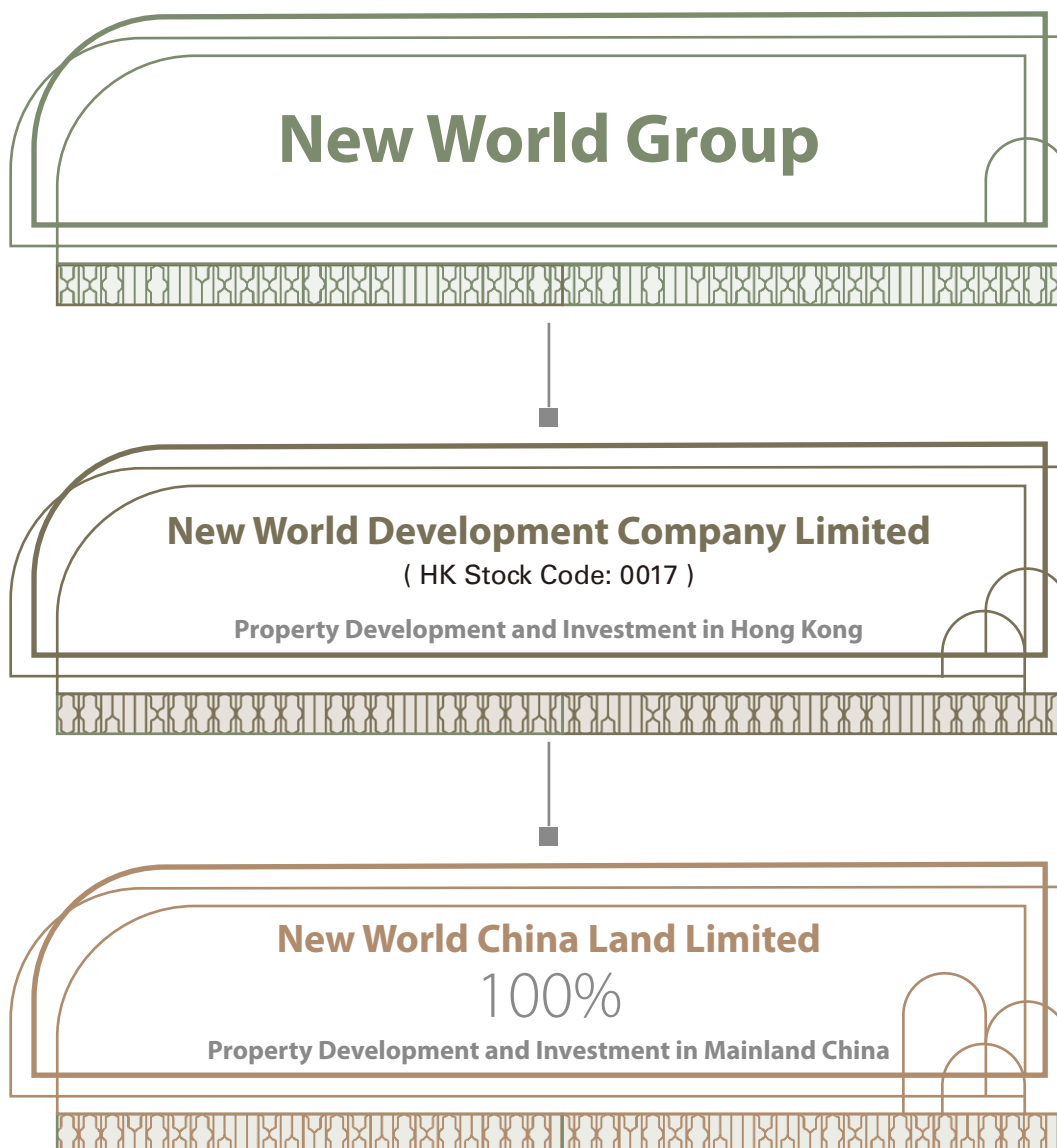
If there is any inconsistency or conflict between the English and the Chinese versions, the English version shall prevail.







Corporate Structure



Financial Highlights

	FY2025 HK\$m	FY2024 HK\$m
Revenues	27,680.5	35,782.2
Segment results ⁽¹⁾	7,070.4	7,375.5
Core operating profit	6,016.5	6,897.8
Dividend per share (HK\$)		
Interim	–	0.20
Final	–	–
	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Total assets	420,265.0	445,157.6
Cash and bank balances (including restricted bank balances)	25,856.8	27,990.1
Undrawn facilities from banks	19,157.5	18,280.0
Consolidated net debt ⁽²⁾	120,113.3	123,657.1
Net gearing ratio ⁽³⁾	58.1%	55.0%

RESULTS HIGHLIGHTS

- The Group's revenues recorded a year-on-year decrease of 23% to HK\$27,681 million due to decrease of the revenue from construction business as a result of several legacy projects approaching completion, less bookings from property development in Mainland China and loss of revenue from disposed businesses
- Gross profit recorded a year-on-year decrease of 10% to HK\$11,626 million
- Core operating profit was HK\$6,016 million, decreased by 13% year-on-year
- Loss attributable to shareholders from continuing operations was HK\$16,302 million, mainly due to one-off impairment provisions and losses.
- Continuous stringent cost control over general administrative and other operating expenses resulted in a year-on-year decrease of 16%
- Revenues of property development in Hong Kong amounted to HK\$2,696 million, and the segment results was HK\$877 million
- Revenues of property development in Mainland China amounted to HK\$12,344 million, and the segment results was HK\$4,703 million
- Revenues of property investment in Hong Kong was HK\$3,234 million, and the segment results was HK\$2,401 million
- Revenues of property investment in Mainland China was HK\$1,821 million, and the segment results was HK\$843 million
- The Group's total contracted sales from property development projects and asset disposals amounted to approximately HK\$26 billion.
- The Group's attributable contracted sales in Hong Kong amounted to approximately HK\$11 billion, mainly contributed by residential projects including Deep Water Pavilia, The Pavilia Forest, State Pavilia, as well as office project 888 Lai Chi Kok Road, and several asset disposals
- The Group's overall contracted sales in Mainland China amounted to approximately RMB14 billion, with the Southern Region led by the Greater Bay Area being the largest contributor, accounting for approximately 52%
- Capital expenditure (CAPEX) amounted to HK\$12.6 billion, representing a year-on-year decrease of 15% as a result of the Group's continuous stringent control over CAPEX.
- Total capital resources amounted to approximately HK\$45.0 billion, including cash and bank balances of approximately HK\$25.9 billion and undrawn facilities from banks of approximately HK\$19.2 billion
- Total debt amounted to approximately HK\$146.1 billion, a reduction of approximately HK\$5.7 billion during FY2025. Net debt amounted to approximately HK\$120.1 billion, a reduction of approximately HK\$3.5 billion during FY2025
- Short term debt amounted to approximately HK\$6.6 billion, a reduction of approximately HK\$35 billion during FY2025
- On 30 June 2025, the Group completed a loan refinancing facility and alignment of approximately HK\$88.2 billion
- The Board has resolved not to declare a final dividend for the year ended 30 June 2025. No dividend was declared for the year

Remarks:

- (1) Include share of results of joint ventures and associated companies, but exclude changes in fair value of investment properties
- (2) The aggregate of bank loans, other loans, fixed rate bonds and notes payable less cash and bank balances (including restricted cash balances)
- (3) Net debt divided by total equity

Chairman's Statement

Time races forward, and we have journeyed together once again. Over the past year, the market conditions have been complex and volatile, with challenges emerging at every turn. Whether it was the dynamic changes in consumer demand or the intensifying industry competition, these constant changes continuously tested our adaptability and business acumen, requiring careful consideration with every step forward. Amid the turbulence, we have consistently upheld the tenacious spirit of perseverance exemplified by the Lion Rock, standing united to navigate the storms and sail forward. In June 2025, New World successfully completed a refinancing of HK\$88.2 billion. As we navigate this period, we extend our heartfelt gratitude to our partner banks for their tremendous support and profound trust. We also extend our sincerest appreciation to every colleague who has worked tirelessly – you are the key force that enables us to weather the storms. New World will hold this gratitude close to its heart.



DEAR SHAREHOLDERS,

Time races forward, and we have journeyed together once again. Over the past year, the market conditions have been complex and volatile, with challenges emerging at every turn. Whether it was the dynamic changes in consumer demand or the intensifying industry competition, these constant changes continuously tested our adaptability and business acumen, requiring careful consideration with every step forward. Amid the turbulence, we have consistently upheld the tenacious spirit of perseverance exemplified by the Lion Rock, standing united to navigate the storms and sail forward. In June 2025, New World successfully completed a refinancing of HK\$88.2 billion. As we navigate this period, we extend our heartfelt gratitude to our partner banks for their tremendous support and profound trust. We also extend our sincerest appreciation to every colleague who has worked tirelessly – you are the key force that enables us to weather the storms. New World will hold this gratitude close to its heart.

The tides of change are beyond one's control, so how should we navigate the currents? In the face of complexity and constant change, resilience has become New World's solid foundation, enabling us to withstand turbulence and transcend cycles. With strategic resolve, we determine our direction, gather strength in the face of adversity, and adapt flexibly to overcome hurdles, always maintaining the vitality to evolve with the times.

High-quality residential properties are the perfect embodiment of New World's resilient DNA. We uncompromisingly pursue excellence, maintaining consistently high standards amid a constantly evolving market, and continuously innovating to meet ever-rising expectations. Regardless of market fluctuations,

we have earned market recognition by building high-quality residences with outstanding design, exquisite craftsmanship and thoughtful details. From the Pavilia series in Hong Kong to benchmark projects in the Greater Bay Area, our high-quality products have successfully established a distinct brand identity through forward-looking site selection, aesthetic innovation and sustainability features. This has reinforced our robust reputation in the market, affirming the market principle that "exceptional products are always scarce".

In an era fraught with challenges and uncertainties, New World has remained committed to its core objective of pursuing high-quality development. By continuously enhancing both product excellence and brand value, the Group boasts a series of landmark urban developments. From the international waterfront retail landmark K11 MUSEA in Hong Kong to the latest masterpieces such as K11 ECOAST in Shenzhen's Prince Bay and K11 ELYSEA in Shanghai, each project embodies a profound understanding of the urban pulse. They are designed with the promise of resilience, supporting businesses through industry cycles and market fluctuations.

As we set sail on this new journey, we thank you all once again for standing with New World through thick and thin. Going forward, we will advance with unwavering conviction and determined effort to continuously create long-term value for society, shareholders, and stakeholders.

Dr Cheng Kar-Shun, Henry

Chairman

Hong Kong, China, 26 September 2025

CEO's Report

BUSINESS REVIEW

Hong Kong Property Development, Property Investment and Others

During the financial year ended 30 June 2025, Hong Kong's residential property market showed early signs of recovery, supported by the sustained impact of the removal of property cooling measures in early 2024, ongoing proactive initiatives by the Hong Kong government, and a broadly anticipated interest rate reduction cycle.

The apparent commencement of the interest rate reduction cycle supported a gradual pickup in developers' pace of project launches, while a more attractive mortgage lending environment significantly lowered financing cost for homebuyers and investors. Notably, from May to August 2025, the one-month HIBOR reached its lowest level since September 2022. This, combined with the trend of increasing rents, has led to increasing positive carry of property purchase that encouraged both homebuyers and investors to re-enter the market.

The Hong Kong Government's efforts to attract global talent and families, such as the Top Talent Pass Scheme (TTPS) and the Quality Migrant Admission Scheme (QMAS) also contributed to a rise in housing demand, benefitting both property rental and sales markets. According to public data from the Land Registry, the total number of sale and purchase agreements (SPAs) signed for residential properties rose by 22% year-on-year, from 44,556 during the period from July 2023 to June 2024, to 54,270 during the period from July 2024 to June 2025. Total consideration of SPAs for residential building units also grew by 14% year-on-year, from approximately HK\$389 billion to HK\$442 billion. These figures suggest renewed buyers' confidence and an improved overall market sentiment during this period.



During the year under review, the Group's revenues and segment results of property development in Hong Kong were HK\$2,696 million and HK\$877 million, respectively. The major contributions were attributed by Mount Pavilia, Uptown East, Fleur Pavilia and 888 Lai Chi Kok Road.

During the year under review, the Group achieved attributable contracted sales in Hong Kong of approximately HK\$11 billion, mainly contributed by residential projects including Deep Water Pavilia, The Pavilia Forest, State Pavilia and 888 Lai Chi Kok Road, and several asset disposals.



The Group has completed several asset disposals including ARTISAN HUB and ARTISAN LAB in San Po Kong, as well as the Group's equity interests in Kai Tak Sports Park Limited during the first half of FY2025. Nevertheless, the progress of asset disposals during the second half of FY2025 has been delayed as a result of the ongoing refinancing discussions.

The Group's "PAVILIA COLLECTION" has established itself as a benchmark for luxury living, distinguished by its refined design and elevated stature. Capitalising on the Group's premium branding, effective sales strategy and practical innovations, several projects under the "PAVILIA COLLECTION" achieved multiple record-breaking milestones over the past year, and contributed to the improved sentiment of the Hong Kong property market. "DEEP WATER PAVILIA", an ultra-luxury

residential project in Island South, was co-developed by New World Development, Empire Group, CSI Properties, Lai Sun Development and MTR Corporation. As of 30 June 2025, the project has sold approximately 350 units and achieved gross contracted sales of approximately HK\$6.3 billion, with the highest transaction price nearing HK\$50,000 per square foot. Among its homebuyers, approximately half were from Hong Kong focusing on luxury property projects. It also attracted overseas homebuyers, including those from Singapore, Japan, and South Korea. As of 15 September 2025, "DEEP WATER PAVILIA" has achieved total gross contracted sales of approximately HK\$10.5 billion, with 614 units sold. This outstanding performance has established the development as the top-selling new project in Hong Kong for 2025 year-to-date based on the gross contracted sales.

Two other residential projects under the “PAVILIA COLLECTION” also performed strongly. “THE PAVILIA FOREST”, a luxury residential landmark surrounded by water on three sides in the prime Kai Tak runway area and jointly developed by the Group and Far East Consortium, was well received by both investors and expatriate buyers. It recorded the highest gross contracted sales among all the presale residential projects in the Kai Tak runway area, underscoring its strong market appeal. As at 30 June 2025, the project has sold approximately 590 units and achieved gross contracted sales of approximately HK\$4 billion, with the highest transaction price close to HK\$25,500 per square foot.

“STATE PAVILIA,” a large-scale heritage residence in the heart of Hong Kong Island, continued to attract strong interest from renowned and high-spending investors, as evidenced by the project achieving three notable records at launch in 2025. Firstly, it secured the highest unit price for first-hand residential properties on Hong Kong Island, at a record-breaking price of HK\$51,000 per sq ft. Additionally, it recorded the highest number of registrations of intent among all first-hand residential projects on Hong Kong Island and Kowloon

with an oversubscription of 95 times. Furthermore, it became the first development to sell out all units during its initial sales launch in 2025. These achievements underscore the strong confidence and trust buyers place in the Group’s brand and offerings. As at 30 June 2025, the project has sold approximately 330 units, achieving gross contracted sales of approximately HK\$3.6 billion.

In addition to residential projects, the Group’s office projects in West Kowloon were also well received by the market, as evidenced by growing number of enquiries from prospective buyers and tenants. The gross contracted sales of 888 Lai Chi Kok Road reached approximately HK\$1.3 billion in FY2025. Notable tenants and buyers include Franck Muller, HKU SPACE and Nanyang Commercial Bank.

Leveraging the Group’s effective sales strategies, 83 Wing Hong Street, an office project jointly developed by the Group and Ares SSG Capital Management Limited (Ares SSG) in the area, continued to attract both end-users and investors. The total recorded gross contracted sale for this project amounts to HK\$471.2 million as of 29 August 2025, of which 49% are attributable to the Group.





As of 30 June 2025, among the unrecognised attributable income of the Group from contracted sales of properties in Hong Kong, HK\$16,825 million would be booked in FY2026 and FY2027. Key projects expected to be booked in FY2026 and FY2027 include The Pavilia Farm III, Deep Water Pavilia, State Pavilia, Mount Pavilia and The Pavilia Forest.

The Hong Kong retail sector continued to face headwinds during the year under review. Persistent shifts in consumption patterns among residents and tourists, the growing trend of northbound spending by Hong Kong residents, and a strong Hong Kong dollar collectively weighed on overall retail performance. While the Hong Kong Government has introduced various initiatives to attract tourists and stimulate retail spending, the impact of these measures will likely take time to materialise.

Amid these challenges, both local consumers and inbound tourists have continued to show strong interest in mega events and thematic experiences, which remained key drivers of footfall and engagement across retail destinations. This reflects a sustained appreciation for experiential elements in enhancing consumer engagement and the appeal of retail destinations.

The Group remained proactive, hosting a series of large-scale cultural and art events to draw visitors. These efforts successfully attracted international brands and boosted customer traffic, driving both footfall and leasing activities across the Group's malls.

During the year under review, the Group's revenues and segment results from property investment in Hong Kong amounted to HK\$3,234 million and HK\$2,401 million, respectively. K11, leveraging its strategic location, unique positioning and strong foot traffic, continued to attract major international brands and strategic retailers, enabling further optimisation of the tenant mix at K11 MUSEA and K11 Art Mall.

K11 MUSEA, a luxury and premium lifestyle retail destination under the Group, continues to cement its status as the premier destination for world-class mega events and exhibitions. As of 30 June 2025, K11 MUSEA achieved 96% occupancy, and during the year under review, the mall's footfall increased by 2% year-on-year, reaching a record high since its opening in 2019.



In July and August 2024, the “100% DORAEMON & FRIENDS” tour, presented by creative brand AllRightsReserved (ARR) and Fujiko Pro, made its global debut at K11 MUSEA. The exhibition featured the world’s tallest Doraemon inflatable sculpture standing at 12 metres, alongside more than 30 life-sized Doraemon sculptures that delighted visitors of all ages. This event drove record-breaking single-day traffic and recorded 10% increase in tourist sales. Other signature events, such as the return of Dior’s majestic 12-metre Christmas Tree accompanied by the exquisite Café Dior and Pop-up Boutique, Block Party by the Sea and Fragrance Museum also drew large crowds to the mall throughout the campaign period.

In the summer of 2025, the Asian debut of CR7® LIFE Museum Hong Kong Museum attracted numerous football fans, while the large-scale CHIKAWA exhibition, featuring Japan’s beloved anime character drew large crowds and extensive media coverage, both contributing to K11 MUSEA’s continued robust footfall and sales performance.

During the year under review, the tenant mix of K11 MUSEA was further optimised. Notable openings or upgrades included Loewe’s store upgrade debuting

the new store design concept in Hong Kong, Saint Laurent’s expansion of a flagship duplex, and Rolex’s inaugural concept store. Upcoming launches include Audemars Piguet (AP) expanded AP House, Van Cleef & Arpels (VCA)’s duplex store and Prada which is newly introduced to K11 MUSEA. Popular sportswear brands are also expanding their presences at K11 MUSEA, with Lululemon’s expansion and Hong Kong’s largest ON store scheduled to open in late 2025.

K11 Art Mall continued to capture the attention of the Gen-Z market. During the year under review, the mall achieved record-high footfall since its opening in 2009, while maintaining a 100% overall occupancy rate. This serves as an impressive testament to its unique market positioning and growth potential.

K11 Art Mall has also capitalised on business opportunities brought by the “Goods Economy” in recent years by actively introducing anime and collectible toy brands tenants, successfully building a strong young and loyal consumer base. Notable additions include collectible toy giant POP MART, card and anime stationery manufacturer KAYOU, Toys”R”Us’s first “Lifestyle & Playful” concept store in Asia targeting kidults, trading card and collectible brand HobbyX Plus,



and Hong Kong's largest card and magic flagship store, Gabangel. The "Goods Economy" has significantly boosted sales performance for merchants in this sector, with K11 Art Mall's anime and collectible toy brands achieving a year-on-year sales surge of over 65%. Major sports and fashion brands also recorded about 40% year-on-year sales growth. A notable addition during the year was the famous sports brand Wilson, which launched its first store in Hong Kong at K11 Art Mall.

During the year under review, the Hong Kong office sector continued to face challenges due to oversupply and sluggish demand, putting pressure on both occupancy and rental rates. Many tenants considered moving out of traditional business districts in order to cut costs. Nevertheless, owing to the Group's office properties' prime locations, premium positioning, comprehensive facilities and high-quality property management services, leasing inquiries and activities remained at satisfactory levels and outperformed general market averages.

As of 30 June 2025, K11 ATELIER Victoria Dockside and K11 ATELIER King's Road recorded impressive occupancy of 99% and 95% respectively. According to data published by Colliers, the average office vacancy rates in the second quarter of 2025 were 12% for Tsim Sha Tsui district, and 15% for Island East district.

Other office properties remained resilient during the period. 83 King Lam Street, completed in March 2024, is the first twin-tower Grade-A office building in the district and has quickly become a new landmark in the area. The property's occupancy rate has been steadily increasing during the year under review, rising from 40% as of 31 December 2024 to 50% as of 30 June 2025, and achieving a committed rate of 63% as of 29 August 2025. The project has also attracted a diverse tenant mix, including Ralph Lauren, Sushiro, Delsey Paris, Lush, Pepsi and LOJEL. The Group's other key office properties also delivered satisfactory performance, with New World Tower and Manning House recording occupancy rates of 83% and 94% respectively as of 30 June 2025.



Hong Kong Landbank

As of 30 June 2025, the Group had a landbank with a total attributable GFA of approximately 7.14 million square feet in Hong Kong available for immediate development, of which approximately 3.38 million square feet was for property development use.

In the latest 2025 Policy Address, the Hong Kong Government has reaffirmed the Northern Metropolis as the new engine for Hong Kong's economic development. Serving as the city's strategic development area bordering Shenzhen, the Northern Metropolis covers a land area and planned population intake accounting for about one-third of Hong Kong's total. It represents a substantial source of economic value and development potential, creating many jobs and boosting productivity. The Government also demonstrated strong determination to accelerate the development of Northern Metropolis by establishing the Committee on Development of the Northern Metropolis chaired by the Chief Executive, easing restrictions to streamline the administrative workflows, and introducing dedicated legislation to empower the Government to devise simplified statutory procedures for expediting implementation. These policy support is expected to enhance the development momentum of the Northern Metropolis, where the Group is well-positioned to capture emerging opportunities.

The Group held an agricultural landbank with a total attributable land area of approximately 15 million square feet pending land use conversion in the New Territories, of which approximately 12 million square feet are within the Northern Metropolis. The successful conversion of these agricultural land resources would serve as a key strategy for the Group to effectively lower its average land cost and capital expenditure, while unlocking long-term value of the agricultural land.

To complement the government's planning and development of the Northern Metropolis, the Group has entered into co-operation agreements with several state-owned enterprises (SOEs) since late 2023. These include a strategic co-operation with China Resources Land Limited (CR Land) for the Lung Tin Tsuen (Yuen Long South) project signed in December 2023, a joint collaboration with China Merchants Shekou Industrial Zone Holdings Co., Ltd. (China Merchants Shekou) for

the Ma Sik Road project initiated in May 2024, and a strategic partnership agreement signed with Shum Yip Group Limited (Shum Yip Group) in the same month to jointly explore and develop the Innovation & Technology Zone and other real estate projects in the Northern Metropolis. In addition, the Group signed a letter of intent led by the Hong Kong government in late 2024 to jointly develop the Northern Metropolis alongside other industry leaders, including China Overseas Development, and China Railway Construction (Hong Kong).

The Group has made notable progress on these projects during the year under review. For the Ma Sik Road project jointly developed by the Group and China Merchants Shekou, further to the building plans approval in May 2024, land premium payment procedure was completed in December 2024 at a land premium of HK\$1,627 per square foot, which is 35% lower than comparable land exchanges in 2024. The construction began in March 2025. The project spans a GFA of over 1.1 million square feet, providing approximately 2,300 residential units and featuring the largest shopping mall in the area, set to inject fresh vitality into the Northern Metropolis development.

Similarly, the Lung Tin Tsuen project, developed in partnership with CR Land, had its building plans approved in June 2024. The land exchange process of phase 4 of Lung Tin Tsuen is expected to be completed by end of 2025 at a land premium of approximately HK\$1,600 per square foot, approximately 30% lower than comparable cases. The construction is set to begin within 2025 with presale as early as in FY2027. Located within the High-end Professional Service and Logistics Hub of the Northern Metropolis, the project is strategically positioned near the mature Yuen Long Town Centre which is conveniently connected to Mainland. The development will benefit from the enhanced integration with the Greater Bay Area, supporting the Government's vision of transforming the Zone into a modern service centre for financial and professional services, advanced logistics, and cross-boundary commerce.

These encouraging results demonstrated the Group's ability to convert agricultural land resource in a cost-effective manner, paving way for long term value creation. The Group's converted and planned agricultural



land conversions are expected to provide approximately 11.9 million square feet of GFA, with around 8.7 million square feet of GFA being short-to-medium-term projects (including those converted projects), and the remaining 3.2 million square feet GFA being long-term development projects.

The Group expects to complete the land premium process for several projects within the next 1 to 2 years, which includes Phases 2 of Lung Tin Tsuen, which is developed in partnership with China Resources Land, and besides that, there are also Phase 5 of Lung Tin Tsuen and Lam Hau Tsuen in Yuen Long and Sha Ha in Sai Kung. These projects are expected to provide approximately 2 million square feet of GFA.

Medium term wise, the Group expects to expand its land bank by approximately 6.2 million square feet over the next 3 to 5 years through planning and land exchange applications. Key sites include Tong Yan San Tsuen, Wing Kei Tsuen, Wing Ning Tsuen and Shap Pat Heung Road.

Notably, the planning application for Shap Pat Heung Road in Yuen Long was approved by Town Planning Board in January 2025. The proposed statutory plan amendment for rezoning to residential for Wing Ning Tsuen, located in Yuen Long was agreed by Town Planning Board in September 2025 for onward plan gazettal.

In the longer term, major planned projects such as Lin Barn Tsuen, Ngau Tam Mei, and Lau Fau Shan are expected to provide approximately 3.2 million square feet of GFA. Specifically, the Group's landholdings in Lau Fau Shan, strategically located near the Deep Bay Road and the proposed Lau Fau Shan Station of the planned Hong Kong – Shenzhen Western Rail Link, are positioned to benefit from the improved connectivity and ongoing development in the area, reinforcing the Group's strategic positioning in the Northern Metropolis.

The Group will continue to expedite agricultural land conversion to unlock value and replenish its landbank, aligning with government development policies to meet housing demand.

Landbank by District

	Property Development Total Attributable GFA (sq ft'000)	Property Investment and Others Total Attributable GFA (sq ft'000)	Total Attributable GFA (sq ft'000)
As of 30 June 2025			
Hong Kong Island	665.6	–	665.6
Kowloon	1,089.8	–	1,089.8
New Territories	1,621.0	3,767.4	5,388.4
Total	3,376.4	3,767.4	7,143.8

In addition to the landbank resources outlined above, the Group also holds an inventory of completed JV projects with potential for future revenue and cash flow contributions. These include Uptown East at Kowloon Bay; The Knightsbridge, MIAMI QUAY and Double Coast, all located at the Kai Tak Runway; and The Legacy at Mid-Levels. The GFA of unsold units of above projects attributable to the Group is approximately 478,000 square feet.

Agricultural Landbank by District

	Total Land Area (sq ft'000)	Total Attributable Land Area (sq ft'000)
As of 30 June 2025		
Yuen Long District	11,976	10,968
North District	1,480	1,480
Sha Tin District and Tai Po District	1,869	1,815
Sai Kung District	1,135	964
Total	16,460	15,227

Agricultural Landbank Conversion Status

Site	Status ^{note 5}	Proposed Plot Ratio (Subject to Government Approval)	Attributable GFA (sq ft'000)
I. High-end professional services and logistics hub			
1 Lam Hau Tsuen	Short term	3.5	504
2 Yuen Long Lungtin Tsuen (Phase 2)	Short term	5.0	275
3 Yuen Long Lungtin Tsuen (Phase 4)	Land Exchange to be completed in 2025	5.0	173
4 Yuen Long Lungtin Tsuen (Phase 5) ^{note 1}	Short term	6.5 (Approved by TPB)	397
5 Yuen Long Tai Shu Ha Road East	Short term	4.3	25
6 Tong Yan San Tsuen (Mountain) (Site A)	Medium term	3.6	1,597
7 Tong Yan San Tsuen (Mountain) (Site B)	Medium term	3.6	1,417
8 Wing Ning Tsuen ^{note 2}	Medium term	6.0 (private portion) (Rezone to Residential)	889
9 Tong Yan San Tsuen 4	Medium term	3.6	743
10 Shap Pat Heung Road, Yuen Long ^{note 3}	Medium term	6.0 (Approved by TPB)	240
11 Lau Fau Shan	Long term	3.0	661
II. Innovation and technology zone			
12 Wing Kei Tsuen ^{note 4}	Medium term	0.4 → 1.5 (+275% Approved)	1,051
13 Sha Po North (Phase 2A + 2B)	Medium term	1.2 & 1.7	265
14 Sha Po North (Phase 3)	Long term	1.2	7
15 Lin Barn Tsuen	Long term	1.5	1,418
16 Ngau Tam Mei	Long term	5.0	1,090
III. Boundary commerce and industry zone			
17 Ma Sik Road, Fanling	Land Grant Executed	7.2	336
IV. Miscellaneous			
18 Sha Ha, Sai Kung (Phase 1 + 2)	Short Term	1.5	790

^{note 1} Application for rezoning was approved by TPB on 20 Dec 2024

^{note 2} Proposed statutory plan amendment for rezoning to residential was agreed by TPB on 5 Sep 2025 for onward plan gazettal

^{note 3} Application for rezoning was approved by TPB on 10 Jan 2025

^{note 4} Application for up-zoning was approved by TPB on 10 Nov 2023, near Au Tau Station (Northern Link gazetted in Oct 2023), estimated approximately 2,000 units to be built

^{note 5} Short Term: landbank conversion expected to be completed within 1–2 years, Medium Term: landbank conversion to be expected within 3–5 years, Long Term: landbank conversion to be expected in 5 years or more

Mainland China Property Development, Property Investment and Others

In FY2025, China's real estate market continued to follow the policy direction of "stabilisation of the property market". Since July 2024, the central and local governments have actively introduced various favourable policies to promote gradual market stability. At its meeting on 26 September 2024, the Political Bureau of the Central Committee of the CPC called for measures to put the real estate market back on a "steady and upward trajectory". Local governments have been actively responding to the Central Government's call by introducing various measures, including optimising or removing purchase restrictions, lowering down payment ratios and mortgage interest rates, and optimising price limits. These efforts have gradually led to signs of stabilisation in the real estate market.

Entering the first half of 2025, the Central Government and relevant departments continued to strengthen the stabilisation of the real estate market. At its meeting on 13 June, the State Council proposed constructing "a new model for the development of the real estate market", further optimising existing policies, and enhancing the systematic and effective implementation of policies. Through multiple measures to stabilise expectations, stimulate demand, optimise supply, and

mitigate risks, the real estate market has shown more pronounced signs of stabilisation following its downturn.

During the year under review, leveraging its forward-looking layout, high-quality project positioning, strong brand reputation, and accurate insights into the mid-to high-end market, the Group achieved outstanding results from many of its projects. Multiple projects achieved exceptional sales performance, including THE SILLAGE, Guangzhou New Metropolis • New Metropolis Mansion, Central Park-view, and the PARKSVILLE in Shenyang. The sustained leadership of these projects fully reflects the market's support and recognition of the Group's high-quality projects.

During the 2025 "1 May" golden week, the Group's contracted sales increased by 15% year-on-year, fully demonstrating the appeal of high-quality project and the enduring value of the brand. Guangzhou Central Park-view, a benchmark for luxury properties in Guangzhou, launched the new phase of its residential project, Canton View. It achieved remarkable results in both volume and price. As of the first half of 2025, 19 mansions with a unit price of over RMB200,000 per sq. m. have been sold, ranking first in sales in Guangzhou and second in the country, setting an impressive sales record of nearly RMB2 billion at the commencement of sales.





In addition, the Group has been keenly aware of the “reverse siphon” trend in the Mainland market and actively expanded its customer base in Hong Kong and overseas. By establishing a Greater Bay Area property showroom in Hong Kong, the Group has continued to optimise its marketing strategy to offer diverse, premium choices to Hong Kong and overseas buyers. The Group’s Guangzhou Foshan New World Metropolitan Complex, renowned for its quality, has secured the top position in the Greater Bay Area for three villa sales metrics – transaction area, number of units, and proceeds – for two consecutive years (2024-2025). The project has attracted more than 500 Hong Kong, Macau and foreign families to settle in.

In the northern market, PARKSVILLE in Shenyang continues to lead the market. From January to May 2025, its sales proceeds ranked second in Shenyang and first in Heping District.

The success of these projects not only highlights the strong demand for high-quality housing in the Mainland market, but also reflects the continuous enhancement of the Group’s brand value and product competitiveness. In addition to achieving excellent sales results, the Group delivered a number of key projects during the year under review, including the luxury residential project “CITY GATHER” in Shanghai, “River Opus” in Hangzhou, Guangzhou New Metropolis • New Metropolis Mansion,

etc. This fully demonstrates the Group’s ability to fulfil its commitment to delivering premium quality projects and a better lifestyle.

During the year under review, the Group’s property development revenue in Mainland China totalled HK\$12,344 million, with segment results of HK\$4,703 million. Contributions mainly came from residential projects such as “River Opus” in Hangzhou, Shenyang New World Garden, Guangzhou New World • Canton Bay and Guangzhou New Metropolis • New Metropolis Mansion.

During the year under review, the Group’s total contracted sales of properties in Mainland China amounted to approximately RMB14.0 billion. The contracted sales area was approximately 730,000 sq m, with an average price of residential contracted sales of approximately RMB26,500 per sq. m. In terms of the geographical distribution of contracted sales proceeds, the Southern Region, led by the Greater Bay Area, was the largest contributor, accounting for approximately 52%. Contributions mainly came from the Guangzhou projects, including Canton View of Central Park-view, THE SILLAGE, Guangzhou New Metropolis • New Metropolis Mansion, Guangzhou New World • Canton Bay, Guangzhou New World China Stars Apartment, and PARKSVILLE in Shenyang, as well as commercial projects including Beijing New View Garden Commercial Centre and Ningbo New World.

Contracted Sales by Region

FY2025 Region	Area (‘000 sq. m.)	Proceeds (RMB million)
Southern Region (i.e. the Greater Bay Area)	213.8	7,282
Eastern Region (i.e. the Yangtze River Delta Region)	51.9	930
Central Region	15.4	89
Northern Region	342.7	4,067
North-Eastern Region	102.4	1,666
Total	726.2	14,034

As of 30 June 2025, among the unrecognised gross revenue of the Group from contracted sales of properties in Mainland China, RMB3.14 billion would be booked in FY2026 and FY2027.

During the year under review, the total GFA of the Group's completed projects in Mainland China (excluding car parks) was approximately 805,000 sq. m., most of which was located in the Greater Bay Area. The total GFA of the Group's completed projects in Mainland China (excluding car parks) is expected to reach approximately 391,000 sq. m. in FY2026.

FY2025 Project Completion in Mainland China – Property Development

Region	Project/Total GFA (sq. m.)	Residential	Commercial	Total (excluding carparks)	Total (including carparks)
Guangzhou	Guangzhou New Metropolis • New Metropolis Mansion	145,614	–	145,614	260,721
	Park Paradise District 3 Phase 3	–	–	–	12,133
	Guangzhou Zengcheng Stars Apartment	35,414	–	35,414	75,584
Huizhou	Changhuyuan Phase 4	17,349	1,177	18,526	18,526
Yiyang	Yiyang Scenic Heights Phase I Project D4-D7	63,486	2,414	65,900	87,154
	Total	261,863	3,591	265,454	454,118

FY2025 Project Completion in Mainland China – Property Investment and Others

Region	Project/Total GFA (sq. m.)	Commercial	Office	Total (excluding carparks)	Total (including carparks)
Guangzhou	Guangzhou New Metropolis	86,530	48,374	134,904	134,904
	Guangzhou Panyu International School Project Phase 4	47,909	–	47,909	47,909
Ningbo	Ningbo New World Project Phase 3	83,656	45,617	129,273	138,525
Shenzhen	K11 ECOAST Art And Cultural District by the Sea	202,890	24,819	227,709	356,111
Total		420,985	118,810	539,795	677,449

FY2026 Project Completion Plan in Mainland China – Property Development

Region	Project/Total GFA (sq. m.)	Residential	Commercial	Total (excluding carparks)	Total (including carparks)
Guangzhou	Guangzhou Covent Garden	70,737	–	70,737	116,828
	Guangzhou Zengcheng Stars Apartment	–	2,050	2,050	2,050
Hangzhou	Hangzhou Wangjiang New Town Project Phase 2	–	52,653	52,653	52,653
Shanghai	Shanghai City Gather Project	79,001	–	79,001	79,001
Total		149,738	54,703	204,441	250,532

FY2026 Project Completion in Mainland China – Property Investment and Others

Region	Project/Total GFA (sq. m.)	Commercial	Office	Apartment	Hotel	Total (excluding carparks)	Total (including carparks)
Hangzhou	Hangzhou Wangjiang New Town Project Phase 2	85,663	48,817	27,012	25,262	186,754	186,754
Total		85,663	48,817	27,012	25,262	186,754	186,754

According to data released by the National Bureau of Statistics, total retail sales of consumer goods reached RMB24,545.8 billion from January to June 2025, up 5% year-on-year. Supported by both policy guidance and supply-side innovation, the consumer market has demonstrated resilience and development potential, and service consumption is gradually becoming a new driving force for economic growth. Consumer demand is also transforming, shifting from simply having basic necessities to seeking quality, with consumption structure evolving from goods to services. In this context, commercial real estate sector needs to reshape consumption scenarios by adopting experience-driven approaches and fostering emotional resonance, and create consumer engagement points with emotional value through immersive exhibitions and community activities.

During the year under review, the Group's revenue and segment results from property investment in Mainland China amounted to HK\$1,821 million and HK\$843 million, respectively. The overall occupancy rate of major projects in the investment property portfolio remained stable.

The occupancy rate of Shanghai K11 Art Mall reached 94% at the end of June 2025. Its footfall in the second quarter of 2025 increased by 14% year-on-year, mainly driven by exhibitions and activities in B2 atrium. Shanghai K11 continued to implement measures for brand lift and remixing, and maintained its leading position as a cross-border cultural landmark. The brands located on B2 have gradually completed optimisation, achieving growth in both footfall and turnover. Meanwhile, L2 is set to introduce designer brands and concept stores to enhance the trendy and luxury retail attributes of that floor.



Opened on 28 April 2025, the Shenzhen K11 ECOAST Art And Cultural District by the Sea has welcomed over 12 million visitors to date, including a peak of 300,000 on the first day of the Labour Day holiday. During other public holidays such as the Dragon Boat Festival, footfall remained consistently high, making it a new hotspot for cultural tourism in the Greater Bay Area. Boasting a unique and superior seaside location, Shenzhen K11 ECOAST managed to build a "First-Store Economy" and introduced 87 debut stores. Since opening, more than 97 events have been held, including six national or Shenzhen debut exhibitions, as well as the waterfront film festival, music festival, drama festival, animation carnival, and the nation's first SpongeBob-theme event, continuously attract visitors. Since its launch, 60 brands from diverse sectors, including fashion, retail, beauty, and catering, have entered Shenzhen K11 ECOAST, which has not only optimised the tenant mix of the project, but also created more enriching experiences for customers.

Wuhan Hankou K11 Art Mall further optimised its business mix during the year under review. It is striving to diversify its business portfolio, encompassing the night economy, trendy lifestyles and pet-friendly offerings, aiming to capture market share through differentiated competition. Key highlights include backstreet eateries that specialise in offering late-night dining, Central China's first shopping mall-based rock climbing centre, a flagship esports arena in Central China, and a pet-friendly zone with entertainment and integrated services. Furthermore, by collaborating with government resources, it has attracted more visitors to exhibition events and stimulated consumption among new members.

Wuhan Guanggu K11 continued to upgrade its lifestyle portfolio and replace underperforming brands. The occupancy rate of Wuhan Guanggu K11 reached 93% at the end of June 2025, with footfall achieving double-digit growth. During the year under review, Wuhan Guanggu K11 continued to establish itself as a "Gen Z cultural exploration hub", hosting eight national e-sports tournaments and two anime events, which substantially boosted customer traffic.

During the year under review, Shenyang K11 established an absolute leadership advantage in the children's business by introducing seven first stores in the North-Eastern Region and a first store in Shenyang. Its brand lineup includes industry benchmarks and distinctive merchants, helping enrich its product offerings and uniqueness. In addition, Shenyang K11 closely cooperated with tenants to introduce multiple exclusive event resources, continuously attracting foot traffic.

Ningbo K11 commenced business on 28 September 2024, attracting over 150,000 customers on its opening day and capturing the attention of the city. The project has now entered a steady operational phase, strengthening its position as Ningbo's new commercial benchmark by focusing on consumer needs, creating buzz through collaborative brand initiatives, and ongoing marketing activities. Ningbo K11 has introduced numerous brands that made their debut in Ningbo, Zhejiang and even in the country, including the first stores of TSUTAYA BOOKSTORE and Green&Health in Ningbo, and the first ACCA KAPPA store in Zhejiang. These brands span trendy fashion, premium dining, and lifestyle, creating strong brand appeal and ensuring a stable customer base. Moreover, their differentiated operations continuously stimulate consumer activity.

Guangzhou Yunmen NEW PARK has consistently upheld its core positioning as "A Magnet for Quality Living", actively responding to market developments. Focusing on the "first-store economy" and "brand renovation", the project successfully introduced several outstanding brands, including the first store of Amazing Song in Guangzhou and a variety of quality dining options, infusing the mall with fresh vitality. As at 30 June 2025, the occupancy rate of the project reached 97%. Moving forward, the project will continue to optimise its brand portfolio by introducing more high-quality, first-time brands to preserve the freshness and appeal of the mall.

The Canton Place, a premier open-air commercial project in Guangzhou's Zhujiang New Town, performed outstandingly during the year under review, with both footfall and turnover recording year-on-year growth. During the year under review, the project underwent a brand rejuvenation, introducing five new zones and first-store entries to meet the diverse needs of the high-net-worth clientele nearby. As at 30 June 2025, the project achieved a 97% occupancy rate, with a tenant mix featuring premium and unique merchants, reaffirming The Canton Place's status as a benchmark for premium open-air retailing in Guangzhou.

As more large-scale commercial projects come to fruition successively, the Group will adhere to its strategic vision of "Improving Integration and Connectivity in First-tier Cities in the Greater Bay Area and the Yangtze River Delta Region" and diversify its business to further increase recurring rental income.

Mainland China Landbank

As of 30 June 2025, the Group had a landbank (excluding carparks) with a total GFA of approximately 2.92 million sq. m. available for immediate development in Mainland China, of which approximately 1.88 million sq. m. was zoned for residential use. Of the total GFA of the landbank (excluding carparks), approximately 2.31 million sq. m. were core property development projects mainly located in Guangzhou, Shenzhen, Foshan, Wuhan, Shanghai, Hangzhou, Beijing and Shenyang. Of this, approximately 1.28 million sq. m. were designated for residential use.

Landbank by Region

As at 30 June 2025	Total GFA (excluding carparks) (sq. m.'000)	Residential Total GFA (sq. m.'000)
Southern Region (i.e. the Greater Bay Area)	1,078.8	943.9
Eastern Region (i.e. the Yangtze River Delta region)	367.6	51.0
Central Region	715.5	435.7
Northern Region	95.2	17.9
North-Eastern Region	663.6	430.6
Total	2,920.7	1,879.1
Of which, Core Projects	2,314.2	1,281.9

In addition, the demolition work for the Group's urban renewal project in Xili, Shenzhen, was fully completed, and the project will be developed into an urban complex integrating residential, commercial and office. The project's implementing entity has now obtained official government approval, marking the official start of the substantive construction phase.

Over the years, the Group has remained committed to its strategic objective of improving integration and connectivity in the Greater Bay Area and the Yangtze River Delta region, unswervingly upholding the principle of high-quality development. Its competitive edges and the value of its landbank will become increasingly apparent. At the same time, the Group has actively collaborated with major central and state-owned enterprises as strategic partners, integrating resources and leveraging complementary strengths to inject new momentum into high-quality urban development.

Hotel

During the year under review, the recovery of Hong Kong's hotel market was influenced by a complex mix of factors. While total visitor numbers rose by 11% year-on-year, the proportion of long-haul travelers from Europe and the US remained relatively low. At the same time, the spending power of travelers from mainland China weakened, putting pressure on the overall profitability of the hotel sector. Mainland China's tourism market continued to show growing momentum, with a notable increase in inbound travelers thanks to streamlined visa policies. Southeast Asia's hotel market also experienced a broad yet fragmented rebound. Although the subdued performance of the Hong Kong hotel market led to a slight year-on-year decline in the Group's overall GOP, overall occupancy rates increased year-on-year, and the GOP of hotels in mainland China and Vietnam also improved compared with the previous year.

In Hong Kong, the Group's hotels recorded a 5% increase in occupancy rates compared with the previous year. However, ADR declined, resulting in a 7% drop in GOP. The F&B segment remained sluggish, affected by cautious local spending, shifting demand to nearby cities like Shenzhen and Zhuhai, and a trend toward smaller-scale banquets. The implementation of a 3% hotel accommodation tax in January 2025, coupled with rising operating costs, is expected to further compress profit margins.

Mainland China's hotel market maintained its growth trajectory throughout the year, with both domestic and inbound traveler numbers increasing year-on-year. However, the rise in outbound tourism diverted high-budget travelers, shifting the market toward a more value-conscious consumption pattern. Nearly all the Group's hotels in mainland China recorded increase in occupancy, though room rates declined. Through effective cost control and operational optimisation, the Group achieved an 8% year-on-year increase in GOP. Notably, the three hotels in Beijing delivered a strong occupancy performance. Guangzhou New World Hotel and Guangzhou Zengcheng Tongpai Hotel, opened in 2023, achieved positive GOP for the first time in FY2025. The F&B business continues to face challenges due to intense local competition.

During the year under review, the Southeast Asia ("SEA") hotel market showed an overall recovery, primarily driven by the return of mainland China visitors. Vietnam experienced a significant increase in international arrivals, with Ho Chi Minh City recording a 44% year-on-year rise in the first half of 2025. Benefiting from national celebrations, relaxed visa policies, and expanded flight routes, the Group's hotel in Ho Chi Minh City achieved outstanding occupancy rates. The Thai market, however, showed polarisation. Although occupancy rates declined due to the maintenance-related closure of the Rosewood Phuket, which lasted two months, the annual increase in room prices offset the negative impact.

As at June 30, 2025, the Group operated a total of 17 hotel properties in Hong Kong, Mainland China, and SEA, with a total of approximately 6,455 rooms.

OUTLOOK

Despite the continued introduction of favourable policies and signs of improved market sentiment in Hong Kong, persistent economic and geopolitical tensions, interest rates fluctuations and global uncertainties continue to cast doubt on the sustainability of the industry's positive momentum. In FY2025, the successful completion of the HK\$88.2 billion loan refinancing and alignment exercise, together with encouraging sales and leasing performances across the Group's property development and property investment segments, provided the Group with more financial flexibility and headroom.

Going forward, the Group will continue its strategic direction to focus on its core businesses of property development and property investment and will fully leverage on the competitive advantages in its premium brands and products, effective product strategies as well as disciplined and prudent management approach to navigate its challenges and assure sustainable business growth. Also, the Group's top priority is to prioritise cash flow and reduce overall indebtedness. To achieve this, the Group will keep operating as "business as usual" and make every effort to implement the "Seven Measures to Reduce Indebtedness". These include 1) accelerating development property sales, and 2) expediting asset disposal plan, with a FY2026 target of HK\$27,000 million from total contracted sales of property development and asset disposal combined, 3) unlocking of value of the Group's agricultural land, 4) ramp up of recurring income with rental yield improvement, 5) capital and operating expenditure optimisation, 6) temporary halt of the stock dividend payments and distribution deferral on Perpetual Capital Securities, and 7) prudent treasury management strategies.

In Mainland China, policies will continue to focus on "stabilising the real estate market" by implementing targeted control strategies that balance short-term market stability with long-term industry transformation, promoting the development of a high-quality real estate sector. From market regulation to financial support, the intensity and frequency of various policies demonstrate the Central Government's firm commitment to market stability and healthy development.

Regarding the Property Development segment, several of the Group projects are underway and are progressing according to plan. Five of the Group's Development Properties in Hong Kong has commenced construction in FY2025, including a joint venture project in the Northern Metropolis with China Merchants Shekou, and four property development projects located in urban districts, including Rose Street in Kowloon Tong, and three properties under the "BOHEMIAN COLLECTION" located in Nga Tsin Long Road in Kowloon City, Canton Road and Kwun Chung Street in West Kowloon.

The large-scale residential and commercial development on Ma Sik Road, Fanling, jointly developed by the Group and China Merchants Shekou, officially broke ground on 21 March 2025. As the first new development area in the Northern Metropolis to enter into construction phase, the project is strategically positioned near well-established New Towns and benefits from a robust railway network, comprehensive transport infrastructure and modern commercial amenities. It has been designated as part of the "Boundary Commerce and Industry Zone" under the "Northern Metropolis Action Agenda," aligning with broader regional development goals and enhancing connectivity with the adjacent San Tin Technopole.

This project will be the Group's first PAVILIA COLLECTION project in the Northern Metropolis. The project spans across a GFA of 1.1 million square feet, providing approximately 2,300 residential units. It will also feature the largest shopping mall in the area, set to inject new vitality into the region's urban landscape while unlocking the value of the Group's farmland value.

On 6 March 2025, the Group broke ground on the low-rise luxury residential development on Rose Street, Kowloon Tong, a prestigious and traditional upscale neighbourhood. Offering an excellent location with comprehensive transportation links, and in close proximity to large-scale shopping malls, the project offers a tranquil yet vibrant living environment. Situated in a district known for its international schools and renowned universities, the development is perfectly tailored to meet the market's demand for a high

standard of living. Spanning a total GFA of approximately 117,000 square feet, the project will feature over 110 units, primarily consisting of spacious three and four-bedroom signature units. Additionally, the inclusion of basement parking, which is a rare feature in the district, further enhances its appeal.

On 1 September 2025, the Group announced the latest edition to its "BOHEMIAN COLLECTION", House Muse, located in Nga Tsin Long Road, Kowloon City. The residential project comprises of 1-to-3 bedroom apartments, along with a small number of special units for a grand total of 120 units. The project is strategically located within one of the most prestigious Primary One Admission (POA) School Net of 41, and is within walking distance to Kai Tak, an area that showed resilience and continued appeal among homebuyers. On 19 September 2025, 115 units were released for sale under a price list arrangement and sold out on the same day, while the remaining five special units with rooftop were offered for sale through tender. This suggests that the Group's developments remain well-received by homebuyers.

Located in West Kowloon, the other two upcoming "BOHEMIAN COLLECTION" boutique residential projects are situated on Canton Road and Kwun Chung Street, respectively. Both projects are in close proximity to Austin Station, which connects to the High-Speed Rail network and is strategically linked with four railway lines. From Hong Kong West Kowloon Station, the journey to the Greater Bay Area is as short as 15 minutes, making these residences ideal for individuals who frequently travel between the Mainland and Hong Kong.

The Pavilia Farm III, a residential project jointly developed by the Group and MTR Corporation and situated atop Tai Wai MTR Station in Shatin, is expected to be completed by FY2026. Located directly above Tai Wai MTR Station and adjacent to one of the district's largest malls, The Wai, the development integrates transit convenience with premium residential living and is well suited for the modern urban lifestyles. Over 500 remaining units of The Pavilia Farm III are also expected to be relaunched in FY2026.



The Shenzhen Longgang 188 project has now fully entered the development stage, with sales scheduled to commence in FY2026. The project has a total GFA of 650,000 sq m and comprises 3,000 residential units. Situated in the heart of a prime location where three districts converge, it offers significant transport advantages with direct access to the high-speed rail station and the Port within just 30 minutes. In addition, the Group will continue to promote the sales of key projects, including Guangzhou Central Park-view, THE SILLAGE, New Metropolis • New Metropolis Mansion and the PARKSVILLE in Shenyang.

Regarding the Hong Kong property investment market, despite the persistent challenges faced the Hong Kong retail market due to changes in consumption patterns among tourists and local residents, as well as the

strong Hong Kong dollar, the Group remains cautiously optimistic about the prospects of retail investment properties. The Group will continue to provide innovative experiences for customers, stay attuned to market dynamics, flexibly adjust tenant mix, and actively introduce sought-after international and mainland brands to enhance foot traffic and boost consumer activity. K11 MUSEA, the premium lifestyle and cultural-retail destination, will continue to attract renowned luxury brands, with more high-end brands expected to enter or expand their presence within the next 12 months. Leveraging its unique positioning and series of cultural events, K11 MUSEA will further drive foot traffic and sales.

Additionally, K11 Art Mall will continue to enhance its brand portfolio and optimise pop-up stores and event spaces, offering customers diverse new retail experiences. This will solidify its trendy positioning in the Gen Z market, benefiting from high occupancy rates and strong foot traffic.

"11 SKIES", located within the SKYCITY COMPLEX at the Hong Kong International Airport, spans a total GFA of over 3,800,000 sq ft, in which three Grade A office buildings, K11 ATELIER 11 SKIES, are already in use. Physical access to 11 SKIES from the Hong Kong International Airport (HKIA) is via a footbridge connected to the new Terminal 2 of the HKIA, and the opening of its entertainment, retail, dining and professional services offerings will take into consideration the development timeline of the new Terminal 2 and the broader SKYCITY complex project. We have been in discussions with Hong Kong Airport Authority ("AAHK") to revisit and/or explore any possibility for changes in the contractual arrangements. According to the AAHK, the new Terminal 2 is expected to begin phased operations starting in September 2025, with its indoor Coach Hall set to open in late September 2025, and the full departure hall launching as early as March 2026.

Performance of the Group's office portfolio is expected to remain resilient, and shall continue to capture the sustainable growth in semi-retail and service trades, such as wellness, lifestyle, medical, etc. The Group's strategic focus for the upcoming year will be on further optimising tenant mix and recruiting more business partners.

For property investment projects in Mainland China, the second K11 project in Guangzhou, located in Guangzhou Changlong Wanbo will open on 29 September 2025, contributing to the development of another landmark mixed-use TOD in Changlong Wanbo, Guangzhou. In addition, the Group officially launched its flagship project

K11 ELYSEA in Shanghai on 28 May 2025, and signed a strategic cooperation agreement with the Shanghai government. Among the first batch of key partners of K11 ATELIER include Hermès and Rajah & Tann Singapore LLP, which is expected to attract a substantial and discerning clientele, and spearhead a lifestyle trend of "premium consumption and cultural experiences" on Huaihai Road. The K11 ATELIER section is scheduled to open in 2026.

The Group has meticulously developed the New World Arts Centre in Wangjiang New City, Hangzhou, a comprehensive project with a total GFA of 740,000 sq m, which has now reached the harvesting stage. The residential component, "River Opus", was successfully completed and delivered at the end of 2024. In addition to residential units, the project includes a diverse mix of business formats, including K11 Art Mall, K11 Atelier, and a hotel, as well as saleable commercial components including office spaces and retail streets. The office towers and commercial streets are being handed over in stages. Additionally, the second phase of the project has already reached structural completion, with full completion expected by the end of 2025.

Turning to hotel sector, global economic instability and tariff hikes may dampen travel enthusiasm in key source markets, particularly the United States and mainland China. However, upcoming events such as the National Games, the opening of a new airport terminal in 2026, and the 30th anniversary of the Hong Kong SAR, as well as the success of Kai Tak Stadium, and expansion into high-yield markets such as the Middle East and Russia, are expected to support a rebound in hotel occupancy rates and potentially ease the downward pressure on room rates.

In Mainland China, rising demand for cultural tourism experiences and favourable visa policies are expected to support continued growth in domestic and inbound travel. However, challenges such as shifting consumer behaviour, tighter corporate travel budgets, and increased outbound travel persist.





In Southeast Asia, the completion and launch of Vietnam's new airport is expected to boost international arrivals even further. However, renovation plans at certain hotels may affect overall occupancy rates. Additionally, geopolitical tensions in Thailand, coupled with economic uncertainty and rising operational costs, mean that the SEA hotel industry will face both opportunities and challenges.

The Group will strategically focus on the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, and key first-tier core cities nationwide. It remains steadfastly committed to its core real estate business, adhering to a "dual-engine" development strategy driven by property development and investment. The Group will continue to leverage its unique advantages in the real estate market, steadfastly pursuing a path of high-quality development. With the dual advantages of an international perspective and efficient localised decision-

making, the Group will fully harness its brand influence and strive to deliver high-quality products that enhance people's lives. Against the backdrop of sustained policy benefits and the continuous upgrading of demand in core cities, the Group is confident in seizing market opportunities and achieving high-quality development.

Ms. Huang Shaomei, Echo

Executive Director and Chief Executive Officer
Hong Kong, China, 26 September 2025

Major Property Projects in Hong Kong

Major Property Development Projects

- 1 STATE PAVILIA, 283 King’s Road, North Point
- 2 DEEP WATER PAVILIA, The Southside Package 5
- 3 9-19 Lyndhurst Terrace
- 4 The Pavilia Forest, NKIL 6591, 4B4, Kai Tak
- 5 530-538 Canton Road, Jordan
- 6 52-56 Kwun Chung Street, Jordan
- 7 NKIL 5205, 23-34 Rose Street, Kowloon Tong
- 8 43-49A Hankow Road, Tsim Sha Tsui
- 9 Yau Tong Redevelopment Project, Kowloon East
- 10 House Muse, 3-13 Nga Tsin Long Road, Kowloon City
- 11 Phase 3, The Pavilia Farm, Tai Wai Station Property Development
- 12 Pak Shing Kok Ventilation Building Property Development
- 13 Ma Sik Road, Fanling
- 14 Lung Tin Tsuen (Phase 2), Yuen Long
- 15 Lung Tin Tsuen (Phase 4), Yuen Long
- 16 Lung Tin Tsuen (Phase 5), Yuen Long
- 17 Sha Ha (Phase 1), Sai Kung
- 18 Sha Ha (Phase 2), Sai Kung
- 19 Lin Barn Tsuen, Yuen Long
- 20 Wing Kei Tsuen, Yuen Long
- 21 Ngau Tam Mei, Yuen Long
- 22 Lau Fau Shan, Yuen Long
- 23 Tong Yan San Tsuen (Phase 3), Yuen Long
- 24 Tong Yan San Tsuen (Phase 4), Yuen Long
- 25 Tong Yan San Tsuen (Mountain) (Site A), Yuen Long
- 26 Tong Yan San Tsuen (Mountain) (Site B), Yuen Long
- 27 Wing Ning Tsuen, Yuen Long
- 28 Lam Hau Tsuen, Yuen Long
- 29 Shap Pat Heung Road, Yuen Long
- 30 Tai Shu Ha Road East, Yuen Long
- 31 Sha Po North (Phase 2A), Yuen Long
- 32 Sha Po North (Phase 2B), Yuen Long
- 33 Sha Po North (Phase 3), Yuen Long

Major Property Investment and Other Projects

- 1 Manning House, Central
- 2 New World Tower, Central
- 3 K11 ATELIER King’s Road, 704-730 King’s Road, North Point
- 4 Hong Kong Convention and Exhibition Centre, Shopping Arcade, Wan Chai
- 5 Grand Hyatt Hong Kong
- 6 Renaissance Harbour View Hotel
- 7 Pearl City, Causeway Bay – Ground Floor to 5th Floor
- 8 Methodist House, Wan Chai
- 9 The Legacy, 8 Castle Road, Mid Levels
- 10 K11 MUSEA of Victoria Dockside, Tsim Sha Tsui
K11 ATELIER of Victoria Dockside, Tsim Sha Tsui
Rosewood Hotel & Rosewood Residences of Victoria Dockside, Tsim Sha Tsui
K11 ARTUS of Victoria Dockside, Tsim Sha Tsui
- 11 K11 Art Mall, Tsim Sha Tsui
Hyatt Regency Hong Kong, Tsim Sha Tsui
- 12 THE FOREST, Mong Kok
- 13 TIMBER HOUSE, 74 Waterloo Road, Ho Man Tin
- 14 83 King Lam Street, Cheung Sha Wan
- 15 Hyatt Regency Hong Kong, Sha Tin
- 16 11 SKIES

Major Property Projects in Hong Kong



Major Property Projects in Mainland China



Major Property Projects in Mainland China

Major Property Development Projects

- | | | | |
|---|--|----|---|
| 1 | Guangzhou Covent Garden Remaining Phases | 7 | Hangzhou Wangjiang New Town Project |
| 2 | Guangzhou Zengcheng International Community Project | 8 | Shanghai Huangpu Huaihai Middle Road Land Project |
| 3 | Canton First Estate CF04
Canton First Estate CF05
Canton First Estate CF08
Canton First Estate CF14
Canton First Estate CF18
Canton First Estate CF22
Canton First Estate CF23
Canton First Estate CF24
Canton First Estate CF25
Canton First Estate CF26
Canton First Estate CF28
Canton First Estate CF33
Canton First Estate CF34
Canton First Estate CF36
Canton First Estate CF37
Canton First Estate CF39
Canton First Estate CF40
Canton First Estate Remaining Phases | 9 | Shanghai Putou Land B2-18 |
| 4 | Shenzhen Longgang 188 Project | 10 | Beijing New View Garden Commercial Centre Remaining Phases |
| 5 | Wuhan New World • Times Phase II | 11 | Beijing Xin Yu Garden Commercial Centre |
| 6 | Yiyang New World Scenic Heights Phase II A
Yiyang New World Scenic Heights Phase II B
Yiyang New World Scenic Heights Phase II C
Yiyang New World Scenic Heights South Area | 12 | Langfang New World Garden District 2 |
| | | 13 | Shenyang New World Garden Phase 2FG |
| | | 14 | Shenyang New World Centre SA1
Shenyang New World Centre SA2
Shenyang New World Centre SA3
Shenyang New World Centre O1
Shenyang New World Centre O2 |
| | | 15 | Anshan New World Garden Phase 1
Anshan New World Garden Phase 2 |

Directors' Profile



Dr. Cheng Kar-Shun, Henry
GBM, GBS (Aged 78)

Appointed as Director in October 1972, Executive Director in 1973, became Managing Director from 1989 and Chairman from March 2012. Dr. Cheng is the chairman of the Executive Committee and a member of the Remuneration Committee of the Board of Directors of the Company. Dr. Cheng is the chairman and executive director of CTF Services Limited (formerly known as NWS Holdings Limited) and Chow Tai Fook Jewellery Group Limited, and the chairman and non-executive director of FSE Lifestyle Services Limited and i-CABLE Communications Limited, all of them are listed public companies in Hong Kong. Dr. Cheng is a director and honorary chairman of New World China Land Limited and a director of certain subsidiaries of the Group. He is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. Dr. Cheng is the chairman of the Advisory Council for The Better Hong Kong Foundation. He was a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China. Dr. Cheng was awarded the Gold Bauhinia Star and the Grand Bauhinia Medal in 2001 and 2017 respectively by the Government of the Hong Kong Special Administrative Region. Dr. Cheng is the father of Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian, the brother-in-law of Mr. Doo Wai-Hoi, William, the brother of Mr. Cheng Kar-Shing, Peter and the uncle of Mr. Cheng Chi-Heng.



Mr. Doo Wai-Hoi, William

BBS, JP (Aged 81)

Appointed as the Vice-chairman and Non-executive Director in July 2013. Mr. Doo is the chairman and executive director of FSE Lifestyle Services Limited and an independent non-executive director of Shanghai Industrial Urban Development Group Limited, all being listed public companies in Hong Kong. He was an alternate director to Dr. Cheng Kar-Shun, Henry, chairman and non-executive director of FSE Lifestyle Services Limited, up to his cessation on 18 March 2024. Mr. Doo is also a director of certain subsidiaries of the Group. He is the chairman and director of Fungseng Prosperity Holdings Limited and a non-executive director of Lifestyle International Holdings Limited (a listed public company in Hong Kong until its delisting on 20 December 2022). Mr. Doo is a Justice of the Peace in Hong Kong and was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region. He is also the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau, and a Governor of the Canadian Chamber of Commerce in Hong Kong. He was promoted to the Officier de l'Ordre National de la Légion d'Honneur by the Republic of France in 2019. Mr. Doo is the brother-in-law of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kar-Shing, Peter, and the uncle of Ms. Cheng Chi-Man, Sonia, Mr. Cheng Chi-Ming, Brian and Mr. Cheng Chi-Heng.



Ms. Huang Shaomei, Echo
(Aged 56)

Appointed as an Executive Director in May 2020, became the Chief Executive Officer in November 2024. Ms. Huang is a member of the Executive Committee of the Board of Directors of the Company. She joined the Group as the deputy chief executive officer of New World China Land Limited in October 2015 and promoted to Director & Chief Executive Officer of New World China Land Limited in February 2020. She is also a director of certain subsidiaries of the Group. She has over 20 years of experience in the real estate sector, having served in a consulting capacity for large-scale urban infrastructures, urban planning and urban renewal in Mainland China for extensive periods, providing the Mainland Government with professional recommendations on property development, urban planning and relevant professional advice. Prior to joining the Group, Ms. Huang held senior position with an international consulting firm. She was appointed as managing director (Southern China) of a Hong Kong-listed property developer, overseeing its property development throughout the southern China region. She has proven experience in the development and management of China's real estate sector. Ms. Huang is the vice chairman and executive member of the 3rd China Charity Alliance (CCA). She has been honoured with the title of "Guangzhou Honorary Citizen" (the 17th batch), and serves as a member of the 12th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (CPPCC), a standing committee member and the deputy director of the Hong Kong, Macao and Taiwan Commission as well as the convener of the Hong Kong delegation of the 13th Guangdong Provincial Committee of the CPPCC.



Mr. Cheng Kar-Shing, Peter
(Aged 72)

Appointed as a Director in October 1994. Mr. Cheng is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. He is a director of New World China Land Limited, New World Hotels (Holdings) Limited and certain subsidiaries of the Group. Mr. Cheng was an independent non-executive director of King Fook Holdings Limited (a listed public company in Hong Kong) up to his resignation in July 2025. Mr. Cheng is committed to community services and is serving as the chairman of Chow Tai Fook Charity Foundation, the chairman of Chow Tai Fook Medical Foundation Limited, the chairman of Antonia Welfare Fund Limited and a director of Green Council. He is the University Assembly member of University of Macau. He is a Fellow of The Hong Kong Institution of Engineers, Hong Kong Institute of Arbitrators, Hong Kong Construction Arbitration Centre and The Chartered Institute of Arbitrators. He is a CEDR Accredited Mediator and on the lists of the Mediators of Hong Kong Mediation Accreditation Association Limited, Hong Kong International Arbitration Centre, Hong Kong Mediation Centre and Financial Dispute Resolution Centre. He is an Arbitrator of Huizhou Arbitration Commission, a member of Society of Construction Law Hong Kong and a member of Hong Kong Institute of Mediation. Mr. Cheng is the brother of Dr. Cheng Kar-Shun, Henry, the brother-in-law of Mr. Doo Wai-Hoi, William, the father of Mr. Cheng Chi-Heng, and the uncle of Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian.



Mr. Lee Luen-Wai, John
BBS, JP (Aged 76)

Appointed as an Independent Non-executive Director in August 2004. Mr. Lee is the chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board of Directors of the Company. Mr. Lee is an executive director and the deputy chairman of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited, as well as an independent non-executive director of UMP Healthcare Holdings Limited, all being listed public companies in Hong Kong. He is a Fellow of The Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Lee is an Honorary Fellow of the City University of Hong Kong, a Justice of the Peace in Hong Kong and was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region.



Mr. Cheng Chi-Heng
(Aged 47)

Appointed as an Executive Director in June 2010 and re-designated as Non-executive Director in December 2022. Mr. Cheng also acts as director of certain subsidiaries of the Group. He is a vice-chairman and executive director of Chow Tai Fook Jewellery Group Limited, a listed public company in Hong Kong. Mr. Cheng is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. Mr. Cheng had worked at a Hong Kong-based investment management company as a corporate finance executive. He obtained his Bachelor of Arts Degree majoring in Economics from the University of Western Ontario, Canada in 1999. He is the son of Mr. Cheng Kar-Shing, Peter, the nephew of Dr. Cheng Kar-Shun, Henry and Mr. Doo Wai-Hoi, William, and the cousin of Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian.



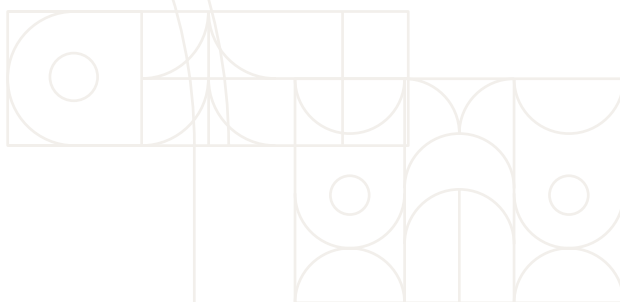
Ms. Cheng Chi-Man, Sonia
(Aged 44)

Appointed as an Executive Director in March 2012. Ms. Cheng is a member of the Executive Committee and the Nomination Committee of the Board of Directors of the Company. She currently oversees the hotel division of the Group. She is a director of New World China Land Limited and certain subsidiaries of the Group. Ms. Cheng is a vice-chairman and executive director of Chow Tai Fook Jewellery Group Limited, and a non-executive director of Giordano International Limited, both are listed public companies in Hong Kong. She was an independent director of Primavera Capital Acquisition Corporation, a company previously listed on the New York Stock Exchange, up until her resignation in December 2022. She is also the chief executive officer of Rosewood Hotel Group and an independent non-executive director of The Hongkong and Shanghai Banking Corporation Limited. Before joining the Group in 2008, Ms. Cheng worked in a major international investment bank and a global US private equity firm specialising in real estate investments. Ms. Cheng holds a Bachelor of Arts Degree in Applied Mathematics with a concentration in Economics from Harvard University in the U.S.A. She is a member of the Council of The Chinese University of Hong Kong and a member of The Standing Committee on Disciplined Services Salaries and Conditions of Service of the Hong Kong Special Administrative Region. She is also the Vice-Governor of Guangdong Youth Development Foundation. Ms. Cheng is a member of the Thirteenth Guangdong Provincial Committee of The Chinese People's Political Consultative Conference of The People's Republic of China and a member of the Election Committee 2021 of the Hong Kong Special Administrative Region (Hotel Subsector). Ms. Cheng is the daughter of Dr. Cheng Kar-Shun, Henry, the sister of Mr. Cheng Chi-Ming, Brian, the niece of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng.



Mr. Sitt Nam-Hoi
(Aged 71)

Appointed as an Executive Director in June 2018. Mr. Sitt is a member of the Executive Committee and the chairman of the Sustainability Committee of the Board of Directors of the Company. Mr. Sitt joined the Group and was appointed as Head of Projects (Hong Kong) of the Company in February 2011. He is currently the senior director of the Property Development Department of the Company and director of certain subsidiaries of the Group. Before joining the Company, he was the project director of a listed public company in Hong Kong which he worked for over 25 years. Before that, Mr. Sitt had been working in Buildings Department of the Government of the Hong Kong Special Administrative Region. Mr. Sitt obtained his Bachelor of Architecture and Bachelor of Arts in Architectural Studies from The University of Hong Kong. He is a Registered Architect, an Authorised Person and is responsible for overseeing all project management matters for all property development projects of the Group in Hong Kong. He has extensive project management experience and participated in various significant projects in the Mainland and Hong Kong.





Mr. Ip Yuk-Keung, Albert
(Aged 73)

Appointed as an Independent Non-executive Director in June 2018. Mr. Ip is a member of the Audit Committee, the Nomination Committee and the Sustainability Committee of the Board of Directors of the Company. Mr. Ip is an independent non-executive director of Power Assets Holdings Limited and Hutchison Telecommunications Hong Kong Holdings Limited, both being listed public companies in Hong Kong. He is also an independent non-executive director of Eagle Asset Management (CP) Limited, as manager of Champion Real Estate Investment Trust (a listed real estate investment trust) and an independent non-executive director of Lifestyle International Holdings Limited (a listed public company in Hong Kong until its delisting on 20 December 2022). Mr. Ip is an international banking and real estate executive with 33 years of experience at Citigroup, First National Bank of Chicago, Wells Fargo and Merrill Lynch in Hong Kong, Asia and the United States. His areas of expertise are in real estate, corporate banking, risk management, transaction banking and wealth management. Mr. Ip is a Senior Advisor to the President of Hong Kong University of Science and Technology; a Special Advisor to the Dean of the School of Business and Management at The Hong Kong University of Science and Technology; an Adjunct Professor of City University of Hong Kong, The Hong Kong University of Science and Technology, The Hang Seng University of Hong Kong, The University of Hong Kong, the Faculty of Business Administration at The Chinese University of Hong Kong, and the Faculty of Business and Economics at the HKU Business School; an Adjunct Distinguished Professor in Practice of University of Macau; Honorary Advisor of School of Humanities and Social Science at The Hong Kong University of Science and Technology; a Member of the Court at City University of Hong Kong; a Member of the Court at The Hong Kong University of Science and Technology; an Advisory Board Member for the Faculty of Business Administration at the University of Macau; the chairman of the HKUST Foundation; and the chairman of Career Development Advisory Board of the School of Humanities and Social Science at The Hong Kong University of Science and Technology. Mr. Ip holds a Bachelor of Science degree at Washington University in St. Louis (*summa cum laude*) and Master of Science degrees at Cornell University and Carnegie-Mellon University. He is an Honorary Fellow of City University of Hong Kong, Vocational Training Council and The Hong Kong University of Science and Technology.

Directors' Profile



Ms. Chiu Wai-Han, Jenny
(Aged 54)

Appointed as an Executive Director in May 2020. Ms. Chiu is a member of the Executive Committee of the Board of Directors of the Company. She is also an executive director of New World Department Store China Limited (a listed public company in Hong Kong) upon re-designation from non-executive director on 27 June 2025. Ms. Chiu joined the Group in 2004 and is currently the senior director of Corporate Services of the Company. She is responsible for corporate services of the Group including human resources, administration and information technology. Prior to joining the Group, she had taken up managerial role in renowned corporations in information and communications technology services and property development industries. Ms. Chiu was graduated from The Chinese University of Hong Kong. She is an Associate Member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chiu possesses over 20 years of experience in human resources and corporate management. Ms. Chiu is a member of the Employees Retraining Board and a member of the Advisory Committee of the Partnership Fund for the Disadvantaged, Social Welfare Department.



Mr. Chan Johnson Ow
(Aged 60)

Appointed as an Independent Non-executive Director in September 2021. Mr. Chan is a member of the Audit Committee, Remuneration Committee and Sustainability Committee of the Board of Directors of the Company. Mr. Chan is a managing director of Key Step Capital Limited. He is also a consultant to a leading global alternative investment management firm. He has over 28 years of experience in investment banking and investments at Morgan Stanley, Lehman Brothers, SSG Capital Management (now known as ARES SSG) and Deutsche Bank AG. Mr. Chan holds a Bachelor of Arts Degree in Legal Studies from University of California, Berkeley.



Mr. Cheng Chi-Ming, Brian
(Aged 42)

Appointed as a Non-executive Director in December 2022. Mr. Cheng is an executive director and co-chief executive officer of CTF Services Limited (formerly known as NWS Holdings Limited), and the chairman and a non-executive director of Integrated Waste Solutions Group Holdings Limited, all being listed public companies in Hong Kong. Mr. Cheng was a non-executive director of Haitong International Securities Group Limited (a listed public company in Hong Kong until its delisting on 11 January 2024) and Wai Kee Holdings Limited (a listed public company in Hong Kong) up to his resignation in March 2024 and June 2024 respectively.

Mr. Cheng is currently a member of the Fourteenth Shanghai Municipal Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. Before joining the Group, he had been working as a research analyst in the infrastructure and conglomerates sector for CLSA Asia-Pacific Markets. Mr. Cheng holds a Bachelor of Science Degree from Babson College in Massachusetts in the U.S.A.

Mr. Cheng is the son of Dr. Cheng Kar-Shun, Henry, the brother of Ms. Cheng Chi-Man, Sonia, the nephew of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng.



Mrs. Law Fan Chiu-Fun,
Fanny

GBM, GBS, JP (Aged 72)

Appointed as an Independent Non-executive Director in December 2022. Mrs. Law is a member of the Audit Committee and the Sustainability Committee of the Board of Directors of the Company. Mrs. Law is an independent non-executive director of China Taiping Insurance Holdings Company Limited, China Unicom (Hong Kong) Limited, Nameson Holdings Limited and Minmetals Land Limited, all being listed public companies in Hong Kong. She was an independent non-executive director of CLP Holdings Limited (a listed public company in Hong Kong) up to her resignation in May 2023 and an external director of China Resources (Holdings) Co., Ltd. from 2016 to 2022.

Mrs. Law holds a Bachelor Degree (Honours) in Science from The University of Hong Kong, a Master Degree in Public Administration from Harvard University (named a Littauer Fellow) and a Master Degree in Education from The Chinese University of Hong Kong.

Mrs. Law was appointed as a Justice of the Peace and awarded the Grand Bauhinia Medal and the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region ("HKSAR Government"). She was a Hong Kong Deputy to the National People's Congress and a member of the Executive Council of the HKSAR Government. During her 30 years in the civil service, Mrs. Law had worked in many fields, including medical and health, economic services, housing, land and planning, home affairs, social welfare, civil service, transport, education and manpower. Mrs. Law was the Commissioner of the Hong Kong Independent Commission Against Corruption before her retirement.



Ms. Lo Wing-Sze, Anthea
BBS, JP (Aged 54)

Appointed as an Independent Non-executive Director in December 2022. Ms. Lo is a member of the Audit Committee of the Board of Directors of the Company. Ms. Lo is an independent non-executive director of Goldlion Holdings Limited, China Resources Mixc Lifestyle Services Limited, Lee & Man Paper Manufacturing Limited and China Resources Medical Holdings Company Limited, all being listed public companies in Hong Kong. She was an independent non-executive director of Finsoft Financial Investment Holdings Limited and Virtual Mind Holding Company Limited (all being listed public companies in Hong Kong) up to her resignation in July 2023 and June 2025 respectively.

Ms. Lo holds a Bachelor of Economics Degree from the University of Sydney and a Master of Commerce in Finance Degree from the University of New South Wales in Australia. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Fellow Certified Practising Accountant of CPA Australia. She is the financial director of Million Group, and has 25 years of experience in corporate governance, tourist services and hotel management.

Ms. Lo was appointed as a Justice of the Peace in 2017 and awarded the Bronze Bauhinia Star in 2020 by the HKSAR Government. She is a member of the Election Committee 2021 (The Fourth Sector) of the Hong Kong Special Administrative Region and was a member of the Election Committee for the Fifth Government of the Hong Kong Special Administrative Region. Ms. Lo is also a member of All-China Women's Federation Hong Kong SAR delegate; the Chief Executive's Policy Unit Social Development Expert Group; the Immigration Department Users' Committee; the Correctional Services Children's Education Trust Investment Advisory Board; the District Fight Crime Committee (Wan Chai District) and the Lotteries Fund Advisory Committee. In addition, she is an Honorary Court Member of the Lingnan University. Ms. Lo is the Chairlady of Tai Hang Five Dragon Heritage Centre (Revitalising Historic Buildings Through Partnership Scheme Batch IV), a Founding Member of Hong Kong Red Cross EmpowerHer Network and a member of the Hong Kong Society of Rehabilitation Fundraising and Social Enterprise Committee.





Ms. Wong Yeung-Fong,
Fonia
(Aged 49)

Appointed as an Independent Non-executive Director in December 2022. Ms. Wong is a member of the Sustainability Committee of the Board of Directors of the Company. Ms. Wong is also an independent non-executive director of Miramar Hotel and Investment Company, Limited, a listed public company in Hong Kong. Ms. Wong holds a Bachelor of Arts in Marketing Degree from The Hong Kong Polytechnic University and a Degree in China Law from the Tsinghua University. She is a certified international wealth manager and a certified financial planner. Ms. Wong is a senior director and head of business development (South Pacific) at EBSI Private of China Everbright Securities International Company Limited.

Ms. Wong is an honorary court member of the Lingnan University, advisor of Our Hong Kong Foundation, a member of Tseung Kwan O Hospital Governing Committee, the president and co-founder of the Hong Kong Digital Asset Society, founder of Hong Kong Youth Service Leader Award, charter president of Rotary Club of Central, Hong Kong, founding convener of Investment Chat for Charity and an executive committee member of The Neighbourhood Advice-Action Council.

Ms. Wong won the Ten Outstanding Young Persons Award of the Junior Chamber International Hong Kong in 2016. She was also on the 2021 list of Kindness & Leadership, 50 Leading Lights Asia Pacific. In 2017, Ms. Wong was the winner of the Advanced Management and Leadership Program Outstanding Alumni Award of the University of Oxford for her exceptional services to the society.



Mr. Ho Gilbert Chi-Hang
(Aged 49)

Appointed as an Executive Director in November 2024. Mr. Ho is a member of the Executive Committee of the Board of Directors of the Company. He joined CTF Services Limited (formerly known as NWS Holdings Limited) ("CTF Services"), a listed public company in Hong Kong, as senior director in January 2018 and has been serving as an executive director of CTF Services since July 2018. He was appointed as the chief operating officer and co-chief executive officer of CTF Services in February 2022 and January 2024 respectively. Mr. Ho is a director and co-chief executive officer of Chow Tai Fook Enterprises Limited, a substantial shareholder of the Company. Prior to joining CTF Services, Mr. Ho was a director and/or senior executive in several Hong Kong listed public companies. He had also been the senior investment director of the Company and an executive director of New World Strategic Investment Limited (a wholly-owned subsidiary of the Company), as well as a partner of an international law firm Fried, Frank, Harris, Shriver & Jacobson LLP.

Mr. Ho is an independent non-executive director of Asia Allied Infrastructure Holdings Limited and Kam Hing International Holdings Limited, and a non-executive director of Shoucheng Holdings Limited, all being listed public companies in Hong Kong. He was also a non-executive director of Wai Kee Holdings Limited (a listed public company in Hong Kong), up to his resignation on 26 June 2024. He is a member of the General Committee of the Hong Kong General Chamber of Commerce, the Vice Chairperson of the Chamber of Hong Kong Listed Companies, the Deputy Chairman of the Greater Bay Area Committee of CPA Australia, a member of the Hong Kong Logistics Development Council, a member of the Advisory Council on Career Development of Hong Kong University of Science and Technology, and a standing committee member of the Youth Federation of Inner Mongolia. He was also a committee member of the Industry Advisory Committee of Insurance Authority from June 2020 to May 2022 and a committee member of the Chinese People's Political Consultative Conference of Shenyang from December 2007 to December 2021.

Mr. Ho holds a Bachelor of Commerce degree and a Bachelor of Laws degree from the University of Sydney, Australia and was admitted as a solicitor in New South Wales, Australia and England and Wales and as a solicitor and barrister in the High Court of Australia. He is also a fellow member of CPA Australia.



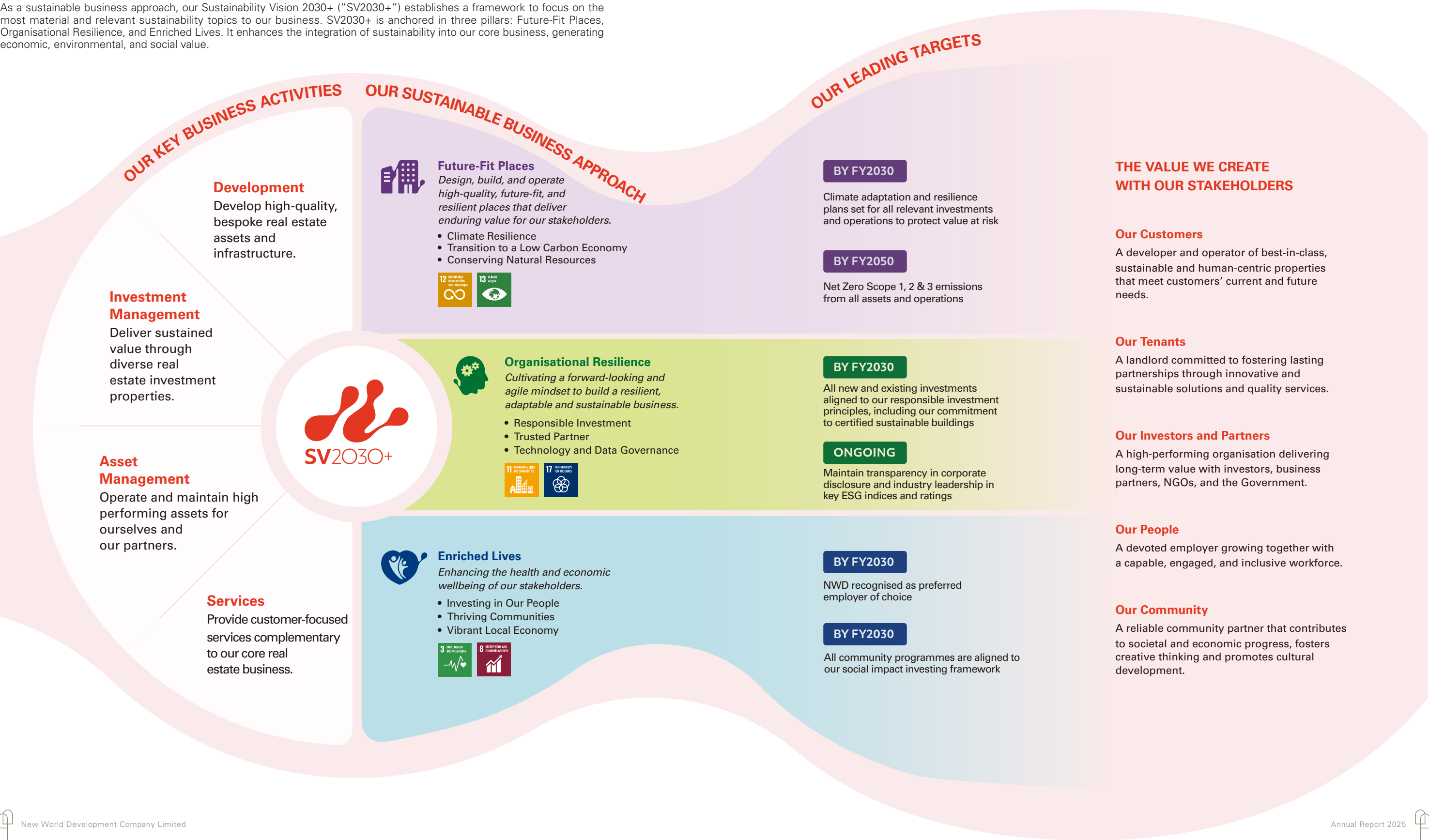
Mr. Lau Fu-Keung
(Aged 46)

Appointed as an Executive Director in November 2024 and appointed as a Joint Company Secretary with effect from 1 May 2025. Mr. Lau is a member of the Executive Committee of the Board of Directors of the Company. He is also an executive director of New World Department Store China Limited (a listed public company in Hong Kong). He joined the Company in June 2020 and is currently the Chief Financial Officer of the Company. He is responsible for finance, accounting, treasury, tax, mergers & acquisitions, company secretarial matters and investor relations of the Group, and is also a director of certain subsidiaries of the Group. Prior to joining the Company, Mr. Lau was the chief financial officer of a Chinese property developer with business focus in Greater Bay Area. He held various senior positions in equity capital markets and global credit trading with global investment banks prior to his CFO career. Mr. Lau is a member of the Advisory Committee of the Accounting and Financial Reporting Council, Governance Professionals Panel of Hong Kong Chartered Governance Institute, Advisory Council of Climate Governance Initiative Hong Kong, Advisory Board of Hong Kong Investor Relation Association, Fundraising and Social Enterprise Committee of The Neighbourhood Advice-Action Council, Finance Committee of Scout Association of Hong Kong, HKI Regional Scout Foundation Fund, Finance and Strategy Committee of Hong Kong Football Association and Career Development Advisory Board of the School of Humanities and Social Science at the Hong Kong University of Science and Technology. Mr. Lau received his Bachelor of Business Administration in Finance (with Distinction) and Master of Accounting (with Distinction) from the Ross School of Business at the University of Michigan-Ann Arbor in 2001 and 2002 respectively. He is a U.S. Certified Public Accountant (Licensed in Michigan) and Fellow of Hong Kong Institute of Directors.

To foster a future-proof society through innovation and sustainable growth, NWD values driving collective growth as its sustainability philosophy and strategic approach, connecting business success with environmental and social development and providing significant value to both our stakeholders and future generations across key business activities.

As a sustainable business approach, our Sustainability Vision 2030+ ("SV2030+") establishes a framework to focus on the most material and relevant sustainability topics to our business. SV2030+ is anchored in three pillars: Future-Fit Places, Organisational Resilience, and Enriched Lives. It enhances the integration of sustainability into our core business, generating economic, environmental, and social value.

Throughout this Corporate Sustainability section, we describe the leading targets associated with each pillar and how it drives collective growth with our stakeholders and for society.



MESSAGE FROM THE SUSTAINABILITY COMMITTEE

At NWD, our commitment to responsible business practices drives our sustainability journey and ensures long-term success for our stakeholders. Sustainability is deeply rooted in our strategic framework and decision-making processes, guiding us to create influential value for stakeholders.

Our New World Sustainability Vision 2030+ ("SV2030+") establishes the strategic foundation for a focused approach, targeting three pillars: Future-Fit Places, Organisational Resilience, and Enriched Lives. With regular progress review of our near-term science-based targets ("SBTs"), NWD has received verification of its net-zero science-based target by 2050 against a baseline of FY2023 from the Science Based Targets initiative ("SBTi"). Our Decarbonisation Roadmap guides our emissions reduction strategies, enabling us to make significant strides toward the Group's targets through collective effort.

From a governance and management perspective, climate resilience remains a strategic imperative for NWD. We initiated detailed asset-level risk analyses for our key projects, such as K11 ECOAST and 83 King Lam Street, enabling us to transform insights into strategic actions, developing targeted resilience measures and fully integrating climate considerations into our future project portfolio.

Beyond our own operations, we maintain collaborative relationships with the Government to advance the broader development of green buildings by leveraging our industry expertise. We are proud that our Qianhai CTF Finance Tower has been selected as a pilot project to contribute to the establishment of a new benchmark for green building standards in Qianhai.

We continue to improve our practices to conserve resources. NWD enhances controls to assess the reliability of procuring renewable energy sources, exemplifying our commitment to responsible business practices. To support biodiversity and nature-related conservation, we plan to further strengthen our disclosures in accordance with nature-related reporting standards by conducting risk assessments aligning with recognised methodologies.

Responsible investment remains a core priority for NWD, ensuring that our capital is directed towards projects that deliver both environmental and social benefits. In December 2024, we upgraded our Sustainable Finance Framework, defining clear eligibility criteria for projects.

In support of tenant health and wellbeing, our projects incorporate relevant building concepts designed to deliver measurable benefits. Our commitment to advancing local development and creating thriving communities is also reflected in our community investment programmes, which align with SV2030+.

We extend profound appreciation to our employees, whose expertise and dedication drive these sustainability achievements. We equally value investors, partners, and other stakeholders for their indispensable collaboration. As we continue to evolve our sustainability journey, the Group remains steadfast in deepening partnerships and advancing SV2030+, delivering enduring value for shareholders, communities, and the ecosystems we inhabit.

Sustainability Committee

Hong Kong, China, September 2025

MAJOR ACHIEVEMENTS AND ESG HIGHLIGHTS

Sustainability forms the foundation of our corporate culture, aligning sustainability priorities and aspirations with our business activities. By empowering people to collaborate, innovate, and realise their potential, our sustainability efforts are acknowledged by various ESG ratings.

Global ESG Ratings:



MSCI¹ ESG Rating of 'BBB'

S&P Global Sustainability Yearbook Member

Corporate Sustainability Assessment 2024

- S&P Global's Sustainability Yearbook Member since 2021
- Top 15% of real estate industry globally



Rated **Low ESG Risk** by Sustainalytics since 2019

S&P Global Sustainability Yearbook Member

《可持续发展年鉴(中国版)》入选企业

中国企业全球竞争力报告2024

One of 160 companies to be included in S&P Global's Sustainability Yearbook (China) 2025



4-star rating for Standing Investments Benchmark of Global's Real Estate Sustainability Benchmark ("GRESB") 2024



Constituent of FTSE4Good Index Series since 2020



Achieved a '**B**' in CDP Climate Change Assessment 2024



Hang Seng Corporate Sustainability Index Series Member 2025-2026

- Constituent of **Hang Seng Corporate Sustainability Index** since 2014-2015
- Rated **AA+**

ESG Highlights:

Future-Fit Places



- Conducted in-depth asset-level climate risk analyses at K11 ECOAST and 83 King Lam Street to identify further adaptation strategies.
- Received approval from SBTi on our net-zero SBT by 2050.

Organisational Resilience



- Upgraded Sustainable Finance Framework to better guide future fundraising efforts in alignment with sustainability objectives.
- Obtained Shenzhen's first office building dual "Excellent" ratings in BEAM Plus EB for Qianhai CTF Finance Tower and contributed to the establishment of Qianhai's new green building standard.

Enriched Lives



- Obtained WELL Health-Safety Rating (WELL HSR) for 100% of Mainland China's regional head offices, ensuring safe and healthy workplaces.
- Approved a Group-level Workforce Diversity, Equity and Inclusion Policy to guide and strengthen our DEI strategy across the organisation.

Signatories and Memberships:



Complementing our memberships, we have obtained accreditation through charters and pledges in the areas of climate change, environmental protection, diversity and inclusion, employment, and supply chain from recognised organisations. For more details on ESG ratings, memberships, charters and sustainability awards, please visit our website.

¹ THE INCLUSION OF NEW WORLD DEVELOPMENT COMPANY LIMITED IN ANY MSCI INDEX AND THE USE OF THE MSCI LOGO, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DOES NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NEW WORLD DEVELOPMENT COMPANY LIMITED BY MSCI OR ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI, MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

SUSTAINABILITY-RELATED POLICIES

Establishing sustainability policies at both the Group and subsidiary levels outlines sustainability commitments and enables the governance of business operations and value chain activities. These policies are designed to comply with relevant laws and regulations while incorporating standards that aim for best practices. Details about the policies are publicly available on our website.

We maintain accountability by regularly evaluating compliance and conducting thorough reviews of our policies and procedures. During the Reporting Period, the “Workforce Diversity, Equity and Inclusion Policy” was approved to ensure alignment with the diversity, equity, and inclusion (“DEI”) strategy. In cases of potential breaches, NWD performs comprehensive investigations to resolve any issues. During the Reporting Period, we did not incur significant fines for non-compliance with environmental laws or regulations. No convictions or legal actions have been recorded for breach of relevant laws and regulation related to corruption and bribery or anti-competitive behaviour.

RISK MANAGEMENT AND SUSTAINABILITY INTEGRATION

To address significant ESG risks that have wide-reaching effects on our assets, business, and stakeholders, sustainability and climate-related risks have been incorporated into the Group’s Enterprise Risk Management (“ERM”) framework through materiality assessment and climate-related scenario analysis. The robust risk management process enables the evaluation, monitoring, and management of risks across the Group and all BUs. The NWD Board receives ERM updates at least once every six months.

OUR ENTERPRISE RISK MANAGEMENT FRAMEWORK

The risk management approach is governed by the ERM framework, following the guidelines from the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) and the World Business Council for Sustainable Development (“WBCSD”). The framework is regularly reviewed to ensure ongoing alignment with our strategic direction, sustainability commitments, regulatory obligations, and industry best practices.

For more details about our risk management structure and process for identifying, assessing, and managing risks, please refer to the ‘Risk Management and Internal Control’ section of this Annual Report.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

STAKEHOLDER ENGAGEMENT STRATEGY AND FRAMEWORK

Understanding and addressing stakeholder expectations is critical in shaping our sustainability strategy, identifying and prioritising current and emerging risks and opportunities across our business and communities in which we operate.

We maintain ongoing open and transparent dialogues through various channels, including surveys, interviews, focus groups, site visits, mobile apps, newsletters, meetings, forums, events, hotlines, and social media channels. For more details on our engagement with key stakeholders, please visit our sustainability website.

MATERIALITY ASSESSMENT

Through conducting regular materiality assessments every two to three years and reviewing the assessment, NWD evaluates its sustainability priorities and further links to the identification of risks and opportunities, including climate- and nature-related factors. This materiality assessment approach aligns with best practices of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and the "International Sustainability Standards Board's" ("ISSB") International Financial Reporting Standards ("IFRS").

Based on the previous double materiality assessment, NWD has reviewed the market trends and regulatory requirements, determining that the results and related sustainability-related impacts, risks and opportunities ("IROs") remain valid and applicable for FY2025. These identified IROs are the most material to NWD and our stakeholders from both financial materiality and impact materiality perspectives.

The assessment consisted of four key steps: To begin with, 12 global megatrends that impact NWD and the operating environment were identified. Deep-dive interviews with internal and external stakeholders were held to assess NWD's response to key megatrends, complemented by a review of internal documentation and industry best practice.

MEGATRENDS AND SUSTAINABILITY PRIORITIES

The 12 most relevant megatrends in four thematic areas are highlighted below:

Theme	Megatrends	Potential implications for NWD's business and development
Built Environment	Urbanisation and smart cities	- Greater market demand for new and upgraded properties, infrastructure, and public utilities because of urban growth and rising incomes - Significant opportunities for development of smart cities
	Sustainable development	- Green building standards for improving efficiency and the use of sustainable materials being increasingly promoted by governments - Higher demand for luxury and eco-friendly living options from customers
	Built environment technologies	- Acceleration of digital transformation and technological adoption in the property and infrastructure sectors since the pandemic - Rapid demand for smart building technologies to achieve operational optimisation and cost savings. Tenants are also willing to pay a "smart premium" for these technologies
People and Demographics	Ageing population	- Increased demand for diverse housing and community services for older citizens - Increased demand for healthcare facilities, social services, and amenities
	Future of work	- Reshaped professions and new job opportunities due to Artificial Intelligence ("AI") - Greater work-life integration expected by younger generations - Reimagination of traditional office spaces
	Health and wellness	- Greater awareness on wellness features and experiences - Higher expectation on indoor green spaces and quiet relaxation areas for inclusive and accessible environments
	The experience economy	- More focuses on unique customer experiences under a new form of consumerism - Higher demand on bespoke physical spaces, customer services and technologies

Theme	Megatrends	Potential implications for NWD's business and development
Economics and Geopolitics	Economic transition	- Shift towards high-value services under the Central Government planning, leading to a greater need for adaptive workspaces - Increased market demand for high-quality residential properties and premium lifestyle amenities
	Deglobalisation	Rise in protectionism disrupts the supply chain, which increases costs and the level of compliance
Environment	Clean energy transition	- Clean energy transition remains a business focus for property and infrastructure sectors - Greater Government's efforts to implement energy efficiency initiatives, carbon trading and targeted finance
	Physical impacts of climate change	- More urgent actions being demanded for the government and business leaders to address physical climate risks - Greater demand on resilient infrastructure and green buildings to minimise climate-related disruptions
	Circular economy	- Increasing pressure to use natural resources sustainably to drive business transformation - More focuses on reducing embodied carbon in building materials and construction activities

A long list of over 80 sustainability-related IROs was developed, and further assessed for materiality under the ERM framework, using parameters such as magnitude, severity and likelihood. Thirty-six IROs were considered "highly material" and grouped into seven sustainability priorities. The full assessment and review process was validated by the Steering Committee and the Sustainability Committee of the Board of Directors.

SEVEN SUSTAINABILITY PRIORITIES

There are specific identified sustainability priorities that focus on enhancing NWD's internal operational efficiency, while most sustainability priorities extend beyond to create external and influential impact on the community through our key business activities.

Sustainability Priorities	Description	Impact	Time Horizon [#]	For More Details
Reimagining the built environment* 	Enhance asset resilience against extreme weather	Enterprise value creation	Short term	See 'Future-Fit Places'
	Address rising costs in utility and insurance protection	External stakeholders	Medium term	
			Long term	

Sustainability Priorities	Description	Impact	Time Horizon [#]	For More Details
Investing in a low carbon future* 	- Navigate the transition to a net-zero economy - Adopt renewable energy and utilise low carbon materials, technologies and processes to reduce emissions	External stakeholders	Short term Medium term Long term	See 'Future-Fit Places – Transition to a Low Carbon Economy'
Driving operational efficiency* 	- Reduce operational costs through increased building efficiency - Lean construction practices and a lifecycle approach to asset enhancements and investments	Enterprise value creation	Short term Medium term	See 'Future-Fit Places'
Enterprise approach to sustainability 	- Embed sustainability into corporate strategy, risk management and financial planning - Strengthen corporate governance with roles and responsibilities	Enterprise value creation External stakeholders	Short term Medium term	See 'Corporate Governance' of this Corporate Sustainability section
Embracing tech and innovation* 	- Leverage innovation and technology to enhance resilience and productivity - Act as a catalyst in building more innovative, efficient, and adaptive spaces	Enterprise value creation External stakeholders	Short term Medium term	See 'Organisational Resilience – Technology and Data Governance'
Investing in our people 	- Foster a culture of employee development and wellbeing - Attract and retain top talent in a diverse and inclusive workplace	Enterprise value creation	Short term	See 'Enriched Lives – Investing in our People'
Contributing to thriving communities* 	- Foster economic growth through business partnerships - Generate employment and skills opportunities for a thriving community	External stakeholders	Short term Medium term	See 'Enriched Lives – Thriving Communities' And 'Enriched Lives – Vibrant Local Economy'

* Denotes climate-related impacts, risks and/or opportunities within the sustainability priority
[#] Time horizons: Short term (0-1 year), medium term (2-5 years) and long term (5+ years)

CORPORATE SUSTAINABILITY

FUTURE-FIT PLACES

NWD considers climate change in tandem with other ESG and non-ESG factors to ensure we respond appropriately to emerging risk and opportunities. We take climate actions considering two aspects of climate change:

1. NWD's impact on climate – how our operations, supply and value chains contribute to climate change. We take action to reduce our impact by delivering emissions reduction strategies that also provide cost benefits.
2. Impacts of climate change on NWD – how our operations, supply and value chains are impacted by climate change.

The pillar of Future-Fit Places outlines our approach to designing, building, and operating high-quality and resilient places that deliver enduring environmental benefits to our stakeholders. We achieve this by strengthening climate resilience, contributing to the transition to a low-carbon economy, and conserving natural resources. This pillar appeals to our tenants, customers and community members through sustainable building designs and operations.

OUR SUSTAINABLE BUSINESS APPROACH	OUR APPROACH AND KEY ACTIVITIES	HOW WE MEASURE PERFORMANCE	TARGET STATUS
 Future-Fit Places Design, build and operate high-quality, future-fit and resilient places that deliver enduring value for our stakeholders.  	 Climate Resilience Integrate climate change considerations and measures throughout the asset lifecycle to ensure assets are resilient and positioned to thrive in a climate-affected future. • Conduct climate risk assessments to understand asset-level climate-related risks and opportunities. • Develop asset adaptation plans in response to identified climate risks & opportunities.	BY FY2030 Climate adaptation and resilience plans set for all relevant investments and operations to protect value at risk BY FY2026 All new and existing investments and operations assessed for potential climate-related physical and transition risks	On Track On Track
	 Transition to a Low Carbon Economy Support our investments, operations and value chain through targeted efforts as we transition to a low carbon economy. • Prioritise smart and efficient sustainable building design, development and operations. • Renewable energy and procurement. • Collaborate with our value chain, including tenants, suppliers, customers and industry, to further reduce our carbon intensity.	BY FY2050 Net Zero Scope 1, 2 & 3 emissions from all our assets and operations BY FY2030 Reduce absolute Scope 1 & 2 emissions by 42.0% (FY2023 baseline) Reduce absolute Scope 3 emissions from Capital Goods by 25.0% (FY2023 baseline) Reduce Scope 3 emissions from Downstream Leased Assets by 51.6% per square metre (FY2023 baseline) BY FY2026 100% renewable energy use in our Greater Bay Area investment properties	On Track On Track On Track
	 Conserving Natural Resources Responsible and efficient consumption of natural resources and proactively managing nature-related risks and impacts. • Deliver water-saving buildings that avoid water use and conserve natural resources. • Diversion of waste back into the economy through reuse or recycling, and reducing dependence on natural resources.	BY FY2030 All new and existing investments have energy, water, and waste efficiency plans integrated into asset operations BY FY2030 30% total recycling rate (landfill diversion) achieved across our relevant investments and operations	On Track On Track

In addition, NWD is an active member of various locally and internationally recognised associations and industry groups, advancing industry-specific knowledge and development for climate change policy positions and initiatives. These collaborations enable us to propose recommendations that drive climate improvements and advise on strategic planning. For more information, please visit our website.

CLIMATE RESILIENCE

NWD prioritises identifying, managing and addressing its climate-related impacts. We acknowledge the effects of climate change on our operations across the business model and value chain.

In this section, we disclose climate-related information, referencing the ISSB's IFRS S2 Climate-related Disclosures and the Hong Kong Stock Exchange ("HKEX") Climate-Related Disclosure Guidelines.

GOVERNANCE

We maintain a consistent approach in managing climate-related risks and opportunities, supported by a robust governance structure outlined in the 'Corporate Governance' section of this Corporate Sustainability section.

The Board is responsible for overseeing the management of climate-related risks and opportunities to inform corporate strategy, budgets, and business planning, while receiving regular updates from the Sustainability Committee. Climate-related factors are integrated in making major capital investment and acquisition decisions under our Responsible Investment Policy.

The Steering Committee and various departments support climate action planning, tracking progress towards climate-related metrics and targets. The Steering Committee reports directly to the CEO and provides biannual updates to the Sustainability Committee.

STRATEGY

Guided by our Climate Change Policy, Responsible Investment Policy, and Decarbonisation Roadmap, NWD works towards developing a climate-related transition plan based on science-based targets ("SBTs") and implementing decarbonisation initiatives under the SV2030+ sustainable business approach, collectively forming the direction and plans for climate-related transition. This plan is also integrated into the Group's ERM framework, with clear and measurable performance metrics for BUs to take action.

Climate-related Risks and Opportunities

The following section outlines our assessment results of material physical and transition climate-related risks and opportunities, along with evaluating business implications and potential financial impacts.

Physical Risks and Opportunities

	Climate Hazard	Business Implications	Potential Financial Impacts
Acute hazards and risks	Drought Prolonged period of dry weather conditions	Shortage of water supply affecting or suspending business operations	- Increased operational and insurance costs - Increased capital expenditure to install water-efficient and storage devices
	Wildfire Unplanned or uncontrolled fires in areas of combustible vegetation	- Increased potential for damage to property and assets - Potential impact of occupational health and safety	- Increased operational and insurance costs - Increased cost to repair damage caused by wildfire events
	Flood Flooding caused by overflowing rivers and streams, extreme rainfall events or ineffective drainage	- Increased potential for damage to property and assets - More frequent and severe disruption to business continuity	- Reduced asset values due to increased property damage - Reduced revenue from rental portfolio - Increased operational and insurance costs - Increased capital expenditure for resilient features to floods and strong winds - Increased market valuation due to the adoption of climate resilience measures
	Storm surge Coastal flooding due to extreme rise in sea level during typhoons, typhoon tracks, elevation and climate change		
Chronic hazards and risks	Tropical cyclone Strong gusts and heavy rainstorms are caused by intense storms originating over warm tropical oceans		
	Heat stress A prolonged period of high temperature and humidity	- Lowered labour productivity - Increased health hazards to the workforce - Higher demand for cooling and energy	- Increased cooling cost - Reduced productivity leading to increased labour cost
	Change in precipitation patterns Changes in temperature lead to long-term shifts in precipitation patterns	Water supply shortage in areas with reduced precipitation	- Increased capital expenditure associated with building upgrades related to water retention and efficiency - Increased operational costs for alternative water sources in areas with reduced precipitation
	Rising sea level Rise in average sea level due to climate change	- Increased potential for damage to property and assets - Asset relocation	- Reduced asset values due to increased damage to property - Increased potential for stranded assets

Transition Risks and Opportunities

	Material Risk/ Opportunity	Business Implications	Potential Financial Impacts
Policy and legal	Carbon pricing Increased use of policy instruments to apply an explicit price on greenhouse gas ("GHG") emissions, through carbon taxes or emissions trading schemes	- Increased need to optimise operational efficiency to reduce resource consumption - Increased need to optimise building construction to reduce resource consumption and materials use	- Increased operational costs - Increased capital expenditure to install energy-efficient facilities and green retrofits - Lower operational costs associated with improved energy efficiency - Increased procurement cost for low carbon alternatives for construction materials
	Building codes and standards More stringent regulations on building energy performance and emissions in a lifecycle approach	- Increased need to optimise operational efficiency to reduce resource consumption - Increased need to obtain green building certifications across the portfolio	- Increased capital expenditure to install energy-efficient facilities and green retrofits - Lower operational costs associated with improved energy efficiency
Reputation	Stakeholder concern and feedback Higher expectations on ESG and climate risk management and disclosure	Comprehensive disclosures expected on climate change actions and metrics, including reference to the IFRS S2, HKEX Climate-Related Disclosure Guidelines, and other emerging standards	Increased operational costs to implement changes in climate risk management and disclosure
Market	Consumer preference Increased market demand for low carbon and resilient buildings	- Increased demand for buildings with lower carbon footprint and higher energy efficiency - Increased need to assess and improve existing buildings' energy and environmental performance - Increased need to obtain green building certifications across the portfolio	- Increased revenue due to rental and sales premiums of green buildings - Increased capital expenditure to install green retrofits and climate-resilient features
	Increased cost of raw material Cost premium for low carbon materials and increased price for traditional materials due to supply chain disruption from changing climate conditions and policy	Increased fluctuations in the cost and supply of raw materials	- Increased procurement cost for traditional construction materials due to policy transition - Increased procurement cost for low carbon alternatives for construction materials

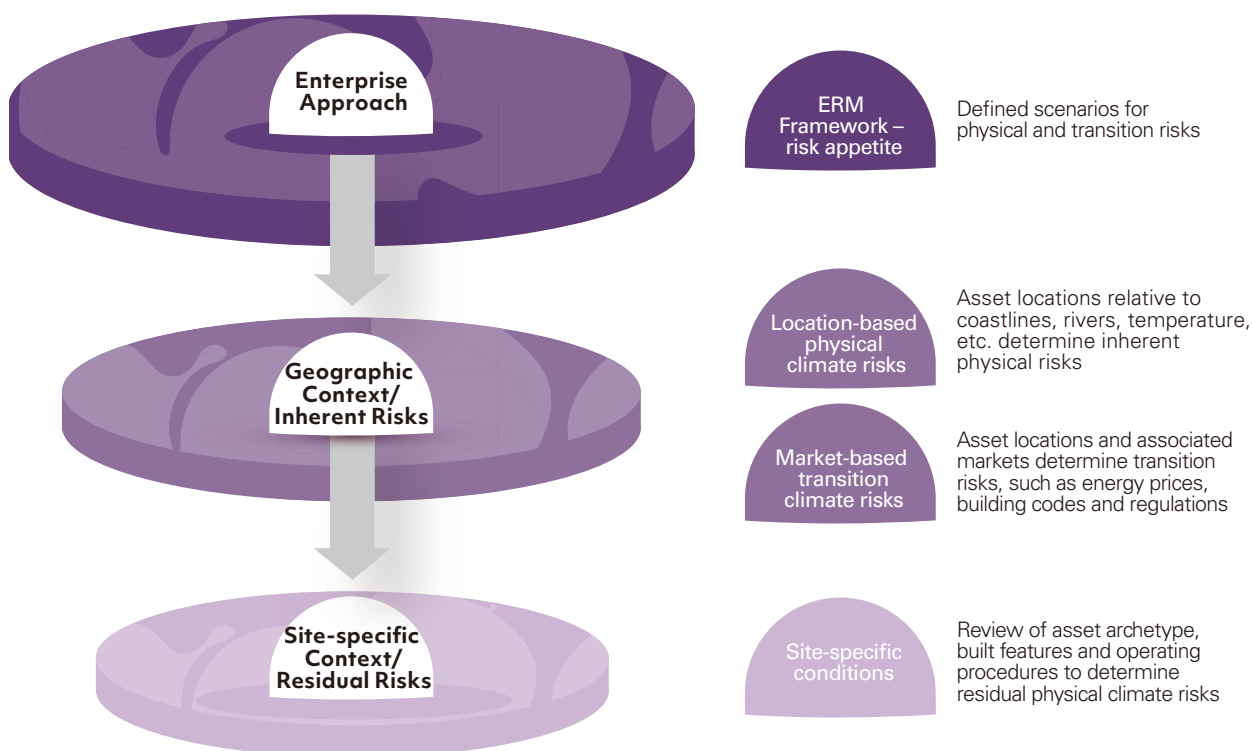
Based on the identification of climate-related risks and opportunities, we have implemented a range of measures using both strategic and operational approaches. These measures aim to strengthen our operational stability and business continuity, mitigate potential impacts, and better position the Group to seize emerging opportunities as the market evolves alongside decarbonisation.

Climate-related risks and opportunities	Strategic approach	Operational approach
Physical risks and opportunities	- Conduct regular market review of preliminary climate risk assessment solutions - Explore emerging climate assessment tools - Implement climate adaptation and mitigation measures	- Assess over 200 assets and locations for potential climate risks - Assets with high inherent physical risks are further assessed using Vulnerability Assessment - Conduct asset-level analysis and integrate mitigation and adaptation measures into building designs and operational plans where applicable
Transition risks and opportunities	- Foster a culture of sustainability and climate awareness at all levels - Conduct regular compliance reviews - Cover carbon pricing sensitivity assessment as part of the transition risk scenario analysis for selected assets - Monitor the effectiveness of efficiency measures across the portfolio - Collaborate with industry groups to promote the application of low carbon solutions	- Conduct lifecycle analysis for all Hong Kong developments and pilot projects in Mainland China - Leverage proceeds from sustainable finance instruments - Implement green lease programmes for our tenants - Implement low carbon initiatives and conserve natural resources with performance quantification

Looking forward, we continue to enhance our assessment and quantification of the financial implications of climate risks and opportunities.

Scenario Analysis

The Group's climate-related decisions are informed by the outcomes of scenario analysis, a methodology we have employed since FY2019 to assess risks and opportunities.



Enterprise Approach

Scenario Analysis is a key consideration in establishing our climate action strategy through the Enterprise Approach. We have incorporated the latest research and data to develop both qualitative narratives and quantitative models for our physical and transition risk scenarios.

We perform scenario stress tests across our operations using various future settings and assumptions based on leading climate science. By developing scenarios with significant contrasts, the Group enables the preparation for both best- and worst-case outcomes.

	High Transition Risk, Low Physical Risk Scenario	Low Transition Risk, High Physical Risk Scenario
Physical Risk Scenarios¹	IPCC SSP1-2.6 – In this scenario, the 1.5°C global warming level is not likely to be exceeded. There will be wide-ranging physical impacts, including on average temperatures, mean sea levels, and other climate variables; however, the impacts are considerably more limited compared to higher emission scenarios.	IPCC SSP5-8.5 – In this scenario, emissions roughly double from current levels by 2050, leading to the projected temperatures to increase by 3.3 – 5.7°C relative to the pre-industrial period. Severe and wide-ranging physical impacts are projected, including average temperature increases, changes in precipitation levels, rising mean sea levels, and other climate variables, which are expected to lead to more significant extreme weather events.
Transition Risk Scenarios²	NGFS Net Zero 2050 – Global warming is limited to 1.5°C through stringent climate policies and innovation, reaching global net zero emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately.	NGFS Current Policies – This scenario assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions growth leads to about 3°C of warming.
Time Horizons	Short-term: 2030 – This short timeframe aligns with the target year of our near-term SBTs. Medium-term: 2050 – This medium-term timeframe aligns with the target year of our net-zero target and the Paris Agreement. Long term: 2080 and beyond – This longer timeframe extends beyond our SBTs and net-zero target, the Paris Agreement, and Mainland China's commitment to achieve carbon neutrality by 2060.	
Geographical Coverage	Over 200 assets and locations across our portfolio, with the following geographical distribution: • 70% in Mainland China • 28% in Hong Kong • 2% in Southeast Asia³ These include investment properties currently held by the Group, current developments and construction sites, and agricultural land holdings.	

Geographic Context / Inherent Risks

This assessment aimed to identify and flag the inherent risks and projected rate of change for our operations under our Enterprise Approach scenarios, considering various time horizons across the diverse geographies in which we operate. We keep enhancing the granularity of this assessment by examining more specific asset locations.

Site-specific Context / Residual Risks

For assets assessed with inherent risk at a moderate or above level, we conducted a Vulnerability Assessment that incorporated site-specific features, such as asset types, locations of sensitive equipment, current adaptation features or controls and operating processes. We collaborated with asset representatives who are familiar with each asset to complete this assessment. The features and controls were then considered and assessed for each asset to determine whether the inherent risk could be adjusted, resulting in a residual risk.

¹ IPCC published a new set of climate scenarios which consider both emissions level and socio-economic developments in different future states in its Sixth Assessment Report. The scenarios are referred to as SSPx-y, where 'SSPx' refers to the Shared Socio-economic Pathway describing the socio-economic trends underlying the scenario, and 'y' refers to the approximate level of radiative forcing.

² The Network of Central Banks and Supervisors for Greening the Financial System ("NGFS") partnered with an expert group of climate scientists and economists to design a set of hypothetical scenarios to demonstrate how climate change (physical risk), climate policy and technology trends (transition risk) could evolve in different futures

³ Including Vietnam, Thailand and the Philippines.

Scenario Analysis Results

Physical Risks

We have quantified the inherent risks to our portfolio at an asset level. This approach emphasised location-specific evaluation of each asset. For instance, broad physical inherent risks, such as floods and typhoons, may be high for larger geographies but can be mitigated for certain assets given their more precise locations.

We conducted an assessment of over 200 of our assets and locations. We utilised third-party climate projections to evaluate the effects of climate hazards at the asset level. The evaluation was conducted under the assumption that no asset-specific adaptation or mitigation measures had been implemented. Although risks related to changes in precipitation patterns are not included in the summary, they were considered in the assessment of drought, river flooding, and rainfall flooding risks. Summary findings are presented below:

Inherent Physical Risks

Indicator	Physical Risk	Location	SSP1-2.6			SSP5-8.5		
			2030	2050	2080	2030	2050	2080
Percentage of total asset value at risk	Drought and Wildfire ¹	Hong Kong						
		Mainland China						
		Southeast Asia						
	River flood	Hong Kong						
		Mainland China						
		Southeast Asia						
	Rainfall flood	Hong Kong						
		Mainland China						
		Southeast Asia						
	Storm surge, including rising sea level	Hong Kong						
		Mainland China						
		Southeast Asia						
Percentage of productivity loss	Tropical cyclone	Hong Kong						
		Mainland China						
		Southeast Asia						
	Heat stress	Hong Kong						
		Mainland China						
		Southeast Asia						
		Hong Kong						
		Mainland China						
		Southeast Asia						

Insignificant
 Minor
 Moderate
 Major
 Extreme

¹ Drought and Wildfire were independently assessed, but results were the same, i.e. Insignificant across all Scenarios and Time Horizons, and hence grouped together in the summary findings.

Residual Physical Risks

Assets identified with inherent risks exceeding NWD’s risk appetite were further assessed using a Vulnerability Assessment. This assessment determines which assets may still be exposed to climate impacts after accounting for current mitigation measures. For existing assets, this covered physical asset features, such as the locations of sensitive equipment and operational procedures in the event of an emergency. For assets in development, the latest proposed designs were taken into consideration.

We reviewed the controls for the identified climate hazards and quantified their effectiveness in reducing inherent risk. Our assessment revealed that efforts to date can help mitigate potential inherent climate risks through on-site controls. We have categorised our portfolio from Most to Least Vulnerable based on the Vulnerability Assessment results. Adaptation plans are prioritised for assets identified as the most vulnerable. These efforts enhance our portfolio’s resilience by focusing capital expenditures on asset retrofits and implementing operational policies that account for potential climate impacts.



Transition Risks

A mix of quantitative and qualitative assessments was conducted across a cross-section of assets, calculating potential financial implications for the identified transition risks and opportunities detailed in our scenarios. It considered the financial impact of our transition scenarios for energy costs and the cost of raw materials.

Indicator	Transition Risk	Net Zero 2050		Current Policies	
		2030	2050	2030	2050
% of projected electricity spending from operating expense	Change in energy costs (including carbon pricing)				
% of projected liquid fuel spending from operating expense					
% of projected natural gas spending from operating expense					
% of projected cement spending from operating expense	Increased cost of raw materials				

■ Insignificant ■ Minor ■ Moderate ■ Major ■ Extreme

We conducted a qualitative assessment of transition risks/opportunities related to building codes, consumer preferences and concerns regarding climate change. Findings from our qualitative assessment are outlined below:

Energy/Carbon Costs	Efforts on the market to decarbonise are likely to be passed on to consumers. Our energy costs are likely to increase; however, we may experience a sudden surge if the market accelerates efforts under a Net Zero 2050 scenario.
Cost of raw materials	The cost impact of decarbonising the economy is not limited to energy. Our analysis indicates that the cost of raw materials, such as cement and steel, is likely to increase; however, this impact is reduced under a Current Policies scenario.
Building codes	We expect building codes to become more stringent under a Net Zero 2050 scenario, which will impact the cost of developing new buildings and upgrading our existing portfolio. This cost increase will result from building standards that set high standards around energy efficiency, emissions reduction, electrification, and improving the resiliency of assets against physical climate hazards.
Customer preferences and concerns	Under both the Current Policies and Net Zero 2050 scenarios, consumers will favour greener buildings.

RISK MANAGEMENT

Our approach to managing climate-related risks aligns with the Group's ERM framework, integrating with insights from the scenario analysis. We define a clear risk appetite to determine the prioritisation of climate-related risks, while emphasising resiliency measures in our response strategies – all guided by the key principles of our ERM framework.

For more details on our risk management approach, please refer to our 'Risk Management and Internal Control' section on page 120.

METRICS AND TARGETS

We conduct ongoing reviews of climate-related metrics and targets under the SV2030+ sustainable business approach.

Metrics

We continue to report our Scope 1, 2, and 3 GHG emissions as part of our wider ESG accounting. For information related to the Group's emissions and target progress, please refer to the 'Transition to a Low Carbon Economy' section on page 67 and the Sustainability Performance Data Table 2025 on our website.

Climate Resilience Targets

Recognising the need to respond to the physical impacts caused by climate change, we have set climate resilience targets. These targets will foster a more comprehensive understanding of the potential impacts of climate change across the Group, and integrate measures throughout the property lifecycle to enhance the climate resilience of our portfolio.

- All new and existing investments and operations assessed for potential climate-related physical and transition risks by FY2026;
- Climate adaptation and resilience plans set for all relevant investments and operations to protect value at risk by FY2030.

Since 2022, NWD has received the approval for near-term SBTs that align with 1.5°C pathway and has committed to reaching science-based net-zero by 2050. Following the consideration of latest business changes, NWD reassessed its near-term SBTs to ensure their validity, setting FY2023 as an updated baseline year. These targets, together with the net-zero target, were verified by SBTi in December 2024.

Science-based Targets

Overall Net-Zero Target:

- NWD commits to reaching net-zero GHG across the value chain by FY2050.

Near-term Targets:

- To reduce absolute Scope 1 and 2 GHG emissions by 42.0% by FY2030.
- To reduce absolute Scope 3 GHG emissions from capital goods by 25.0% by FY2030.
- To reduce Scope 3 GHG emissions from downstream leased assets by 51.6% per square metre by FY2030.

Long-term Targets:

- To reduce absolute Scope 1, 2 and 3 GHG emissions from capital goods, use of sold products, downstream leased assets, and investments by 99.6% by FY2050.

With the dedication to enhancing climate resilience, NWD has incorporated climate-resilient designs and conducted climate risk and adaptation assessments for its projects. In 2021, we appointed a consultant to establish a Climate Resilience Guideline for future development projects. This Guideline was established with reference to our ERM framework. It aims to proactively incorporate relevant climate mitigation and adaption design features and measures, thereby enhancing overall project sustainability and resilience against physical climate risks.

Following the portfolio-wide assessments, we conducted in-depth asset-level analyses to identify and assess asset-specific adaptation measures.

Shaping Climate Resilient Buildings: K11 ECOAST and 83 King Lam Street



K11 ECOAST

Recognised by the Real Estate Asia Awards 2024 and the ESGBusiness Awards 2024, as well as LEED Platinum, SITES Gold and WELL pre-certifications, K11 ECOAST Art and Cultural District by the Sea has incorporated climate resilient architectural features, reinforcing its position as a high-quality, future-ready built environment with over 228,500 sq m of gross floor area.

Risks	Climate Resilient Designs
Heat-related Risks	• Roof tile with high solar reflective index >78 • >10,000 sq m of green roof • >200 native plant species • "Green Belt" – a covered jogging trail surrounding the building • Trees and building structures contributing to >2,000 sq m of sunshade coverage • Energy-efficient district cooling system with ice storage for occupants' thermal comfort
Water-related Risks	Implemented "Sponge City" design concept with • >1,400 m³ total storage capacity • >6,300 sq m of permeable paving • >4,500 sq m of rain gardens and infiltration trenches • >18,000 sq m of total greenery provision

83 King Lam Street

83 King Lam Street is a Grade A commercial building in Kowloon West, Hong Kong to receive the Best Futura Project (Silver) award at the MIPIM Asia Award 2021 and has also obtained WELL Platinum, BEAM Plus Gold and LEED Gold certifications.

We engaged an external consultant to conduct a climate risk and adaptation analysis based on the IPCC AR6 framework. This analysis evaluated risks from extreme climate events and resilience build-up across four key areas: hazards, exposures, adaptive capacity, and response preparedness, concluding with an evaluation of the building's vulnerability and readiness for future climate hazards.



Risks	Adaptation Measures in Place
Heat-related Risks	• Adopted rooftop greenery to reduce the urban heat island effect • Adopted high-performance façade • Conducted load design conditions with regular review
Water-related Risks	• Flood barriers and floodgates available around important entrances • Arranged elevated plant rooms to eliminate the impact of urban waterlogging
Wind-related Risks	• Installed typhoon-resistant doors and windows • Implement Standard Operating Procedure to protect people from injury and asset damage during a typhoon • Carry out preventive inspection regularly to identify signs of wear and tear

TRANSITION TO A LOW CARBON ECONOMY

NWD strives to achieve the near-term SBTs in line with the 1.5°C pathway outlined in the Paris Agreement. Guided by SV2030+, NWD drives progress towards targets on emissions and renewable energy to construct a low carbon future.

GREENHOUSE GAS EMISSIONS TARGETS

Our SV2030+ sets near- and long-term targets on greenhouse gas (GHG) emissions and works towards net zero, considering our properties and construction operations, by 2050. The Group's approved near-term SBTs have been regularly reviewed with business needs to ensure their validity. In December 2024, NWD received approval from SBTi on our net-zero science-based target by 2050 against a baseline of FY2023.

Overall Net-Zero Target:

- NWD commits to reaching net-zero GHG emissions across the value chain by FY2050.

Near-term Targets:

- To reduce absolute Scope 1 and 2 GHG emissions by 42.0% by FY2030.
- To reduce absolute Scope 3 GHG emissions from capital goods by 25.0% by FY2030.
- To reduce Scope 3 GHG emissions from downstream leased assets by 51.6% per square metre by FY2030.

Long-term Targets:

- To reduce absolute Scope 1, 2 and 3 GHG emissions from capital goods, use of sold products, downstream leased assets, and investments by 99.6% by FY2050.

DECARBONISATION ROADMAP

We have developed a Decarbonisation Roadmap (the "Roadmap"), which sets an ambitious plan to reduce emissions for meeting our near-term SBTs by FY2030 that is in line with limiting global warming to 1.5°C. We will further integrate the Roadmap into investment decisions to capitalise on opportunities and amplify positive impacts through initiatives and our long-term targets. Being a signatory to the BEC Net-Zero Carbon Charter, we demonstrate our efforts on decarbonisation.

	INITIATIVES	OUTCOMES	
	Design, construct and invest in high performance green rated buildings	 Decrease energy demand and associated emissions with a high-performing asset portfolio	
	Sustainable procurement	 Reduce emissions in our supply chain partners via the use of low carbon goods and services	
	Energy efficiency plans on all our investment properties	 Reduce emissions via integration of energy efficiency upgrades into asset investment plans	
	Accelerate CSV Green Lease implementation across our assets	 Support our tenants to reduce their energy use and emissions during fit-out and operation	
	Upgrade existing investment portfolio and design new assets to be all-electric	 Eliminate fossil fuel use and associated emissions from our business activities	
	Provide electric vehicle charging infrastructure	 Support transition towards low-carbon transport options for our residents, tenants and customers	
	Maximise on-site renewable energy generation and storage	 Reduce operational emissions and improve resilience by lowering reliance on the grid	
	Purchase renewable energy	 Reduce asset emissions and support development of renewable energy infrastructure	
	Implement embodied carbon benchmarks on our new developments	 Continually reduce our upstream emissions from our developments via sustainable design and use of low carbon material solutions	
	Implement low carbon construction schedule	 Reduce construction related emissions through increased electrification, use of alternative fuels and low carbon materials	

Our value chain



Our Development Properties



Our Investment Properties



Our Supply Chain/Products



Our Tenants and Customers

Scope of carbon emissions



Scope 1

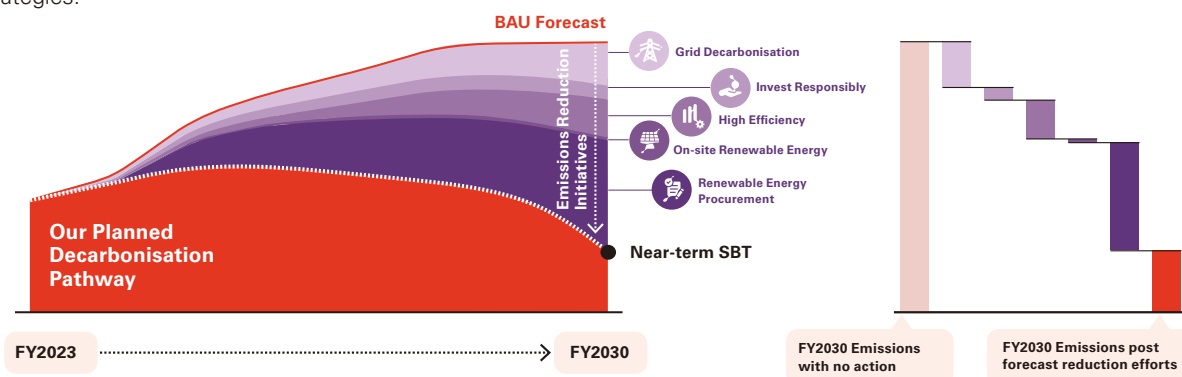


Scope 2



Scope 3

We have forecasted our Scope 1 & 2 decarbonisation pathway from FY2023 to FY2030, applying scenarios and accounting for pipeline growth to predict the expected emissions reduction resulting from the application of emission reduction strategies.



As our business expands, we conduct regular reviews of emissions forecasts and evaluate the effectiveness of decarbonisation measures. We will update the Roadmap periodically to revise reduction forecasts that align with actual performance. We expect to further release Scope 3 decarbonisation pathways for Category 2 Capital Goods and Category 13 Downstream Leased Assets in the future.

Invest Responsibly

At NWD, we emphasise on promoting green buildings and sustainable procurement.

Obtaining green building ratings and certifications requires independent verification of buildings' performance across various environmental and social factors. We have a Sustainable Building Policy in place to guide our green building journey.

We strive to achieve:

- BEAM Plus Gold Level or above for new projects in Hong Kong
- LEED Gold level or above for new commercial/retail projects in Hong Kong and Mainland China

Where feasible, we consider attaining certifications under:

- China Green Building Evaluation Labels ("Two Star" or above) for Mainland China projects
- WELL Building Standard at any level
- Sustainable SITES Initiative at any level for climate resilient landscaping

NWD continues to advocate sustainable building practices and the broader application of green building certifications. Following the signing of a Memorandum of Understanding ("MoU") to support the expansion of the BEAM Plus certification to cities outside Hong Kong, Qianhai CTF Finance Tower has been recognised as Shenzhen's first office building that achieved the highest "Excellent" ratings in both Management and Energy Use categories in June 2025. This milestone underscores our commitment to advancing green building standards across the border.

Achievements in Green Buildings¹

- 44 LEED certificates², of which 31 achieved Gold or above
- 22 BEAM Plus certificates³, of which 21 achieved Very Good/Gold or above
- 6 China Green Building Evaluation Labels ("Two Star" or above)
- 3 SITES certificates at Gold level
- 2 Zero-Carbon-Ready Building Certification
- 12 WELL Building Standard certificates⁴
- 10 WELL Health-Safety Ratings

¹ Excluded expired certificates

² Includes both pre-certified and certified projects as of 30 June 2025

³ Includes Provisional Assessment and Final Assessment certificates for both New Buildings and Existing Buildings as of 30 June 2025.

⁴ Includes both pre-certified and certified projects as of 30 June 2025. All projects are either Gold certified or V2 pre-certified; V2 pre-certification no longer includes a rating, but all projects are targeting Gold or above.

Hangzhou New World Art Centre — an Award-winning Sustainable Development

Key achievements:

- Designed and constructed according to LEED Gold, WELL Gold, SITES Gold and China Green Building Evaluation Labels Three Star
- Pioneered lifecycle-based building performance optimisation
- Received the “Sustainable Development of the Year – China” in Real Estate Asia Awards 2025

Located in Hangzhou, China, an emerging hub for global service industry leaders and high-value economic activities, Hangzhou New World Art Centre is a 740,000 sq m mixed-use development combining residential, commercial, and recreational spaces with an interconnected design.



- **Water Conservation:** Adopt water-efficient fixtures and rainwater harvesting systems to achieve >45% and >95% savings for indoor and outdoor water use, respectively
- **Sustainable Materials:** Use >25% recycled building materials such as steel, aluminium and concrete blocks and rapidly renewable bamboo formwork to reduce waste and GHG emissions
- **Indoor Air Quality:** Adopt low-VOC finishes and utilise CO₂/CO monitoring systems linked to smart ventilation to ensure optimal indoor air quality
- **Carbon Accounting:** Monitor and forecast embodied and operational carbon through Life Cycle Assessments (“LCAs”)
- **Urban Greenery:** Include a 500-metre central green corridor to enhance ecological connectivity among Wangjiang New Town, West Lake, and Qiantang River through spatial design

Green Building Features

- **Energy Efficiency:** Use high-performance HVAC systems and intelligent lighting controls to reduce energy consumption by 20% compared to ASHRAE baseline standards
- **Energy Recovery:** Adopt air-sourced heat pumps and boiler systems for exhaust recovery, contributing to a projected annual energy saving of up to 1,350,000 kWh with an estimated operational savings of RMB1 million per year
- **Renewable Energy:** Install around 1,100 sq m of solar pergolas and PV panels, contributing to an annual yield of >213,000 kWh with an estimated operational savings of >RMB150,000 per year



Bagua Terraces Geometry: Symmetrical balance of octagonal towers

High Efficiency

High energy efficiency is a key priority for all of our investment properties and we provide sufficient support to our tenants on daily energy reduction.

Energy Management

NWD has implemented a series of energy efficiency enhancement and improvement initiatives across our investment properties, driving energy savings and supporting our environmental targets. These measures are reinforced by regular performance reviews to evaluate effectiveness and ensure continuous improvement.

Energy Efficiency Programme	Description	Estimated Annual Savings
Energy-efficient HVAC equipment	Enhanced overall chiller plant efficiency through: - Upgrading two chiller plants with variable speed drives - Optimising chiller system control with real-time monitoring and demand forecast with historical weather data in the Centralised Control Management System	700,000 kWh for New World Tower
Building energy management systems	Deployed Internet of Things ("IoT") sensors to monitor temperature and humidity and leveraged AI-driven demand forecasting and adjustment to achieve energy saving	83,000 kWh for THE FOREST
Retrofitting lighting	Replaced existing lighting with high-efficiency LED tubes in back-of-house and carpark areas	361,000 kWh for K11 Shanghai 205,000 kWh for K11 MUSEA 58,000 kWh for K11 ATELIER King's Road 20,000 kWh for New World Tower

In addition to the above energy efficiency programmes, NEW PARK and The Canton Place in Guangzhou have entered a 10-year Energy Performance Contract, allowing us to save energy at no capital costs and share financial benefits with our partners. The expected performance-based reduction ranges from 10% to 22%.

Managing our Downstream Leased Assets

Through our green lease programme, and supported by submetering, we collaborate with tenants to gather and manage electricity usage data. This strategic partnership not only allows us to assess Scope 3 emissions more effectively but also supports our ongoing energy management initiatives. By working together, we aim to identify opportunities for energy efficiency improvements and reduce our overall carbon footprint.

Alternative Fuels and Electrification

We recognise the importance of adopting alternative fuels and electrification to reduce emissions. Consequently, we are reviewing and upgrading, whenever possible, our existing investment portfolio and designing new assets to be fully electric.

We are actively expanding the provision of electric vehicle charging infrastructure in our investment properties and advancing electrification in our construction practices, aiming at minimising fossil fuel use and associated emissions.



Renewable Energy



Our Renewable Energy Roadmap has been developed to outline our proactive plan for installing on-site renewable energy systems, including photovoltaic panels, solar thermal systems, and wind turbines, at our assets, whenever possible and commercially viable.

We have developed renewable energy systems across our asset portfolio such as K11 ECOAST, K11 ATELIER King's Road, and 83 King Lam Street. As of FY2025, over 50% of NWD's new commercial construction and renovation projects are designed with on-site renewable energy systems. Meanwhile, assessing the applicability of retrofitting existing buildings with renewable energy system installations remains one of our focuses.

In addition to generating on-site renewable energy, we also explore renewable energy procurement opportunities through Power Purchase Agreements and Renewable Energy Certificates, or their equivalents, directly from energy providers or through their partners. We have introduced a set of screening criteria for sourcing Renewable Energy Certificates to guide and prioritise our procurement decisions and uphold high standards, ensuring the reliability and integrity of our renewable energy procurement.

Low Carbon Construction

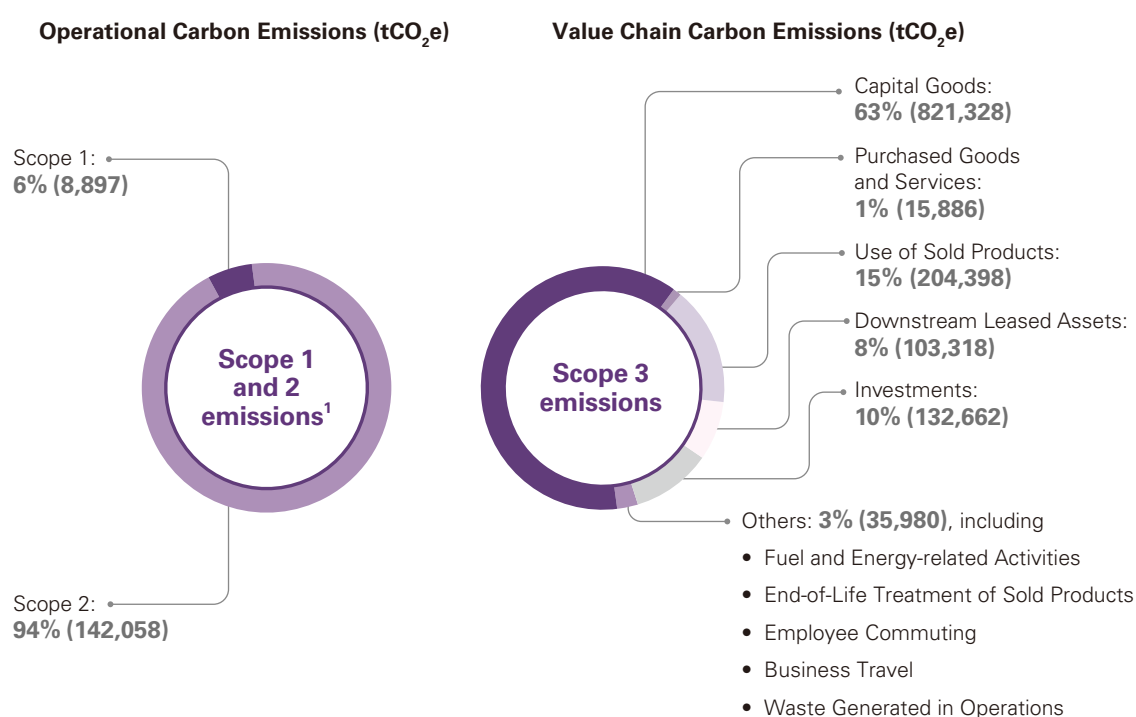
In service of our SBT on Scope 3 Capital Goods regarding the management of embodied carbon in our development pipeline, we have been conducting LCAs in the majority of our Hong Kong projects. This Year, we have expanded the efforts to Mainland China projects, exemplified by our Hangzhou New World Art Centre. Findings from the studies help us make informed decisions about using materials with lower embodied carbon wherever feasible. As our project pipeline in Mainland China grows, we see a valuable opportunity to apply these insights to other new developments.

Embodied carbon in steel is a significant source of Scope 3 GHG emissions for property developers in Hong Kong and Mainland China, prompting ULI Greenprint to initiate a transition to low carbon steel production in the real estate sector. NWD, along with 13 other leading property developers, has endorsed the Collaboration Statement on Low Carbon Emissions Steel for Real Estate in China. Key objectives of the initiative include improving data transparency, encouraging low carbon options and promoting sustainable procurement. This initiative is essential for driving innovation and supporting China's sustainability objectives, including its dual carbon targets.

FY2025 EMISSION PROFILE

We are aware of our significant role in driving the transition to a low carbon future and have set ambitious targets for our emission reduction. With our decarbonisation roadmap and associated strategies in place, we actively monitor and manage our emissions and progress towards the Group's approved near-term SBTs, which cover our properties and construction operations in Hong Kong and Mainland China.

In FY2025, we continued to work towards our near-term SBTs and our carbon emission profile is shown below:



Our operational emissions (Scope 1 and 2) are primarily attributable to Scope 2 emissions, which include indirect emissions from purchased electricity, accounting for 94% of our total operational emissions. This highlights the critical importance of our energy efficiency programmes and transition to renewable sources. Direct emissions from our owned assets (Scope 1) represent a smaller portion at 6%. There is an approximately 5% reduction in overall Scope 1 and 2 emissions compared to the previous financial year. With 8.3% and 4.4% reduction in Scope 1 and Scope 2 emissions, respectively, we continue to implement more effective carbon reduction initiatives and strive to improve data quality for future disclosures.

¹ The figure indicates NWD's FY2025 Scope 1 & 2 emissions (location-based). Further details on definition and calculation method and NWD's FY2025 Scope 1 & 2 (market-based), please refer to the Sustainability Performance Data Table 2025 on our website.

In accordance with the GHG Protocol, we have conducted a screening of the 15 Scope 3 emissions categories and identified 10 categories which are related to NWD business activities for further accounting purposes. We continually enhance the data collection approach and calculation methodologies for Scope 3 emissions. For instance, we are disclosing the emissions from Category 1 Purchased Goods and Services of the Group, as well as including the emissions of our hotel business in Category 15 Investments for the first time in FY2025. We will continue to enhance our data collection strategy to improve data accuracy and quality for Category 2 Capital Goods and Category 13 Downstream Leased Assets.

This year, our Scope 3 emissions are heavily concentrated in two key areas: the acquisition of Capital Goods (63%) and the Use of Sold Products (15%). Together, these categories represent over three-quarters of our total footprint. The remaining emissions come from our Investments (10%), Downstream Leased Assets (8%), Purchased Goods and Services (1%), and other minor sources (3%), including fuel- and energy-related activities, business travel, employee commuting, waste generated in operations, and end-of-life treatment of sold products. This profile sharpens our focus on supplier engagement and product innovation to drive meaningful reductions.

More information on our calculation methods is outlined in the Sustainability Performance Data Table 2025, and the selected emissions data are subject to independent limited assurance. Both the Sustainability Performance Data Table 2025 and the limited assurance report are accessible on our website.

CONSERVING NATURAL RESOURCES

NWD advocates for the responsible use and conservation of natural resources in our developments, operations, and investments. NWD also ensures that all its active construction sites with completed preparatory project works are certified to ISO 14001. We ensure that 100% timber used in temporary works across our Hong Kong development projects is either sustainably sourced (e.g. FSC or PEFC certified) or reused. In Mainland China, we prioritise the use of recycled timber and alternative reusable or recyclable materials.

WATER MANAGEMENT

NWD is committed to designing water-saving buildings for efficient operation and supporting responsible management and conservation of water resources. Guided by our Water Policy, we integrate water management initiatives into our operations and across our value chain. We have implemented various water efficiency and conservation initiatives and continuously monitor our water consumption and wastewater discharge procedures to prevent contamination.

We adopt water safety plans in accordance with the recommendations of the World Health Organization (WHO). All key properties of the Hong Kong commercial portfolio are awarded with “Quality Water Supply Scheme for Buildings – Fresh Water (Management System)” and “Quality Water Supply Scheme for Buildings – Flushing Water” issued by the Water Supplies Department. This safeguards the health and wellbeing of the building users including our tenants and customers.

Our ongoing water-saving measures include the adoption of water-efficient equipment and low-flow sanitary fittings among our major properties. Other initiatives include rainwater harvesting, greywater recycling, and enhanced tenants’ water submetering for data monitoring in new projects and major refurbishments. We also select native plant species in the landscape design to minimise irrigation water demand.

Water Efficiency Programme	Description and Benefits
Use of high-efficiency fixtures	Adopt water-saving equipment at five commercial projects with an aggregate annual water saving of >240,000 m ³
Reuse of storm water and/or grey water	Adopt storm water and/or grey water recycling systems at four Hong Kong projects and two Mainland China projects, with an estimated annual water saving of >66,000 m ³
Rainwater capture	The Canton First Estate contains 35 interconnected ponds, forming a self-circulating water system that can store and supply 900,000 m ³ of water for irrigation
Submeters for tenants	Install submeters to monitor tenants' water consumption and raise awareness on water usage at suitable properties

Policies and guidelines are in place to ensure wastewater generated from our operations complies with regulatory and licensing requirements. No convictions for non-compliance with wastewater discharge were recorded in FY2025.

WASTE MANAGEMENT

NWD is dedicated to driving the circular economy and reducing waste generated throughout our value chain. Our Waste Management Policy outlines our commitment to minimising waste generation, enhancing waste diversion rate and ensuring compliance with the overall waste management strategy across our operations.

We collaborate with employees, suppliers, contractors, and tenants to manage waste through guidelines, training, and programmes. We have also installed recycling facilities in our projects to enable our business partners to conduct waste sorting and recycling. Contractors working on our development projects are required to prepare a Waste Management Plan, outlining the proactive project-specific waste management practices and procedures adopted, covering all new projects.

Regular independent waste audits are conducted at several of our key managed assets in Hong Kong, involving site operation teams, tenants, and waste contractors. These audits enabled us to evaluate the effectiveness of our current waste management practices, benchmark our performance, and identify areas for improvement. Based on the audit findings, we are taking the following actions to reduce waste generation and increase our recycling rate:

- Identify standard procedures for operational staff and tenant education and engagement on waste management;
- Determine potential improvement related to waste management, including that for plant and equipment; and
- Review waste contractor practices and procedures.

Following a waste audit and having identified operational risks for tenants, we upgraded the food composter at the Victoria Dockside to the Food TranSmarter, one of Hong Kong's pioneering food waste solutions. The system enhances our operational efficiency with a centralised waste tank, enabling us to collect up to 1,000 kg of food waste daily. The waste tank can contain up to 10 tonnes of slurry, which is then transported to O · PARK1 for renewable energy generation.

We understand the importance of managing building material waste. To support the circular economy, K11 ECOAST has adopted 20% recycled content in façade and signage materials, and applied 100% recycled glass and aluminium at key main entrances.

These practical measures will also be extended to other retail and commercial properties in the next phase of implementation.

Looking ahead, we are working towards achieving a 30% total recycling rate (landfill diversion rate) across our relevant investments and operations by FY2030.



Eco-friendly Bricks at the Avenue of Stars

We have replaced the brick pavements at the Avenue of Stars with eco-friendly materials to enhance circularity. 26,300 bricks containing 25% recycled plastic were made from 7,390 kg of plastic recovered from 770 unwanted washing machines, in partnership with EcoBricks. By embracing these sustainable practices, we improve the aesthetic appeal of the Avenue of Stars while reducing landfill waste.



26,300
Bricks
Produced



25%
Recycled
Plastic
Content



7.4t
Plastic
Upcycled



770
Washing
Machines

CONSERVING BIODIVERSITY

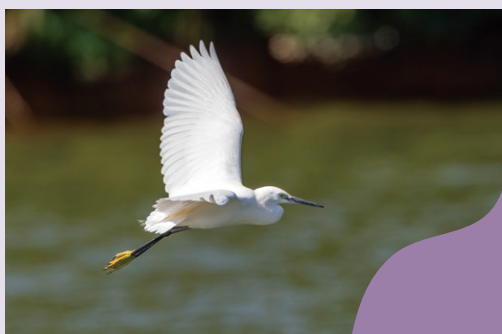
We understand the importance of biodiversity protection to minimise the impact on natural resources and habitats. Our Biodiversity Policy governs the protection of the natural and landscape environment, as well as the prevention of potential biodiversity loss, throughout our operational and value chain activities.

With the Group's aim of no deforestation, NWCL has set biodiversity-related targets for tree planting, including an 8% increase in trees to be planted in selected properties by the end of FY2025, compared to the baseline year of FY2023. This target was achieved in FY2025.

Biodiversity Study in Canton First Estate

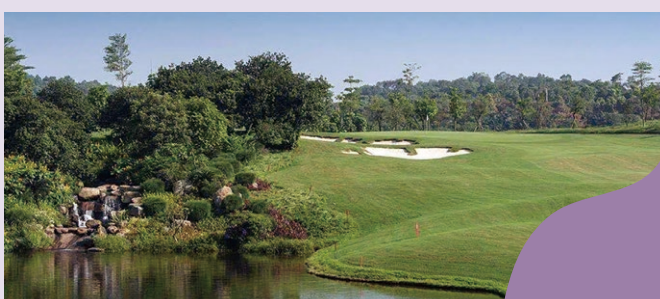


NWCL conducted a location-specific biodiversity exposure assessment in Canton First Estate as an initial step to understand and assess biodiversity-related risks. The study investigated ecological resources, regional policy requirements, and community positioning in FY2025. Adopting a sampling method that combines line transect and visual encounter surveys to document species populations and habitats, the research identified a diverse range of species, including amphibians, birds, insects, and plants. Notably, it highlighted the discovery of six bird species classified as Level 2 National Protected Wild Animals. The findings concluded that the Canton First Estate supports rich biodiversity, with no significant threats detected during the monitoring periods.



Built on the study, enhanced biodiversity protection measures and effective management strategies are being developed across three key areas: habitat restoration, species diversity conservation, and vegetation enhancement. We aimed to protect the key species identified in the survey by actively preserving freshwater ecosystems and wetland habitats. Meanwhile, we will promote the growth of native plants to improve overall ecosystem health and resilience.

Looking ahead, we plan to continue the study and expand it to other projects as part of a Group-wide assessment on nature-related risk and opportunities.



Onsite photos collected from Canton First Estate

Based on the biodiversity assessment results, NWD implements mitigation measures to reduce the impact and dependency on nature, whenever practicable. We will ensure, as far as possible, that our development projects are not located in biodiversity-sensitive areas. This minimises habitat disturbance, degradation, and indirect effects of operations, while advancing the principles of regeneration, restoration, and transformation for future development.

Moving forward, we work towards assessing nature-related risks and opportunities using the Locate, Evaluate, Assess and Prepare ("LEAP") approach recommended by the Taskforce on Nature-related Financial Disclosures ("TNFD").

ORGANISATIONAL RESILIENCE

Organisational Resilience is defined as cultivating a forward-looking and agile mindset to build a resilient, adaptable and sustainable business. Our approach focuses on promoting responsible investment, being a trusted partner to stakeholders and embracing innovation via robust technology and data governance.

OUR SUSTAINABLE BUSINESS APPROACH	OUR APPROACH AND KEY ACTIVITIES	HOW WE MEASURE PERFORMANCE	TARGET STATUS
 Organisational Resilience Cultivate a forward-looking and agile mindset to build a resilient, adaptable and sustainable business.  	 Responsible Investment Ensuring investment decisions are socially and ethically responsible, environmentally sustainable and economically focused. Invest in assets that are ethically responsible, and deliver positive economic, environmental and social impact.	BY FY2030 All new and existing investments aligned to our responsible investment principles, including our commitment to certified sustainable buildings BY FY2026 Minimum sustainability standards established for all relevant investments and operations	On Track Under Review
	 Trusted Partner Robust and transparent corporate governance throughout the organisation and value chain. - Integration of sustainability issues into business model and best practices in governance and disclosures. - Responsible and sustainable supply chain.	ONGOING Maintain transparency in corporate disclosure and industry leadership in key ESG indices and ratings ONGOING Maintain commitments and alignment with international sustainable business practices and reporting, including UNGC and ISSB	On Track On Track
	 Technology and Data Governance Embrace innovation and strengthen governance to futureproof processes and ensure business continuity. - Embrace innovation to enhance efficiencies, futureproof processes and accelerate the realisation of our ambitions. - Adopt industry-leading technology and systems to ensure business continuity, data security and privacy.	ONGOING All staff trained in data protection and security ONGOING Maintain annual review and audit of IT systems to continually align with international standards on data security and privacy ONGOING Implementation of the Privacy Management Programme with oversight from the Data Protection and Compliance Committee	On Track On Track On Track

RESPONSIBLE INVESTMENT

NWD integrates sustainability commitments, standards, guidelines, and risks into investment decisions, as outlined in the Responsible Investment Policy. This Policy applies to all investments across the full property lifecycle, spanning from land acquisition to project acquisition, as well as new business development.

NWD makes decisions and undertakes a comprehensive due diligence process based on our ESG Investment Filters and Guidelines, identifying potential regulatory, compliance, ESG and ethical risks, as well as cost-reducing opportunities among the following focus areas:

Enterprise approach	- Affirm investments are aligned with existing strategy, commitments, targets and policies - Develop and implement risk mitigation measures where relevant
Environment and climate	- Conduct physical climate risk assessments - Conduct environmental site assessments, including considerations such as contamination, ecosystems, and pollution - Take into consideration of carbon pricing impacts, resource efficiency, the nature, and biodiversity impacts
Ethical and social impact	- Conduct social impact assessments on local heritage and economic impacts - Conduct ethical and branding risk assessments - Take into consideration of community and employee health and wellbeing, encourage inclusive placemaking and provide support for the local economy

SUSTAINABLE FINANCE

We utilise sustainable finance instruments to fund projects that can deliver a positive environmental and social impact. In December 2024, we have completed a strategic review and updated our Sustainable Finance Framework. The Framework is built on four core components to align with global sustainable finance standards and best practices. A Second-Party Opinion of Sustainability Quality Score “SQS2 Very Good” was obtained from Moody’s Ratings.

Aligning with Hong Kong Sustainable Finance Taxonomy and the ASEAN Taxonomy for Sustainable Finance, the Framework guides our funding transactions by adopting principles on Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, etc.

The Group has formed a “Sustainable Finance Review Panel” with senior representatives from Finance & Accounts, Group Audit and Management Services, Sustainability, and relevant departments. The Panel selects Eligible Green and Social Projects for financing based on a set of detailed eligibility criteria and manages projects’ environmental and social risks. Decisions are then communicated to the Board-level Sustainability Committee for further approval.

We list our sustainable finance offerings on the HKEX Sustainable and Green Exchange (“STAGE”), the first multi-asset sustainable investment product platform in Asia. Visit our website to access financing frameworks, details of our sustainable finance transactions, and our sustainable finance limited assurance report.

KEY MILESTONES ON SUSTAINABLE FINANCE

In line with our SV2030+ sustainable business approach, NWD has deployed sustainable finance instruments throughout its project development and operational activities.

In December 2024, we secured a new Sustainability-Linked Loan. The performance indicators are tied to promoting green and healthy buildings, for instance, obtaining WELL Health-Safety Ratings, enhancing energy efficiency for existing buildings and offices, as well as improving our ESG rating performance. This demonstrates our commitment to integrating sustainability into our financial decision-making and operational practices.

NWCL also took a step forward by allocating US\$30 million in Green Deposits in June 2025. These deposits support our banking partners in channelling funds towards projects that drive positive environmental and social impacts, such as green building development. Our approach supports the UN SDGs and aligns with strategic priorities across the Asia Pacific region.

These efforts reflect our ongoing commitment to responsible investment and long-term value creation for different stakeholders.

Sustainable Finance Transaction Summary

Green and Social Bonds

Instrument Number	Issue Date	Issuer	ISIN	Principal Amount (\$m)	Outstanding Amount (\$m)	Coupon	Maturity Date
Green Perpetual Bond							
GPB1	Jun 2022	NWD Finance (BVI) Limited	XS2435611327	US\$500	US\$345	6.15%	N/A
Green Bonds							
GB2	Apr 2021	NWD (MTN) Limited	HK0000721974	HK\$780	HK\$780	3.95%	Mar 2031
GB1	Mar 2021	NWD (MTN) Limited	HK0000707171	HK\$550	HK\$550	3.00%	Mar 2028
Social Bond							
SB1	Jun 2022	NWD (MTN) Limited	XS2488074662	US\$200	US\$172	5.875%	Jun 2027

Green Loans

Instrument Number	Execute Date	Borrower	Loan Amount (\$m)	Maturity Date
Green Loans				
GL5	Mar 2024	Super Record Limited	HK\$5,700	Mar 2027
GL4	May 2023	New World Finance Company Limited	HK\$4,000	May 2028
GL3	Oct 2022	New World Finance Company Limited	HK\$300	Oct 2027
GL2	Mar 2022	Spotview Development Limited	HK\$500	Mar 2027
GL1	Dec 2019	Full Asset Enterprises Limited	HK\$5,000	Sep 2027

Proceeds Allocation¹

Eligible Projects:	Instrument Number	Allocated Amount (\$m)
Green Buildings		
K11 ATELIER King's Road	GL1	HK\$4,000
NCB Innovation Centre	GB2	HK\$780
	GB1	HK\$550
	GL2	HK\$27
	GL1	HK\$1,000
11 SKIES	GL4	HK\$4,000
	GL3	HK\$300
	GL2	HK\$473
	GPB1	US\$500
83 King Lam Street	GL5	HK\$5,700
Eligible Projects:	Instrument Number	Allocated Amount (\$m)
Cultural and Heritage Preservation		
State Theatre	SB1	US\$200

¹ Unless otherwise specified, all bonds and loans have been 100% allocated. All issued green and social bonds and loans listed in this section were outstanding as of 30 June 2025.

Sustainability-linked Loans and Bonds

Execute Date	Borrower	Loan Amount (\$m)	Maturity Date	Purpose/Use of Proceeds
Sustainability-linked Loan				
Dec 2024	Legarleon Finance Limited	HK\$4,500	Dec 2029	• Linked to S&P CSA performance and sustainable building standards
Jun 2024	Spotview Development Limited	HK\$1,200	Jun 2027	• Linked to S&P CSA performance and CSV Green Lease adoption
Feb 2023	Spotview Development Limited	HK\$2,000	Feb 2028	• Linked to S&P CSA performance and CSV Green Lease adoption
Jun 2021	Spotview Development Limited	JP¥13,500	Jun 2028	• Linked to S&P CSA performance

Issue date	Issuer	ISIN	Principal (\$m)	Outstanding Amount (\$m)	Coupon	Maturity Date	Purpose/Performance Targets
Sustainability-linked Bond (Private)							
Feb 2021	NWD (MTN) Limited	HK0000685260	HK\$1,500	HK\$1,500	3.50%	Feb 2031	• Driving Renewable Energy Roadmap and linked to FY2026 progress
Sustainability-linked Bond (Public)							
Jan 2021	NWD (MTN) Limited	XS2282055081	US\$200	US\$76	3.75%	Jan 2031	• Driving Renewable Energy Roadmap and linked to FY2026 progress

TRUSTED PARTNER

As a trusted partner to our stakeholders, NWD upholds robust governance and sustainability across our organisation and value chain. This foundation strengthens our organisational resilience and guides responsible business practices that generate positive impact today and into the future.

We integrate sustainability into our business model and governance practices, collaborating with suppliers and partners to maintain a responsible and future-ready supply chain.

BUSINESS ETHICS

NWD maintains the highest standards of ethics and integrity across all business activities, ensuring responsible conduct that enhances long-term resilience in line with public commitments to the United Nations Global Compact ("UNGC"), particularly following anti-corruption and human rights as fundamental principles.

Preventing Fraud and Corruption

NWD's leadership is dedicated to banning all forms of corruption, bribery, fraud, and extortion. In addition to the Anti-Corruption Policy that applies to NWD at all levels and our business partners acting for or on behalf of the Group, NWD also engages external parties to conduct regular assessments. The insights gained from these analyses help track effectiveness and inform mitigation and management actions for ongoing improvement.

During FY2025, there were neither concluded legal cases regarding corrupt and related breaches nor convictions, nor any ongoing external investigations related to corruption and bribery.

Whistleblowing and Grievance Mechanism

NWD establishes anonymous channels for whistleblowing, grievances, and complaints to gather and address concerns from employees and stakeholders. As outlined in the Whistleblowing Policy, we ensure confidentiality in every case and protect whistleblowers from retaliation. Cases

are then forwarded to the Group Audit and Management Services Department for fair and independent investigations and appropriate follow-up actions. Additionally, we regularly review and report these cases to leadership teams to enhance transparency.

Human Rights

NWD is committed to uphold the fundamental principle of human rights. As a signatory of the UNGC principles on Human Rights and Labour, we are guided by international human rights principles and standards, such as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. During the Reporting Period, no incidents of discrimination or harassment were reported at NWD.

Our Human Rights Policy guides employees, suppliers, and stakeholders in fostering safe, equitable, and supportive workplaces that promote respect and courtesy. NWD requires business operations and supply chains to conduct business free of discrimination, all forms of harassment, intimidation, violations, illegal and forced labour and human trafficking, including but not limited to child labour. If violations are discovered, NWD collaborates with suppliers to address human rights concerns through corrective action plans, while reserving the right of contract termination for severe violations to uphold our ethical standards.

DELIVERING QUALITY PRODUCTS AND SERVICES

NWD prioritises delivering high-quality and innovative products that undergone robust controls. We continue to develop and refine products and solutions that meet our customers' needs and improve their user experience. For residential projects, we have launched a PropTech property-purchase blockchain platform to streamline mortgage services throughout the property purchase process, delivering an all-in-one digital solution. This platform facilitates efficient collaboration among buyers, banks, real estate developers, law firms, property management teams, and other stakeholders. In addition, our customers can enjoy green mortgage plans when purchasing designated residential properties that hold a valid green building rating, highlighting the collaborative partnership among green building associations, industry players, and financial institutions.

Quality Assurance of Projects

We implement quality inspections during both pre-sales and handover phases to verify full compliance with specifications and quality standards, ensuring minimal deficiencies in our properties. By coordinating and supporting necessary rectification work, we strive to maintain our commitment to quality throughout the entire customer journey.

Responsible Marketing

We are committed to marketing responsibly and in accordance with all relevant ordinances, regulations and industry guidelines across our marketing, advertising and sales activities, including the Residential Properties (First-hand Sales) Ordinance and the Real Estate Developers Association of Hong Kong self-regulatory regime. Sales activities like sales hall event management is properly supervised by the Group. Robust internal standards and controls, supported by multiple levels of internal and external due diligence, are also established to ensure that all promotional materials provide accurate, transparent, and non-misleading information.

Members of our loyalty programme enjoy exclusive benefits and receive event invitations and newsletters from both internal and external partners, subject to the agreed terms and conditions.

RESPONSIBLE AND SUSTAINABLE SUPPLY CHAIN

We have established policies overseen by the Sustainability Committee and relevant controls to uphold commitments across our value chain and make informed procurement decisions:

- **Group Sustainability Policy:** Captures our commitment in collaborating with the value chain to advance sustainability, integrating sustainability criteria throughout our supply chain management approach, from supplier screening and tendering to engagement, performance monitoring and evaluation.
- **Sustainable Procurement Policy:** Defines sustainability criteria for informing procurement decisions. Suppliers that demonstrate sustainability commitments, supported by relevant policies and code of conduct, are prioritised for selection.
- **Supplier Code of Conduct:** Sets out the minimum standards covering ethical conduct, labour rights, privacy and data protection, and environmental impacts that suppliers and contractors are expected to adhere to and comply with.



NWD promotes green and sustainable practices among our suppliers. We encourage the use of environmentally preferable products, sustainable packaging, and services across their work scopes, as well as in their proposal and tendering processes. This includes products certified by the Forest Stewardship Council ("FSC"), Marine Stewardship Council ("MSC"), or other fair-trade organisations. NWD also prioritises local procurement to minimise emissions from transportation and promote the local economy.

Procurement-related risk factors are incorporated into our ERM and the Risk Management and Internal Control Assessment Checklist. Risks are evaluated by departments and BUs every six months and reported to the Board regularly. For imminent risks, they are reported through internal issue alert system to ensure prompt responses.

Assessing Supplier Performance

We embed sustainability into our procurement by mandating adherence to our Supplier Code of Conduct, with stringent environmental and social criteria for significant suppliers. Our screening process and assessment¹ are enhanced by evaluating country-, industry-, and commodity-specific risks through financial, legal, and operational due diligence. Whenever feasible, we apply a multi-stage process that includes pre-qualification checks on credentials and financial health, risk ratings via third-party credit tools, and on-site assessments on their technical and operational capabilities. This proactive approach allows us to build a resilient, transparent, and responsible supplier network.

We assess supplier performance on various aspects via desk and on-site assessments, for instance, quality, environmental protection, occupational health and safety, financial and legal standing, and product sustainability beyond regulatory compliance requirements. Suppliers with ISO certifications can gain a competitive advantage in

¹ Throughout the assessment, no evidence was identified to believe any suppliers posed actual/potential substantial negative ESG impacts. Hence, no suppliers were required to implement any corrective action plans.

the supplier assessment. We verify continued compliance, including current certificates and accreditations, during our supplier performance assessment process.

In FY2025, the Group has approximately 3,300 Tier-1 suppliers¹, with 24% from Hong Kong, 75% from Mainland China, and 1% from other regions. All Tier-1 suppliers have been screened. 605 are identified as significant suppliers, contributing to over 60% of total Tier-1 supplier spending.

Supplier Training and Engagement

We offer quality assurance training to help suppliers understand the details of our environmental and social sustainability requirements. NWD conducts regular performance evaluations for all suppliers, either quarterly or annually for long-term suppliers, and at a minimum of once for short-term engagements. Suppliers with poor performance may be subject to warnings, the return or exchange of goods with compensation, removal from our vendor list, and the development of improvement plans. Contract termination may occur if supplier performance fails to improve after these measures are implemented. To enhance the sustainability knowledge of our suppliers, we also have them participated in our supplier capacity-building programmes.

Our ERM considers supply chain, outsourcing and third-party management and supports our monitoring of external audits and due diligence activities for new and existing suppliers. We maintain records of suppliers' compliance status, including whether they have appropriate policies and systems in place.

UNDERSTANDING OUR TENANTS AND CUSTOMERS

We cater for the current and future needs of our tenants and customers through combining sustainability, innovation, and quality customer service. Refining our products and services ongoingly, we enhance customer satisfaction and experience and strive for excellence.

We conduct surveys with our tenants and customers, covering topics related to customer service quality, tenant communication timeliness, quality of property maintenance and cleanliness. To date, we have collected Voice-of-

Customer from 34,000 customers and tenants. K11 MUSEA recorded an annual average Net Promoter Score (NPS) of 93, reflecting strong customer satisfaction towards our services.

We prioritise tenants' health and wellbeing in response to feedback from regular tenant surveys. These tenant surveys serve as assessments to identify risks and opportunities, allowing us to embed health and wellbeing actions for our tenants. With 31% of tenants at K11 ATELIER highlighting physical activity as their top priority, we have introduced targeted initiatives, including fitness and yoga sessions at K11 ATELIER King's Road Rooftop Terrace, to cultivate healthier and more engaging workplaces. NWD assumes responsibility to maintain high standards of indoor air and water quality while optimising thermal comfort across its project portfolio. Our projects also incorporate biophilic design principles to foster connections with the natural environment, where applicable.



We apply standardised complaint handling procedures to address and respond to customer feedback promptly. During FY2025, we received approximately 1,400 complaints related to product and service responsibility. Our dedicated staff investigates every complaint and provides satisfactory responses and updates within a reasonable timeframe.

We are dedicated to delivering exceptional in-person and online customer experiences to ensure customer satisfaction and retention. We have developed a variety of mobile applications and digital tools across our BUs to support customers with property access, products and services, activity registration, loyalty points management, and more.

We regularly engage with our tenants and customers to share emerging sustainability requirements and up-to-date best practices through guidelines, trainings, events and tenant briefings.

¹ According to the company's record, NWD has no non Tier-1 significant suppliers.

Promoting Health and Wellness for our Tenants at New Metropolis Centre



New Metropolis Centre demonstrates the integration of health and wellness elements to promote tenants' wellbeing and create a supportive community space:

Concepts	Initiatives and Benefits
Tenants' health and wellbeing designs	Air quality: - MERV-13 air filters and nano photon purification system to block 90% of outdoor pollutants - Air quality sensors monitoring indoor air quality (CO₂, PM2.5, PM10 concentrations) Thermal comfort: - Well-designed building mass and form to ensure natural wind flows for thermally-comfortable outdoor environment - Indoor humidity maintained at around 60% Acoustical comfort: - Double-glazed windows, well-designed exterior walls and floor structures to reduce background and traffic noise Natural lighting: - Daylight assessment through computational simulation to maximise natural light, resulting in >55% area accessing to >300 lux daylight in >4 hours daytime Biophilic design: - Unique zigzag design with sky gardens at various levels, offering stunning views and natural surroundings for occupants - Two floors of communal space with greenery for building users to engage with one another and connect with the nature Accessibility: - Barrier-free facilities to fit the needs of customers and tenants, such as slip-resistant floor design, accessible toilets, disabled carpark area, etc.
Smart living solutions for building users	"NEW LIVING" Smart tenant services through WeChat Mini Programme for facilities reservation, visitor management and payment to enhance user experience, convenience and security
Tenant engagements	Knowledge exchange activities: - In FY2025, over 30 tenants gathered to exchange smart office ideas related to sustainability and innovation Mental health promotion: - Cultivate a supportive tenant community and regularly implement initiatives to raise awareness of mental health topics

We facilitate collaborations with like-minded tenants to support and achieve our mutual ESG goals. In FY2025, we piloted an enhanced landlord-tenant collaboration under our green lease programme, leveraging the installation of IoT and smart metering to help selected tenants track and share environmental data, identify energy-saving opportunities, and advance their decarbonisation targets. These pilot initiatives contribute to our broader efforts to manage Scope 3 emissions and improve portfolio-wide sustainability performance. We appointed a consultant to conduct a study on this initiative for applying improved energy and resource efficiency measures across all project phases, from fit-out, operations, refurbishment to deconstruction. At K11 ATELIER, over 70% of leased floors have pledged to join our green lease programme.

Looking ahead, we will continue to refine our offerings to ensure our programmes for tenants and customers remain fit for purpose with value delivery.

GOVERNMENT COLLABORATION

As a trusted partner of our stakeholders, NWD maintains a collaborative and synergistic relationship with the Government to champion sustainability practices, especially on driving progress in green building development and guiding effective policy planning.

Qianhai CTF Finance Tower: A Pilot Project for Qianhai's Green Building Standards

As one of the first pilot projects, our CGBL-, LEED-, WELL- and BEAM Plus-certified Qianhai CTF Finance Tower contributed to the development and implementation of the "Environmental Assessment Standard for Green Building in Qianhai Shenzhen – Hong Kong Modern Service Industry Cooperation Zone" via arranging technical site visits and providing construction and operation data.

Under the "One Assessment, Dual Certification" mechanism, the standard serves as a pioneering model for building a green and low carbon system across Hong Kong and Mainland China. Using Hong Kong's

green building standard "BEAM Plus" as the basis, it further incorporates national standards and Qianhai's development needs, forming a replicable and scalable path for the development of green building assessment practices.

This initiative not only addresses the local needs of Qianhai but also facilitates deeper integration between Shenzhen and Hong Kong – and even the broader Greater Bay Area – in terms of green building assessment mechanisms, policy tools, and technical approaches. It is a concrete action that echoes the Government's strategy on Shenzhen's standardisation reform and the goal of establishing an international, high-quality green building standard.

We will continue to work closely with the Government and governmental authorities, contributing to the development of standards and industry best practices across regions where we operate.



TECHNOLOGY AND DATA GOVERNANCE

Embracing innovation and strengthening our technology and data governance enables us to future-proof processes and ensure business continuity, while supported by defined governance targets.

DATA PRIVACY AND CYBERSECURITY

Data privacy and cybersecurity are fundamental to our technology and innovation initiatives. We prioritise the protection of employee and stakeholder information, strengthening defences against cyber threats, and building trust in our digital solutions. Over the past year, we monitored Key Risk Indicators for data privacy and cybersecurity to identify potential risk exposures early.

Information Security Governance

Amid the rapid growth of digitalisation and cross-border data flow, we are adapting to the changing data privacy landscape. To prepare for new data privacy laws and regulations, we established a Data Protection and Compliance Committee to strengthen governance and oversight of our data privacy and protection compliance requirements. This Committee, which includes the NWD Personal Data Privacy Officer, CEO, CFO, and executives from various functions, reports to the Audit Committee of the Board. It oversees the implementation of the Privacy Management Programme ("PMP") to foster a culture of data protection. In addition, a Data Privacy Protection Office has also been established to assist in the day-to-day implementation and management of the programme controls of the PMP. For further details of the Data Protection and Compliance Committee, please refer to the 'Corporate Governance Report' section of this Annual Report.

Our Cybersecurity Committee, comprising senior IT representatives from each BU, addresses issues and formulates long-term strategies under the oversight of the Group Head of Technology. We have undergone an independent external audit to verify our compliance with international security standards and are certified with ISO 27001:2022. This certification is further supported by ongoing annual audits of our IT management processes and regular vulnerability analyses.

Management Approach

Our internal policies offer a strategic framework for handling personal data, which is reviewed and updated as necessary by the Data Protection and Compliance Committee. NWD has established the Personal Data Privacy Policy and Guidelines, the Personal Data Access and Correction Policy, the Personal Data Privacy Enquiries and Complaints Handling Policy, and the Personal Identifiers Policy, ensuring compliance with Hong Kong's Personal Data (Privacy) Ordinance ("PDPO") and Mainland China's Personal Information Protection Law ("PIPL").

In FY2025, the Data Privacy Protection Office has received no customer privacy complaints. No convictions for breach of laws and regulations related to privacy and no loss of customer data has been identified.

Cybersecurity

Our IT Policy protects information assets and guides responsible use of information technology, the policy includes guidance on the appropriate usage of AI in the workplace to ensure that its usage will not pose risk to sensitive company data, business reputation and regulatory compliance. In addition, our cyber-related procurement procedure helps assessing the suitability of technology solutions when we engage suppliers to support our cybersecurity efforts. We utilise advanced technologies and develop cyber risk dashboards for monitoring vulnerabilities, with incident response procedures in place for cyberattacks or data breaches. Suppliers are also evaluated to ensure their solutions meet our security standards. For more details of our robust governance systems on cybersecurity risks, please refer to the 'Corporate Governance Report' section of this Annual Report.

In FY2025, we conducted ongoing evaluations of our cybersecurity framework and practices to maintain the robustness and effectiveness of our IT defence systems.

Leveraging AI to Enhance Performance and Sustainability

In FY2025, we expanded the adoption of AI to mitigate operational risks and enhance operational efficiency, whilst upholding data security and regulatory compliance standards. AI tools, including an enterprise-grade assistant, have been deployed across corporate functions to streamline internal reporting and query handling. These initiatives align with the Group's established IT governance framework, data security, and cybersecurity standards, aiming to improve transparency, reduce human errors, and boost productivity. We monitor performance improvements via metrics like estimated reductions in reporting time and collect qualitative feedback from users.

The project design stage is vital for our core business in the real estate sector. The pilot implementation of AI-driven generative design tools has accelerated early-stage planning, reduced the number of design iterations, and minimised reliance on physical samples. Performance is assessed through project-level tracking of design revisions. Looking ahead, the Group will continue to enhance user awareness through trainings on responsible use of AI tools, ensuring alignment with corporate policies and standards.

Personal Data Privacy

We are committed to fostering a culture of privacy compliance, enhancing our competitiveness and adhering to the regulatory framework, thereby safeguarding business continuity in information security-related aspects. Protecting data is essential for building trust and integrity with our stakeholders and customers, as well as for avoiding reputational damage caused by data mishandling or breaches.

EMBRACING INNOVATIONS IN PROPERTY DEVELOPMENT

Build with Construction Technology

We utilise digital platforms to facilitate cross-departmental communication and collaboration, thereby enhancing operational efficiency and ensuring adherence to the property development standard. The platforms enable tracking all project details, including timelines and progress. Innovative solutions are also applied in construction practices to optimise the design, construction and renovation process.

NWD was the first developer to receive in-principle acceptance from the HKSAR Buildings Department to adopt the Modular Integrated Construction ("MiC") system. This construction method shortens the construction period, ensures health and safety, improves workmanship and quality and reduces waste and environmental impacts.

NWCL partnered with a construction technology company to deploy data-driven construction technologies, supporting a seamless conversion from 2D drawings to 3D presentations. Furthermore, the partnered company supplies us with building materials manufactured through an automated process launched by smart factories.

NWCL also introduced "NEW LIVING" as a one-stop digital platform with a series of WeChat Mini Programmes to promote the smart home concept in our projects and enhance customer convenience. Big data has been integrated into a centralised platform for real-time monitoring, advanced analytics, and comprehensive management of a living community. Users can also use this platform to explore the surrounding community, facilitating resource integration.

Intellectual Property Rights

We proactively invest in solutions that can capitalise on proprietary and collaborative Intellectual Property ("IP") opportunities when appropriate. Our commitment is demonstrated through strong policies that protect our IP rights while respecting those of others. We continuously monitor the status of our IP to ensure they remain protected.

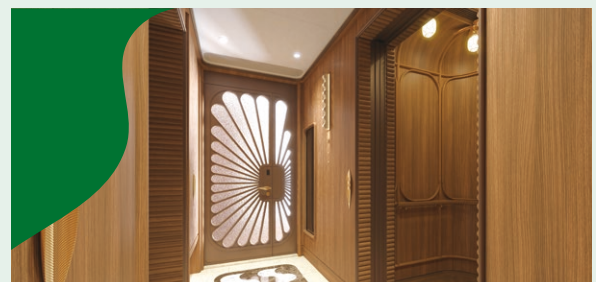
Customer-centric Innovative Designs in Residential Projects

We are committed to delivering high-quality and innovative products that meet and exceed customer expectations. By regularly gathering Voice-of-Customer insights, we integrate patented and user-friendly designs into our development projects. The Artisan Foyer+ is applied at Deep Water Pavilia, exemplifying our dedication to enhancing customers' health, safety, and convenience through the following features:

- High Efficiency Particulate Air filter systems for cleaner air ventilation
- Sanitisation systems to reduce bacteria and viruses
- Ventilated shoe cabinets to prevent mold and odour
- Steam closet care system to remove odour, bacteria and viruses

Besides, we also introduced LAUNDRY+, an integrated laundry and storage solution, in response to customer needs for enhanced convenience and space optimisation. This design has become one of our most popular designs, as reflected in users' feedback. According to our 2025 New World CLUB survey, customers valued NWD's originality, innovation and practicality in design.

These innovations reflect our commitment to understanding customer expectations, while delivering high-quality and sustainable homes which enhance user experience.



CORPORATE SUSTAINABILITY

ENRICHED LIVES

Enriched Lives captures our commitment to enhancing the health and economic wellbeing of our stakeholders. We invest in our people and communities, while also fostering vibrant local economies. This focus area brings value to our people by building workforce capabilities and promoting an inclusive culture within safe environments. Through strategic partnerships, we support local community development and invest in local businesses to drive economic prosperity for all.

OUR SUSTAINABLE BUSINESS APPROACH	OUR APPROACH AND KEY ACTIVITIES	HOW WE MEASURE PERFORMANCE	TARGET STATUS
 Enriched Lives Enhance the health and economic wellbeing of our stakeholders. 3 GOOD HEALTH AND WELL-BEING 8 BETTER HOUSING AND ECONOMIC GROWTH	 Investing in Our People Fostering a people-centric, vibrant and inclusive culture supported by safe and healthy workplaces. - Prioritise employee wellbeing, engagement and development programmes. - Deliver healthy, diverse and inclusive workplaces.	BY FY2030 NWD recognised as preferred employer of choice. ONGOING <1.5 Lost-time injury rate (LTIR)	On Track On Track
	 Thriving Communities Advancing local development with community partners and delivering on health and economic outcomes. - Partnering with key stakeholders, community groups and local institutions to address local community needs. - Creating healthy and inclusive spaces that connect people, celebrate culture and provide access to diverse amenities.	ONGOING We strive to create a vibrant and resilient community. We invest in impactful social programmes and initiatives delivering health and economic wellbeing outcomes, including: - Inclusive skilling, education & employment programmes - Charitable donations and foundations - Community health and wellbeing initiatives - Industry association, university and research partnerships - Arts, heritage and cultural projects - Corporate volunteering activities - Community emergency response - Community funding and grants	On Track
	 Vibrant Local Economy Invest in local business community to improve economic prosperity for all. - Support learning, skilling and employment programmes in collaboration with local partners and businesses. - Foster local business partnerships with our operations, tenants and customers.	BY FY2030 All community programmes are aligned to our social impact investing framework BY FY2026 Develop a social value framework to measure and report on impact investment outcomes	Under Review Under Review

INVESTING IN OUR PEOPLE

We understand the importance of recognising our employees, fostering an inclusive culture that emphasises employee wellbeing and diversity, and encouraging collaboration to develop innovative solutions.

TALENT MANAGEMENT

We prioritise employee wellbeing, engagement, and development by providing comprehensive learning opportunities that support both personal and professional growth. Our recruitment and talent development processes are inclusive, upholding human rights in our operations. We follow a structured talent selection process, rigorously evaluating candidates' core skills and competencies to ensure the right fit for each role. We recruit people from diverse backgrounds, regardless of age, gender, race, nationality, religion, family status, or any other legally protected characteristics.

Employee Engagement and Communication

We value our employees' perspectives and wellbeing, engaging with them regularly through various channels. To better understand their needs, we conduct a Group-wide Employee Engagement Survey every two to three years to collect feedback on multiple topics, including sustainability. The recent survey results highlighted Culture, Sustainability, Corporate Governance, Performance Management and Communication as the highest-scoring areas. Using this feedback, we pinpointed several key areas for improvement. To delve deeper into these issues, we organised focus groups with employees to uncover root causes. This approach guides us in implementing targeted measures to improve employee wellbeing, satisfaction and happiness, bringing value to our business.

The recent Employee Engagement Survey has a 88% participation rate, along with an employee Net Promoter Score of 30%, indicating our good performance in employee satisfaction.



Labour Practice and Employee Benefits

We realise the importance of upholding the highest standards of human rights and labour practices, ensuring that all our employees, suppliers, and stakeholders are treated with fairness and respect. As outlined in our Human Rights Policy, NWD operates in full compliance with the statutory requirements regarding working hours, holidays, remuneration, and benefits as stipulated in the Employment Ordinance (Cap. 57) of HKSAR. We also uphold the fundamental rights to freedom of association and collective bargaining for our employees. In FY2025, over 68% of employees in Mainland China are represented by independent trade unions.

We offer a comprehensive range of benefits for our employees and their families. This includes paid family care leave, medical subsidies, and medical insurance coverage for the dependents of employees at specific grade levels. We also offer wellness allowance that can be used for various services, including health checks, dental care, gym memberships, personal training, physiotherapy sessions, and nutritional plans.

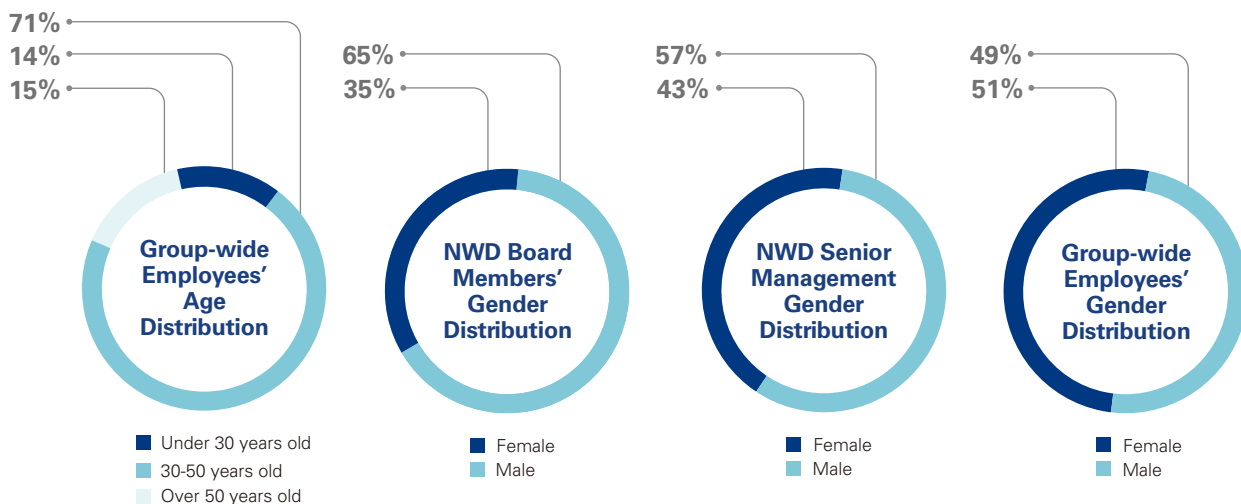
Through NWCL's Employee Children Scholarship Programme, we offer scholarships to the children of employees who demonstrate outstanding academic performance in arts, sports, and technology. Over the past 12 years, we have invested over RMB1.5 million to support and encourage over 150 families in need.

Promoting Diversity, Equality and Inclusion

As an equal opportunity employer, we are dedicated to fostering a culture of respect and inclusivity within our organisation. In 2020, we endorsed the UN Women's Empowerment Principles and became a signatory to the Racial Diversity and Inclusion Charter for Employers, which is overseen by Hong Kong's Equal Opportunities Commission. We also have an approved "Workforce Diversity, Equity and Inclusion Policy" in place at both the Board and operational levels, ahead of the regulatory requirements under corporate governance.

To enhance awareness of diversity, equality, and inclusion among our workforce, we organised webinars which address discrimination and harassment, while also promoting a culture of equity. Additionally, our parenting policies have been implemented to support working parents. For our employees in Hong Kong, we provide 14 weeks of fully paid maternity leave and five days of fully paid paternity leave.

We are actively focused on enhancing female representation within our organisation, driven by our strong belief in gender equality. We consistently monitor and disclose our efforts to sustain a gender-balanced workforce. As at the date of this report, our female board member representation is at 35.29%, exceeding our target of 30%, and our average gender pay gap ratio is 1.3. Promoting diversity and inclusivity fosters a supportive and dynamic environment for all employees, thereby reinforcing our core values. As of 30 June 2025, the female gender ratio among senior management was 43%. The female gender ratio of our workforce (excluding senior management) was 51%.



TALENT DEVELOPMENT

Professional development enhances the capabilities of our employees while ensuring that NWD possesses the necessary skills for the future. We provide learning opportunities tailored to various skill levels and interests across our BUs, with an average of 15.6 training hours completed per employee in FY2025. Our programmes range from new hire orientation and onboarding to subject matter training and leadership development, supporting our employees' growth and success through mechanisms such as on-the-job training, mentorship, and formal education. We are committed to cultivating a culture of continuous personal and professional development and to assisting our employees in realising their full potential, including through our annual education subsidy and examination leave policy. A wide variety of training courses are available for all employees and directors, and some examples are shown below.



Topics of Training	Description
Anti-corruption	Annual training delivered by external trainers from the Independent Commission Against Corruption ("ICAC"), focusing on: - Business integrity - Ethical conduct within the construction and property management activities
Sustainability	Mandatory training which covers: - Emerging sustainability trends - Impacts of the built environment - The Group's sustainability risks and opportunities
Discrimination and Harassment in the Workplace	Mandatory training organised by Equal Opportunities Commission, covering: - Inclusive workplace - Best management practices for employee relations
Data Privacy Protection and Cybersecurity Awareness	Mandatory and voluntary training sessions on: - Data protection and compliance - Practical skills necessary to prevent data breaches, respond to cyber incidents and securely handle sensitive information

We offer targeted and specialised trainings for colleagues, covering topics such as responsible marketing and hiring. We have introduced a learning reward programme to incentivise high achievers on our e-learning platform.

We strive to cultivate young talent and attract global talent to Hong Kong. In support of the Government's talent attraction strategy, we actively participated in the Innovating Hong Kong Global Talent Carnival and the Hong Kong Talent Engage – Global Talent Summit 2025. We were honoured to invite one of our colleagues to share his journey of living and working in Hong Kong. Furthermore, New World Connect has been launched as a platform to provide useful resources for newcomers to help them adapt to Hong Kong. This not only contributes to our organisation's growth, but also paves the way for creating a sustainable future for future generations.

Recognising the importance of annual performance appraisals for employee growth, we have implemented a structured and transparent appraisal system. It features a 360-degree feedback platform that encourages employees to reflect on their performance and identify areas for development. Sustainability-related KPIs are integrated into our employees' Objectives and Key Results ("OKRS"), with performance evaluated during the year-end review. We regularly review our appraisal system to ensure it remains aligned with leading practices.

Nurture Future-ready Talents with High Potential Development Programme

Over the past years, we have revitalised our High Potential (“HiPo”) Development Programme to enhance skills and support the growth of our future high-potential talents. This year, 120 selected participants, with consideration of gender balance, joined our mentorship programme, leadership sharing sessions and engagement workshops. These training initiatives enabled participants to leverage their mentor’s expertise and experience, and share knowledge and skills to develop their competencies for both personal and business growth.



The HiPo Programme significantly contributed to a higher employee retention rate. The turnover of HiPo employees is approximately 50% lower than the broader workforce, reflecting the impact of our focused development and engagement strategies. Furthermore, as participants were empowered to set strategic, goal-oriented objectives for advancement, they demonstrated 2.3 times higher promotion rates compared to non-participants, highlighting the programme’s effectiveness in fostering career growth and stability within the organisation.

Internal Trainer Programme for Knowledge Sharing

To foster a learning atmosphere and uphold the principles of “Share frequently, share expertly and share joyfully”, NWCL has established a structured Internal Trainer Programme for knowledge transfer and professional development across the organisation.

This programme identifies and empowers employees with professional and specialist expertise to design and deliver internal training sessions. The training curriculum is designed to cover practical case studies, role-specific technical knowledge, and essential management and communication skills, supported by comprehensive teaching materials.

Programme Highlights:

- Appointed 35 internal trainers to teach 23 curriculums
- Over 680 employees benefited as programme trainees

To optimise the programme’s impact, NWCL implements an incentive mechanism that provides subsidies aligned with trainers’ grades, along with an annual “Top Trainer” Recognition Scheme through peer nomination, offering both financial rewards and organisational acknowledgement for participating trainers.

This initiative reflects our commitment to nurturing talent and building long-term value for our stakeholders through a resilient and capable workforce.



PROMOTING HEALTH AND SAFETY TO OUR EMPLOYEES AND CONTRACTORS

NWD has established a Health and Safety Policy that guides health and safety practices, aligning with industry-specific standards and referencing international best practices. We uphold stringent health and safety standards for both our employees and contractors. Apart from committing to zero fatalities at our workplace, we have also set a target of less than 1.5 Lost-time Injury Rate ("LTIR") under SV2030+. In FY2025, LTIR of 0.7 was recorded.

We have robust mechanisms in place that measure, monitor and evaluate our safety performance across business operations and the value chain. We highly value the health and safety standards of our operations. As such, we have obtained ISO 45001 for our major office operations at NWCL, and 100% of Mainland China's regional head offices have obtained the WELL Health-Safety Rating in FY2025. We are proactively extending the commitment to more commercial portfolios. Also, we are a signatory to the Mental Health Workplace Charter, which is organised jointly by Hong Kong's Department of Health, the Labour Department, and the Occupational Safety and Health Council.

Strengthening Human Capital through Mental Health Investment

As part of our SV2030+ sustainable business approach, we recognise that investing in employee mental health is fundamental to building a resilient, inclusive, and high-performing organisation. With one in seven people in Hong Kong affected by common mental health disorders, our Mental Health and Wellbeing Programme addresses a critical social need while strengthening our human capital.

In its second year, the programme delivered targeted workshops and training across Hong Kong and Mainland China for senior leaders, people managers, general staff, and key suppliers. Each session was tailored to its audience of different levels of mental health literacy, with a strong focus on inclusive leadership, psychological safety, and peer support, contributing to a sustainable and equitable workplace.

To date, over 1,000 participants have benefited, including more than 50 internationally certified Mental Health First Aiders. We created the "Friends in Need" employee network and 78% of the network members find themselves more confident and knowledgeable when supporting colleagues with mental health challenges,

thereby creating a mentally healthy working culture. Additionally, 80% of the managers attending "Supporting Teams' Mental Health" and Mental Health First Aid courses were reported with greater confidence and better skills in addressing team members' mental health challenges and crises. These positive impacts recognised our ongoing investment in a healthier, more resilient workforce.





We regularly organise events and activities to support health and wellbeing of our employees and their family. Regular workshops, such as health checks and webinars, aim to promote social, physical, mental, and spiritual wellbeing.



Beyond our operations, we have transparent investigation and incident reporting mechanisms established for contractors, complemented by hazard identification and risk assessments through standardised procedures. These include hazard identification, mitigation measures, hazardous materials assessments, and health and safety audits to identify and implement remedial and corrective actions that drive continuous improvement. For instance, the NWCL's safety management system is ISO 45001 accredited for its office management and contractors' activities, supporting both office and frontline employees and stakeholders. The operation of all construction projects managed under our wholly-owned main contracting subsidiary is certified with ISO 14001 and ISO 45001.

For more details on the employee and contractor health and safety, please refer to the Sustainability Performance Data Table 2025 on our website.

THRIVING COMMUNITIES

NWD facilitates social integration through educational projects and art-infused leisure projects to create a thriving community and support local economic development. These social programmes and initiatives align with our core focus areas as well as the Government's social priorities, delivering outcomes in health and financial wellbeing.

Our Group Sustainability Policy embodies our commitment to society by pursuing innovative approaches that promote social inclusion and enhance quality of life. We are currently developing a more outcome-focused approach that aligns with SV2030+ targets. In FY2025, NWD made significant social investments totalling HK\$35.0 million through charitable foundations and donations and motivated employees to complete more than 6,300 volunteering hours.



INCLUSIVE SKILLING, EDUCATION AND EMPLOYMENT PROGRAMMES

This focus area emphasises creating education and employment opportunities for youth to promote social inclusion.

Empowering Underprivileged Youth through Technology

NWCL continued to support St. James Settlement through the STEM-Up Picker Programme, donating a total of HK\$200,000 over the past two years. This initiative was supported by the Partnership Fund for the Disadvantaged, aiming to reduce barriers for more than 100 underprivileged primary and secondary students. Participants were able to develop skills and knowledge in AI, 3D modelling, and IoT technology, which are relevant to the real estate sector and align with our industry expertise.



Among the participants, 94% of primary and 80% of secondary students rated 7 or above (out of 10) in the satisfaction survey, demonstrating positive feedbacks in terms of engagement and satisfactory level across different age groups. Besides, 85% and 92% of secondary students agreed the programme enhances their problem-solving skills and decision-making abilities, respectively.

We continue to support the HKSAR Government's Strive and Rise Programme, intending to promote upward mobility among teenagers and tackle intergenerational poverty. Since the launch of the programme, over 200 employees served as mentors to guide their mentees in exploring their development goals and broadening students' horizons through activities.



In response to the Hong Kong Housing Authority's Well Being-Start-Up 2.0 Programme, NWD contributed as a supporting partner by offering a dedicated pop-up space at THE FOREST in Mong Kok for young entrepreneurs to launch their ventures.

NWCL lit up its several signature buildings in blue colour to celebrate the UNICEF World Children's Day and showed support for children.

"Welcome Little Migratory Bird" Summer Camp for Children



In partnership with the Wilber Foundation, NWCL organised the "Welcome Little Migratory Bird" summer camp in Guangzhou, supporting over 900 children. The three-week programme focused on youth empowerment through hands-on learning in areas such as first aid and aerospace science, fostering inclusion and personal development.

NWCL supported a youth volunteering programme in collaboration with the Former Residence of Cao Xueqin. The initiative empowered 61 students to contribute over 300 hours of their time to cultural education and community service during the 39th International Volunteer Day.



COMMUNITY HEALTH AND WELLBEING INITIATIVES



The rooftop jogging trail of K11 ATELIER King's Road

We actively incorporate healthy and inclusive spaces in our projects to connect individuals, embrace diverse cultures, and provide stakeholders with an access to a wide range of amenities.

Our properties demonstrate the integration of sustainability and wellness elements in public spaces. The jogging trail on its rooftop terrace at K11 ATELIER King's Road highlights wellness-driven designs that create values for office tenants. K11 ECOAST, designed as an urban hub, encourages healthy living through features like a covered jogging trail and end-of-trip facilities, such as 500 bicycle parking lots and 30 shower facilities, to promote physical and mental wellbeing in the community.

NWCL, in collaboration with the Wilber Foundation and Guangzhou Daily's Guangai Charity Foundation, co-organised the "Love Inclusion" event at The Canton Place, Guangzhou. With a series of activities, including a photography exhibition by visually impaired students, blindfolded coffee tasting, and charity art stalls, it promoted inclusivity and accessible public spaces. Separately, NWCL continued to partner with the Wilber Foundation to launch the "Wonderful Star Market", a fundraising initiative that utilises music and art to support critically ill children. The event celebrated youth resilience and creativity, while reinforcing the Group's commitment to social inclusion and wellbeing. It was recognised with the ESG Sustainable Development Excellence Award at the Greater Bay Area ESG Development Summit.

We actively promote community wellbeing through supporting running events across cities in Mainland China. In April 2025, the 2nd Vertical Marathon was held at Tangshan New World Centre, attracting 140 runners



Enterprises, Walking Together for Health", engaging over 100 participants in a 3.2-km run to raise health awareness. In Hong Kong, around 60 of our employees joined the Kai Tak Run 2025 as runners and volunteers, supporting the Kai Tak Sports Initiative to promote physical and mental health through sports. These initiatives reflect the Group's commitment to fostering active and healthy communities.



from 15 teams, including tenants, for a staircase race. In the same month, Langfang New World Centre hosted its 3rd Fun Marathon. The marathon was themed "Caring for



INDUSTRY ASSOCIATION, UNIVERSITY AND RESEARCH PARTNERSHIPS

NWD recognises that collaboration among industry associations, universities, and research institutions is essential to maximising benefits for both the industry and the wider community.



We continue to support the Employees Retraining Board Summer Internship programme which is designed for secondary school students to experience the possibilities of the working world. With many participants at a pivotal stage in their education, the programme aimed to guide their career thinking by offering hands-on exposure to workplace dynamics and professional development. It emphasised the belief that one's career is more than an occupation – it should be a source of fulfilment where personal values align with purposeful work.

The Government launched the HYAB Scheme on Corporate Summer Internship on the Mainland and Overseas in 2018. This year, we offered six to eight weeks of high-quality internship opportunities across Mainland China and overseas locations, providing Hong Kong's youth with meaningful cross-cultural exposure. By offering placements spanning diverse sectors and major cities across Mainland China, we empowered participants to explore modern workplace cultures, contribute to impactful projects, and gain hands-on experience while aligning with their career aspirations.



We also invest in educational programmes that focus on biodiversity. The New World Charity Foundation has been funding the Hong Kong Biodiversity Museum ("HKBM") in collaboration with the University of Hong Kong to showcase a diverse range of specimens from Hong Kong and beyond, drawing over 60,000 visitors. It also runs a robust training programme, having engaged over 120 interns and volunteers, equipping them with valuable knowledge and experience in biodiversity conservation and public engagement.



In addition, NWCL supported the Shanghai Municipal Commission of Housing and Urban-Rural Development and participated in the Shanghai International City and Architecture Expo, showcasing green building principles and sustainable development cases to the public.

ART, HERITAGE AND CULTURAL PROJECTS

Leveraging a strong foundation in arts and culture, NWD incorporates different elements into community culture and leisure initiatives.

The State Theatre

The State Theatre in North Point represents NWD's first acquisition of a Grade I historic building in Hong Kong, highlighting our commitment to cultural preservation and revitalisation. We have assembled a team of multidisciplinary experts to contribute to our efforts in heritage conservation. This work includes conducting oral history interviews, salvaging artefacts, and undertaking extensive research to revitalise its cultural essence.

We have been continuously working on our stakeholder and community engagement programmes through a variety of immersive events and site tours, allowing stakeholders to identify emerging concerns and provide constructive advices. Our team of experts conducts regular reviews of local stakeholders' perceptions to ensure that all concerns and areas for improvement are addressed. This ongoing dialogue has not only deepened our understanding but has also reinforced our commitment to cultural preservation.

Stakeholder and Community Engagement programmes highlights:

- A dedicated team focused on conserving heritage, culture and history, and formulating a comprehensive plan for conservation and development
- Over 100 oral history interviews with stakeholders such as historians, industry leaders and members of the local community
- More than 200 on-site tours involving local stakeholders, including the Government, media representatives, professional associations, and cultural-related organisations
- Two UNSDG Achievement Awards Hong Kong in 2024



K11 ECOAST – K11 HACC Cultural Space

K11 ECOAST has been conceived as a site of artistic and cultural significance. K11 HACC, multi-purpose art space of K11 ECOAST, is designed to provide a space for a variety of arts and cultural programmes, such as art exhibitions, film festivals, drama, and music performances.

These events and exhibitions drew participations from both local and global artists. For example, an inaugural collaborative exhibition by Gao Yuan and Li Xiaoliang unveiled the secret stories of musicians while exploring the cultural significance of Chinese rock music. The audience supported and enjoyed the show, which captured local spirit and deepened cultural understanding. Complementing photographic collections, it captured significant events and iconic rock musicians from the last century to the present era, offering insights into the evolution of this genre and its impact on society.



COMMUNITY EMERGENCY RESPONSE

NWD realises the vital importance of strengthening community resilience and safety. We work to prepare for emergencies, ensuring prompt response and well-coordinated recovery efforts when crises occur.

In July 2024, through a strategic partnership with the Guangzhou Charity Association and Shanghang Red Cross Society, we donated RMB1 million to support the reconstruction of the damaged bridge in Fujian Province following flooding.

VIBRANT LOCAL ECONOMY

We recognise the importance of supporting local businesses through investment in the local community. As such, we capitalise on all potential opportunities through partnerships in areas where we operate.



K11 Art Mall fosters the “Goods Economy” through strategic local partnerships showcasing pop-up events and cross-sector collaborations for Gen Z consumers.

K11 MUSEA debuted “100% DORAEMON & FRIENDS”, marking the first stop on the world tour. This event resulted in a 40% increase in visitors, a 30% rise in retail sales, and a 10% increase in tourist spending. The same exhibition was also hosted at Guangzhou K11 Art Mall.

In September and October 2024, we supported nearly 30 F&B and retail brands in the “Night Vibes Hong Kong” Campaign at K11 MUSEA.

SUPPORTING LOCAL ECONOMIC DEVELOPMENT THROUGH COLLABORATION

Supporting local economic development through collaboration is crucial for promoting sustainable growth and enhancing community resilience. By partnering with the Government and strategic partners, we aim to create opportunities that benefit both the economy and the community as a whole.

Fostering a Vibrant Local Economy in the Northern Metropolis

NWD is in partnership with China Merchants Shekou Industrial Zone Holdings Co., Ltd., to launch the first commercial and residential project under the PAVILIA COLLECTION in Ma Sik Road, Fanling – marking a key milestone in Hong Kong’s Northern Metropolis. This project supports the urban planning vision of Northern Metropolis and complements the San Tin Technopole, while contributing to local economic growth.

Situated near a well-established New Town and connected to the public transport network, the development enjoys a strategic locational advantage. It has been included in the “Boundary Commerce and Industrial Zone” under the “Northern Metropolis Action Agenda” as the Northern Metropolis’ first new development area to enter the construction phase. The urban planning concept has taken into account environmental and community factors to support a balanced development and long-term value creation.



北部都會區粉嶺馬適路大型商住項目動工儀式
Groundbreaking Ceremony for the Large-Scale Residential and Commercial Project on Ma Sik Road, Fanling, in the Northern Metropolis

REPORTING PERIOD

This Corporate Sustainability section of the Annual Report provides an overview of the Group's ESG performance during the reporting period of 1 July 2024 to 30 June 2025 and the latest initiatives after FY2025 where specified.

REPORTING BOUNDARY

This section covers NWD's businesses over which NWD has operational control. This coverage includes our businesses under NWD, NWCL and K11 Concepts Limited.

In alignment with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, NWDS, as an individually listed subsidiary, continues to be classified as an investment that contributes to our Scope 3 emissions. More comprehensive sustainability disclosures can be found in its report.

SUSTAINABILITY WEBSITE

Supplementary information, such as the Sustainability Performance Data Table 2025, content index and limited assurance report, is available on the NWD Sustainability Website (<https://sustainability.nwd.com.hk/>).

ESG REPORTING STANDARDS

This Corporate Sustainability section has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Code, set out in Appendix C2 issued by The Stock Exchange of Hong Kong Limited ("HKEX"). The section also references the following ESG standards and principles:

- Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"),
- Sustainability Accounting Standards Board ("SASB") Real Estate Standards,
- International Sustainability Standards Board's ("ISSB") International Financial Reporting Standards ("IFRS") S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1"),
- ISSB's IFRS S2 Climate-related Disclosures ("IFRS S2"), and
- The Ten Principles of the United Nations Global Compact ("UNGC"), as an annual Communication on Progress.

REPORTING PRINCIPLES

Our ESG disclosure responds to the Mandatory Disclosure Requirements required by HKEX in the following applications :

- **Materiality:** Informed by a structured materiality assessment process involving both internal and external stakeholders, such as investors, customers and employees. Please refer to our Stakeholder Engagement and Materiality Assessment section for more information.
- **Quantitative:** Gives updates on targets and key performance indicators ("KPIs"). Please refer to our Sustainability Performance Data Table 2025 for more information.
- **Balance:** Offers unbiased disclosure of the Company's performance.
- **Consistency:** Uses consistent methodologies on performance disclosure to support meaningful comparisons over time.

REPORT ASSURANCE

The Board of Directors oversees the content of this section. This Corporate Sustainability section has been reviewed and approved by the Board.

PricewaterhouseCoopers was engaged to conduct a limited assurance engagement on certain identified sustainability information in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. The limited assurance report can be found on our website.

CONTACT US

We welcome your feedback on this Corporate Sustainability section and other matters related to sustainability. Please contact us at sustainability@nwd.com.hk.

If there is any inconsistency or conflict between the English and the Chinese versions, the English version shall prevail.

Corporate Governance Report

The Company is committed to maintaining a high standard of corporate governance practices to safeguard the interests of its shareholders and enhance the performance of the Group. From time to time, the board of Directors (the “Board”) reviews and improves its corporate governance practices in order to ensure that the Group is under the leadership of an effective board so as to optimise return for its shareholders.

CORPORATE GOVERNANCE CODE

Throughout the year ended 30 June 2025, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix C1 of the Listing Rules, with the exception of code provision C.1.3.

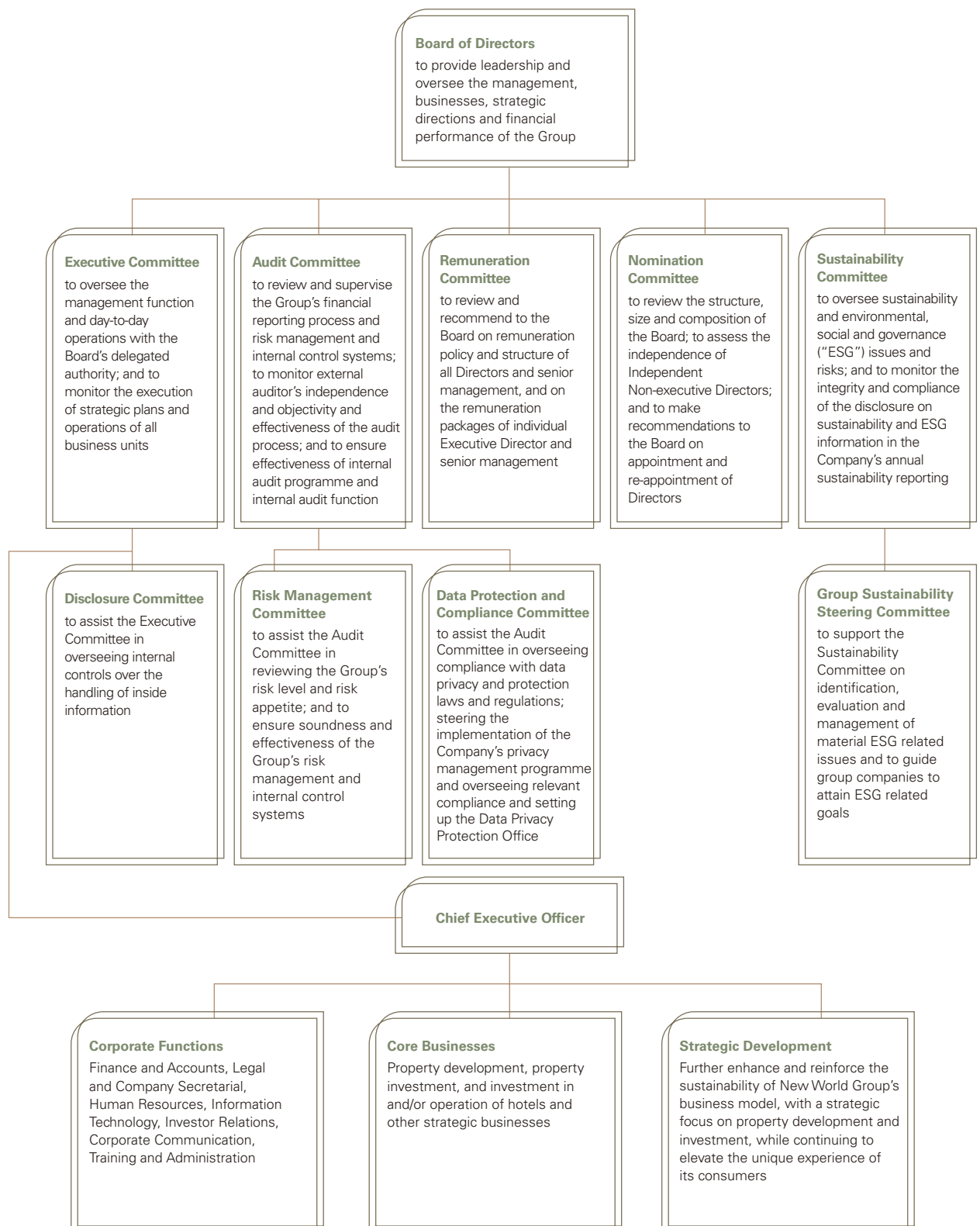
Code provision C.1.3 is in relation to guidelines for securities dealings by relevant employees. Under code provision C.1.3, the Board should establish written guidelines on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 of the Listing Rules for its relevant employees in respect of their dealings in the securities of the Company. Instead of following the Model Code strictly, the Board has established its own guidelines which are not on no less exacting terms than the Model Code. Such deviation from the CG Code is considered necessary because of the large number of employees of the Group (around 10,000) and the Group’s diversified businesses. For these reasons, to strictly follow the exact guidelines of the Model Code will cause immense administrative burden to the Company in processing written notifications from the relevant employees who deal in the securities of the Company, which can be avoided under the Company’s own guidelines.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for securities transactions by its Directors.

Having made specific enquiries of all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 30 June 2025.

BOARD GOVERNANCE



BOARD OF DIRECTORS

Composition

As at the date of this report, the Board comprises a total of 17 Directors, being seven Executive Directors, four Non-executive Directors and six Independent Non-executive Directors. The number of Independent Non-executive Directors represents more than one-third of the Board as required by Rule 3.10A of the Listing Rules. Details of the composition of the Board are set out in the section headed “Directors” in the Report of the Directors of this annual report. The biographies of the Directors are set out in the section “Directors’ Profile” of this annual report. Dr. Cheng Kar-Shun, Henry is the father of Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian, the brother-in-law of Mr. Doo Wai-Hoi, William, the brother of Mr. Cheng Kar-Shing, Peter and the uncle of Mr. Cheng Chi-Heng. Save as aforesaid, none of the members of the Board is related to one another.

Name of Directors	Length of Tenure (Year)	Current Period of Appointment (Year)
<i>Executive Directors</i>		
Dr. Cheng Kar-Shun, Henry	53	2
Ms. Huang Shaomei, Echo	6	3
Ms. Cheng Chi-Man, Sonia	14	2
Mr. Sitt Nam-Hoi	8	2
Ms. Chiu Wai-Han, Jenny	6	3
Mr. Ho Gilbert Chi-Hang	1	1
Mr. Lau Fu-Keung	1	1
<i>Non-executive Directors</i>		
Mr. Doo Wai-Hoi, William	13	1
Mr. Cheng Kar-Shing, Peter	31	2
Mr. Cheng Chi-Heng	16	3
Mr. Cheng Chi-Ming, Brian	3	3
<i>Independent Non-executive Directors</i>		
Mr. Lee Luen-Wai, John	22	2
Mr. Ip Yuk-Keung, Albert	8	2
Mr. Chan Johnson Ow	4	2
Mrs. Law Fan Chiu-Fun, Fanny	3	3
Ms. Lo Wing-Sze, Anthea	3	3
Ms. Wong Yeung-Fong, Fonia	3	3

Board Refreshment

The composition of the Board has been refreshed in an orderly manner during the past few years to bring fresh ideas and diverse expertise and thereby both diversity and independence of the Board have been enhanced. The Board, through the Nomination Committee, will continue to review the structure of the Board regularly and make recommendations to support the sustainable growth of the Group. The Nomination Committee will select appropriate candidates through multiple channels and make recommendations to the Board based on the Board diversity policy (the “Diversity Policy”) and the nomination policy (the “Nomination Policy”).

During the year under review and up to the date of this report, the Board has the following changes:

- | | |
|-------------------|--|
| 26 September 2024 | <ul style="list-style-type: none">– Resignation of Dr. Cheng Chi-Kong, Adrian as the Chief Executive Officer– Re-designation of Dr. Cheng Chi-Kong, Adrian from an Executive Director and Executive Vice-chairman to Non-executive Director and Non-executive Vice-chairman– Appointment of Mr. Ma Siu-Cheung as the Chief Executive Officer |
| 29 November 2024 | <ul style="list-style-type: none">– Resignation of Mr. Ma Siu-Cheung as an Executive Director and the Chief Executive Officer– Appointment of Ms. Huang Shaomei as the Chief Executive Officer– Appointment of Mr. Ho Gilbert Chi-Hang as an Executive Director– Appointment of Mr. Lau Fu-Keung as an Executive Director |
| 1 July 2025 | <ul style="list-style-type: none">– Resignation of Dr. Cheng Chi-Kong, Adrian as Non-executive Director and Non-executive Vice-chairman |

Diversity

(a) Board Diversity

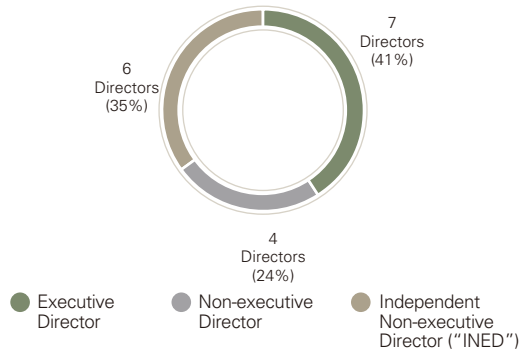
The Board has adopted the Diversity Policy since August 2013 which sets out the approach by the Company to achieve diversity on the Board. Under the Diversity Policy, the Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining its competitive advantage and supporting its sustainable development. In determining an optimum composition of the Board, the Company will consider all aspects of diversity and will also take into account factors based on its own business model and specific needs from time to time. Board members' appointment will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, skills, regional and industry experience and expertise, cultural and educational background, and professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The respective appointments of Mr. Ho Gilbert Chi-Hang and Mr. Lau Fu-Keung as Executive Directors were considered by the Nomination Committee which had taken into consideration the skills, expertise and professional experience of Mr. Ho Gilbert Chi-Hang and Mr. Lau Fu-Keung when determining their eligibility as directors of the Company. These appointments were then approved by the Board upon recommendation from the Nomination Committee and took effect on 29 November 2024.

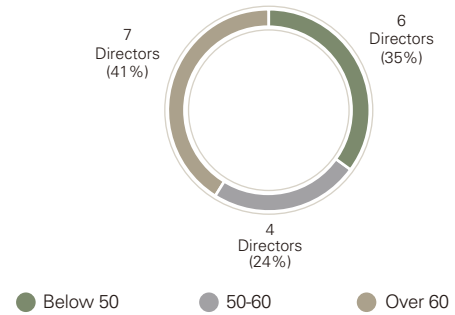
Currently, out of 17 Directors, six are female representing 35.29% of the Board, which exceeds the Company's target of 30% female Board member for gender diversity at Board level. The Company is committed to maintaining a diverse Board, including having female representation at above 30%.

Board Diversity Mix

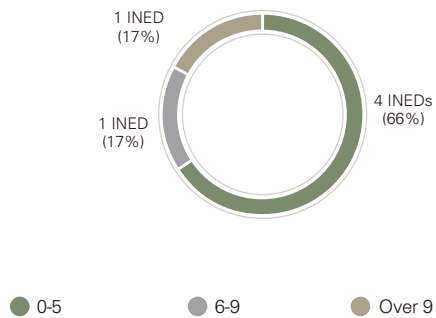
Designation



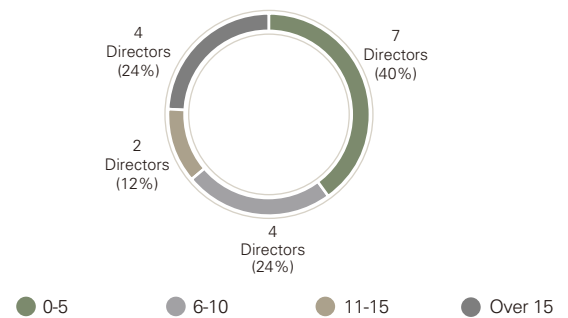
Age Group



Length of Service – INED (No. of years)

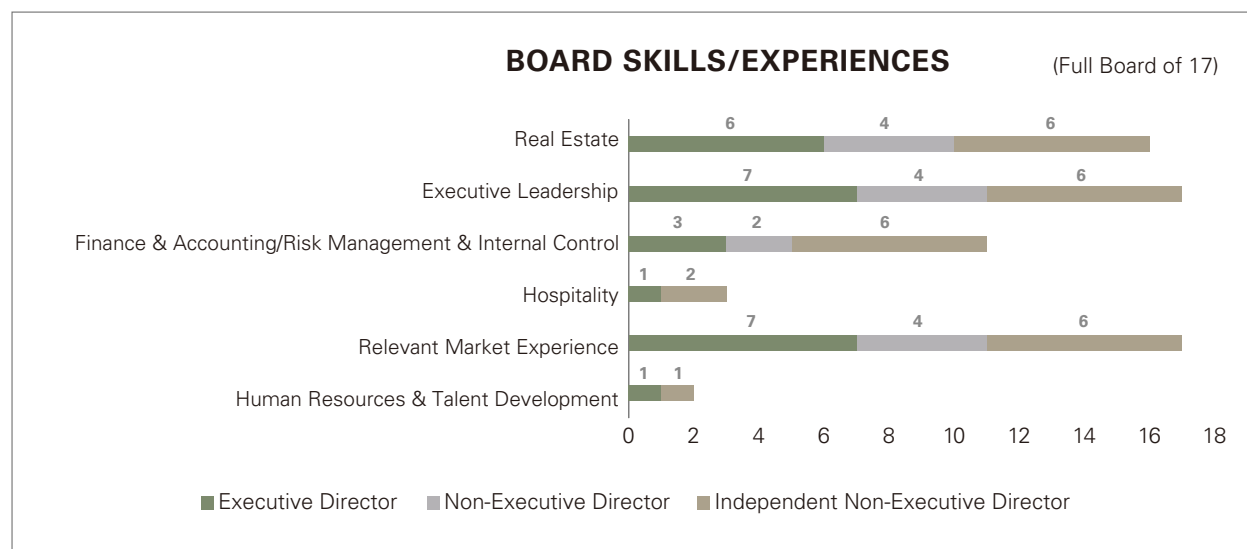


Length of Service – Board (No. of years)



Board Skills/Experiences





(b) Workforce Diversity

Gender diversity is also promoted across all levels of the Group through a series of diversity and inclusion focused activities. The Board has adopted Workforce Diversity, Equity and Inclusion Policy (the “DEI Policy”) since July 2025 which sets out the Group’s objectives for achieving diversity, equity and inclusion in the workforce and oversight of the implementation of the Group’s relevant strategies. It also allows the Group to create a safe, diverse, and inclusive place to work where we prioritise our people’s wellbeing and do not tolerate discrimination, bullying victimisation, vilification or any form of harassment. The Company will strive to maintain a gender balanced workforce. More details on the DEI Policy and the gender ratio of senior management and the workforce (excluding senior management) of the Group can be found in the “Corporate Sustainability” section of this annual report.

Appointment and Re-election

All Directors have entered into letters of appointment with the Company, each for a term of three years, subject to retirement by rotation in accordance with the articles of association of the Company (the “Articles of Association”).

Article 103(A) of the Articles of Association provides that at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Also, pursuant to Article 94 of the Articles of Association, any Director appointed to fill a casual vacancy or as an addition to the Board is subject to re-election at the next following general meeting or next following annual general meeting of the Company respectively.

Board Evaluation

To ensure that Directors have spent sufficient time on the affairs of the Company, all Directors have annually disclosed to the Company the level of time involved in performing the duties of his/her position held in the Company and other public companies or organisations or other major appointments.

In 2025, the Company has internally conducted a board evaluation exercise covering the period from mid-May 2023 to financial year 2025 to solicit views from the Directors on the performance and effectiveness of the Board by means of questionnaire to the Directors.

The following areas have been covered in the assessment of the board evaluation:

- Board performance in core responsibilities
- Board priorities for the next 1-2 years
- Quality of board effectiveness enablers (including board composition, meetings, provision of information, etc.)

The responses received were analysed and a report summarising the findings was compiled. The results and recommendations were presented and reviewed at a meeting of Independent Non-executive Directors, and the final report was submitted to the Nomination Committee and the Board for consideration in September 2025.

Summary of findings

- (i) The review indicates a strong understanding among Directors of their roles, Board functions, and committee responsibilities. Most of them were satisfied with the new executive management team with improvement in communication and timely reporting. Strategic alignment is robust, with majority affirming clarity in the Group's strategy and effective Board oversight.
- (ii) Oversight and financial review processes are generally effective, though some responses suggest opportunities to enhance transparency and timeliness in risk reporting. Internal controls and risk governance are well understood, yet confidence could be strengthened.
- (iii) Directors generally commend the constructive response of the Board to the Group's evolving strategy and the shifting macroeconomic landscape. It has been supporting the new executive management team in tackling the immediate critical issues facing the Company.
- (iv) Deleveraging was ranked top of the Board priorities in the next 1-2 years. Most respondents considered sufficient time was allocated to priority issues, though early 2025's focus on deleveraging limited broader strategic discussions.
- (v) Board diversity and independence are positively perceived. Directors are satisfied with professional development support and clarity in Board-management responsibilities. While collaboration and open dialogue are generally strong, more open discussion and interaction among Board members were encouraged.

Having considered the feedback from the Directors, certain recommendations have been made as follows:

- (i) To increase the frequency of business update sessions for the Independent Non-executive Directors from annually to semi-annually.
- (ii) Starting from FY2026, the Company will enhance directors' training by incorporating more real case examples, providing materials relevant to the five specified topics under the new Rule 3.09G of the Listing Rules, and setting a target of 10–12 training hours for the year.
- (iii) To involve full Board members for briefings on progress updates in relation to strategic issues so as to enhance Board cohesion and promote Board dynamics.

The Company will continue to conduct a formal evaluation of the performance of the Board, either internally or by an external provider, at least every two years.

Chairman, Chief Executive Officer and Other Executive Directors

Dr. Cheng Kar-Shun, Henry, the Chairman, has led the Board and ensured that the Board works effectively and that all important issues are discussed in a timely manner. During the year under review, Dr. Cheng Chi-Kong, Adrian and Mr. Ma Siu-Cheung, both the then Chief Executive Officer and Ms. Huang Shaomei, Echo, the current Chief Executive Officer, oversaw the Company's day-to-day businesses and the implementation of major strategies and policies of the Company. Each of the other Executive Directors takes up different responsibilities according to their own expertise. The responsibilities of the Chairman, the Chief Executive Officer and the other Executive Directors are clearly set out in their respective letters of appointment. The positions of the Chairman and the Chief Executive Officer are held by separate individuals so as to maintain an effective segregation of duties.

Mr. Ma Siu-Cheung has assumed the post of Chief Executive Officer following the resignation of Dr. Cheng Chi-Kong, Adrian as the Chief Executive Officer with effect from 26 September 2024. Subsequently, Ms. Huang Shaomei, Echo has assumed the post of Chief Executive Officer following the resignation of Mr. Ma Siu-Cheung as the Chief Executive Officer with effect from 29 November 2024.

Non-executive Directors

Non-executive Directors (including the Independent Non-executive Directors) serve the relevant function of bringing independent judgement on the development, performance and risk management of the Company. They have the same duties of care and skill and fiduciary duties as the Executive Directors.

Independence of Independent Non-executive Directors

The Company has received confirmation of independence from all Independent Non-executive Directors. The Board is of the view that all Independent Non-executive Directors are independent in accordance with the Listing Rules.

During the year, Independent Non-executive Directors met regularly with members of senior management and representatives from major business units, which provided a good opportunity for Independent Non-executive Directors to better understand the businesses of the Group and to discuss a wide range of issues concerning the business of the Group. The Chairman also held annual meeting with the Independent Non-executive Directors without the presence of other Directors.

Role of the Board

The Board is the ultimate decision making body of the Company except for matters requiring the approval of the shareholders in accordance with the Articles of Association, the Listing Rules or other applicable laws and regulations. It oversees the management, businesses, strategic directions and financial performance of the Group. It is collectively responsible for the management and operations of the Company. Day-to-day businesses of the Company are delegated to the management team which works under the leadership and supervision of the Chief Executive Officer and the Executive Committee of the Board.

The Board strives to foster and promote a desired culture down to all levels of the Company, and ensures the desired culture is reflected in the Company's strategy, business models and operating practices towards the sustainable growth of the Group. Through town halls, e-learning, workshops and various initiatives, our corporate vision "we create, we are artisans, we are CSV" is cultivated across the workforce. Employees are encouraged to voice out their practical innovative ideas which are fully integrated into the Group's business development. For further details of the Group's culture, please refer to the "Corporate Sustainability" section of this annual report.

The Board is responsible for performing the corporate governance duties of the Company including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year, the Board reviewed the Company's compliance with the CG Code and the applicable statutory and regulatory requirements.

The Group has complied with all major aspects of laws and regulations that are significant to its business operations, and there were no threatened or concluded cases of material nature in connection with legal compliance during the year.

Board Meetings

Regular Board meetings are held at least four times a year with at least 14 days' notice, and additional meetings with reasonable notice are held as and when the Board considers appropriate. The Board held four regular Board meetings and three ad hoc Board meetings during the year ended 30 June 2025. The Company Secretary/Joint Company Secretaries assists the Chairman in preparing agenda for each meeting. Draft agenda for each regular Board meeting is circulated to all Directors to enable them to include other matters in the agenda. Agenda accompanying board papers are sent to all Directors at least three days before each regular Board meeting. Board decisions are voted upon at the Board meetings. The Company Secretary/Joint Company Secretaries record(s) in sufficient detail the matters considered and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Minutes of meetings are kept by the Company Secretary/Joint Company Secretaries with copies circulated to all Directors for information and records.

Directors' Training

Each newly appointed Director is provided with the necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations. From time to time, the Company Secretary/Joint Company Secretaries also provide(s) the Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements.

Each of newly appointed Directors, Mr. Ho Gilbert Chi-Hang and Mr. Lau Fu-Keung has obtained legal advice (referred to Rule 3.09D of the Listing Rules) from a firm of solicitors engaged by the Company and qualified to advise on Hong Kong law on 28 November 2024. The advice pertained to the requirements under the Listing Rules applicable to them as directors of the Company and the possible consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange. Each of them has confirmed that he understood his obligations as a director of the Company.

The Chief Executive Officer reports the Group's business activities including financial and operations review, segment performance, strategies and new initiatives at Board meetings. In addition, all Directors are provided with monthly updates on major business segments performance and year-to-date financials. All these give the Board a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable each Director and the Board as a whole to discharge their duties.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the year ended 30 June 2025, the Company has arranged internal trainings and external trainings for Directors with specified focus topics on corporate governance and ESG; risk management and internal controls; and industry and business updates. On top of it, the Company has continued to provide the Directors with reading materials on board and directors' duties, Listing Rules and Hong Kong law compliance, corporate governance and ESG, risk management and internal controls, and industry and business updates for self-study. All of these are of sufficient quality adequately support Directors' development of their knowledge and expertise and cover the specified topics as required under Rule 3.09G of the Listing Rules.

The attendance records of the Directors at the Board and Board committee meetings, general meetings and the continuous professional development for the year ended 30 June 2025 are set out below:

Name of Directors	Number of Meetings Attended/Eligible to Attend for the Year Ended 30 June 2025							
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Sustainability Committee Meeting	Annual General Meeting	Extraordinary General Meeting	Continuous Professional Development (Notes)
<i>Executive Directors</i>								
Dr. Cheng Kar-Shun, Henry ⁽¹⁾	6/7	–	2/3	3/3	–	1/1	0/1	A, B
Ms. Huang Shaomei, Echo	6/7	–	–	–	–	1/1	0/1	A, B
Ms. Cheng Chi-Man, Sonia ⁽²⁾	6/7	–	–	0/0	–	1/1	1/1	A, B
Mr. Sitt Nam-Hoi ⁽³⁾	7/7	–	–	–	2/2	1/1	1/1	A, B
Ms. Chiu Wai-Han, Jenny	7/7	–	–	–	–	0/1	1/1	A, B
Mr. Ho Gilbert Chi-Hang ⁽⁴⁾	4/4	–	–	–	–	0/0	0/0	A, B
Mr. Lau Fu-Keung ⁽⁴⁾	4/4	–	–	–	–	0/0	0/0	A, B
Mr. Ma Siu-Cheung ⁽⁵⁾	2/2	–	–	–	0/0	1/1	1/1	A, B
<i>Non-executive Directors</i>								
Mr. Doo Wai-Hoi, William	7/7	–	–	–	–	1/1	0/1	A, B
Dr. Cheng Chi-Kong, Adrian ⁽⁶⁾	6/7	–	–	–	2/2	1/1	0/1	A, B
Mr. Cheng Kar-Shing, Peter	5/7	–	–	–	–	0/1	1/1	A, B
Mr. Cheng Chi-Heng	4/7	–	–	–	–	1/1	1/1	A, B
Mr. Cheng Chi-Ming, Brian	5/7	–	–	–	–	1/1	0/1	A, B
<i>Independent Non-executive Directors</i>								
Mr. Lee Luen-Wai, John ⁽⁷⁾	7/7	4/4	3/3	3/3	–	1/1	1/1	A, B, C
Mr. Ip Yuk-Keung, Albert	7/7	4/4	–	3/3	2/2	1/1	1/1	A, B, C
Mr. Chan Johnson Ow	7/7	4/4	3/3	–	2/2	1/1	1/1	A, B, C
Mrs. Law Fan Chiu-Fun, Fanny ⁽⁸⁾	7/7	3/3	–	–	2/2	1/1	1/1	A, B, C
Ms. Lo Wing-Sze, Anthea	7/7	4/4	–	–	–	1/1	1/1	A, B, C
Ms. Wong Yeung-Fong, Fonia	7/7	–	–	–	2/2	1/1	1/1	A, B, C

Notes:

- (1) ceased to be chairman and member of Nomination Committee with effect from 1 May 2025
 - (2) appointed as member of Nomination Committee on 1 May 2025
 - (3) appointed as chairman of Sustainability Committee on 29 November 2024
 - (4) appointed as Executive Director on 29 November 2024
 - (5) appointed as and ceased to be chairman and member of Sustainability Committee with effect from 26 September 2024 and 29 November 2024 respectively, and resigned as Executive Director on 29 November 2024
 - (6) re-designated from Executive Director to Non-executive Director and ceased to be chairman and member of Sustainability Committee with effect from 26 September 2024 and resigned as Non-executive Director on 1 July 2025
 - (7) appointed as chairman of Nomination Committee on 1 May 2025
 - (8) appointed as member of Audit Committee on 1 November 2024
- A – Received reading materials on board and directors' duties, Listing Rules and Hong Kong law compliance, corporate governance and ESG, risk management and internal controls, and industry and business updates
- B – Internal trainings and external trainings on corporate governance and ESG, risk management and internal controls, and industry and business updates
- C – Attending quarterly meetings covering updates on industry-specific developments, business trends and strategies of the Group

BOARD COMMITTEES

The Board discharges some of its responsibilities through delegation to respective Board-level committees, namely the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee. All the Board committees are empowered by the Board under their own terms of reference which have been posted on HKEx's website and/or the Company's website.

Executive Committee

Members:

Executive Directors	Dr. Cheng Kar-Shun, Henry (<i>Chairman</i>)
	Dr. Cheng Chi-Kong, Adrian [#]
	Mr. Ma Siu-Cheung [*]
	Ms. Huang Shaomei, Echo
	Ms. Cheng Chi-Man, Sonia
	Mr. Sitt Nam-Hoi
	Ms. Chiu Wai-Han, Jenny
	Mr. Ho Gilbert Chi-Hang [^]
	Mr. Lau Fu-Keung [^]

[#] ceased to be member with effect from 26 September 2024

^{*} ceased to be member with effect from 29 November 2024

[^] became member with effect from 29 November 2024

The Board has delegated to the Executive Committee, comprising all Executive Directors, with authority and responsibility for handling the management functions and day-to-day operations of the Company, while reserving certain key matters such as the declaration of interim dividend, making recommendation of final dividend or other distributions for the approval by the Board. The Executive Committee monitors the execution of the Company's strategic plans and the operations of all business units of the Company, manages and develops generally the businesses of the Company, and oversees internal controls over the handling of inside information. The Executive Committee meets regularly as and when necessary.

Audit Committee

Members:

Independent Non-executive Directors	Mr. Lee Luen-Wai, John (<i>Chairman</i>)
	Mr. Ip Yuk-Keung, Albert
	Mr. Chan Johnson Ow
	Mrs. Law Fan Chiu-Fan, Fanny*
	Ms. Lo Wing-Sze, Anthea

* became member with effect from 1 November 2024

The Audit Committee is responsible for reviewing the Group's financial controls, its risk management and internal control systems (covering ESG topics), financial and related ESG disclosure. The Audit Committee is empowered to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. It also reviews the internal audit programme and ensures the internal audit function is adequately resourced and effective.

During the year, the Audit Committee held four meetings and the work performed by the Audit Committee included the following:

- (i) reviewed the audited financial statements of the Company for the year ended 30 June 2024 and the unaudited interim financial statements of the Company for the six months ended 31 December 2024 with recommendations to the Board for approval;
- (ii) reviewed reports on risk management and internal control systems of the Group;
- (iii) discussed with the management and the external auditors on the accounting policies and practices which may affect the Group and the financial reporting matters;
- (iv) reviewed the continuing connected transactions;
- (v) reviewed the works done by the Data Protection and Compliance Committee which included the preparation and maintenance of personal data inventory; preparation of new policies or guidelines relating to data privacy and protection matters; and the provision of relevant training for the staff; and
- (vi) reviewed the key risk indicators and the enterprise risk management system of the Group.

Remuneration Committee

Members:

Independent Non-executive Directors	Mr. Lee Luen-Wai, John (<i>Chairman</i>) Mr. Chan Johnson Ow
-------------------------------------	---

Executive Director	Dr. Cheng Kar-Shun, Henry
--------------------	---------------------------

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure on the remuneration of all Directors and senior management of the Company (comprised of Executive Directors only) and on the establishment of a formal and transparent procedure for developing remuneration policy for the Company for approval by the Board. Directors' fees including allowances are benchmarked against other listed companies of similar size and industry, and commensurate with Directors' responsibilities and workload.

The Remuneration Committee shall also make recommendations to the Board on the remuneration packages of individual Executive Director and senior management. The remuneration of individual Executive Director and senior management is determined with reference to his/her duties and responsibilities with the Company, the Company's performance as well as remuneration benchmarks in the industry and the prevailing market condition. The Company's Human Resources Department provides materials on relevant remuneration data, remuneration benchmarks, market analysis and proposals to the Remuneration Committee for consideration. The remuneration package is performance-based and linked to the Company's profitability, aimed to be competitive to attract and retain talented employees.

During the year, the Remuneration Committee held three meetings and the work performed by the Remuneration Committee included the following:

- (i) reviewed the remuneration policy of the Company, including that for the Directors and senior management of the Company; and
- (ii) reviewed and approved the remuneration package for the Executive Directors and senior management of the Company.

The remuneration for the Executive Directors comprises basic salary, pensions and discretionary bonus. Share options may be granted to all Directors and senior management to subscribe for shares in the Company under the Company's share option scheme. Details of the remuneration paid to the Directors for the financial year ended 30 June 2025 are disclosed in the notes to the financial statements.

Nomination Committee

Members:

Executive Directors	Dr. Cheng Kar-Shun, Henry (<i>Chairman</i>) [#] Ms. Cheng Chi-Man, Sonia [^]
---------------------	---

Independent Non-executive Directors	Mr. Lee Luen-Wai, John (<i>Chairman</i>) [*] Mr. Ip Yuk-Keung, Albert
-------------------------------------	---

[#] ceased to be chairman and member with effect from 1 May 2025

[^] became member with effect from 1 May 2025

^{*} became chairman with effect from 1 May 2025

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, assessing the independence of Independent Non-executive Directors taking into account the independence requirements set out in Rule 3.13 of the Listing Rules, and making recommendations to the Board on appointment and re-appointment of Directors. To align with the amendments made to the CG Code relating to the composition of the members of the Nomination Committee and skills matrix, the terms of reference of the Nomination Committee was revised on 24 April 2025 and took effect on 1 July 2025. The Chairman of the Nomination Committee is independent from the management.

The Board has adopted the Nomination Policy since November 2018 which sets out the criteria and procedures to be adopted when considering candidates to be appointed as Directors and re-appointment of existing Directors. In the case of identifying candidate(s) to be appointed as Director, the Nomination Committee shall hold a meeting to consider the candidate(s) identified or selected pursuant to the nomination criteria and make recommendation to the Board if appropriate. The Board shall deliberate and decide on the appointment based upon the recommendation of the Nomination Committee. In the case of re-appointment of an existing Director, the Nomination Committee shall review the overall contribution and service of the retiring Director to the Company, determine whether the retiring Director continues to meet the nomination criteria set out in the Nomination Policy and if appropriate, recommend the retiring Director to the Board for consideration and recommendation to shareholders for the proposed re-election of such Director at a general meeting. The factors considered in assessing the suitability of a proposed candidate for appointment as Director or re-appointment of existing Director are as follows:

- Contribution to the Board with due regard to the Diversity Policy;
- Reputation for integrity;
- Commitment to devote sufficient time to discharge duties as a Board member;
- Potential conflicts of interest with the Company; and
- Satisfaction of independence requirements of the Listing Rules in the case of a candidate for Independent Non-executive Director.

During the year, the Nomination Committee held three meetings and the work performed by the Nomination Committee included the following:

- (i) recommended to the Board on the Board changes;
- (ii) reviewed the structure, size and composition of the Board in accordance with the Listing Rules, the Diversity Policy, and the Nomination Policy and considered that the Board consists of a diverse mix of members and has provided a good balance of skills and experience appropriate to the business needs of the Group;
- (iii) reviewed the Diversity Policy and the Nomination Policy and considered they remain effective and appropriate for the Company;
- (iv) reviewed the re-election of retiring Directors and recommended the same to the Board for putting forward to the shareholders for approval at the annual general meeting of the Company held on 21 November 2024; and
- (v) reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board.

Taking into account the following channels, the Nomination Committee considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- A sufficient number of six Independent Non-executive Directors representing more than one-third of the Board and all of them continue to devote adequate time contribution to the Company;
- All Independent Non-executive Directors share their views and opinions through regular quarterly meetings with heads of core departments and particular business units which would be invited to join such meetings on Independent Non-executive Directors' requests;
- Annual presentation sessions on business segments performance from core business units are arranged for Independent Non-executive Directors providing opportunities for them to share and express their views and inputs;
- Site visits are arranged for Independent Non-executive Directors from time to time to enhance their understanding of the Company's new and on-going projects;
- Annual meeting between the Chairman and all Independent Non-executive Directors without presence of other Directors provides effective platform for the Chairman to listen independent views on various issues concerning the Group; and
- Independent professional advice would be provided to Independent Non-executive Directors upon reasonable request to assist them to perform their duties to the Company.

Sustainability Committee

Members:

Executive Directors	Dr. Cheng Chi-Kong, Adrian (<i>Chairman</i>) [#] Mr. Ma Siu-Cheung (<i>Chairman</i>) [*] Mr. Sitt Nam-Hoi (<i>Chairman</i>) [^]
Independent Non-executive Directors	Mr. Ip Yuk-Keung, Albert Mr. Chan Johnson Ow Mrs. Law Fan Chiu-Fun, Fanny Ms. Wong Yeung-Fong, Fonia

[#] ceased to be chairman and member with effect from 26 September 2024

^{*} became and ceased to be chairman and member with effect from 26 September 2024 and 29 November 2024 respectively

[^] became chairman with effect from 29 November 2024

The Sustainability Committee is responsible for the oversight of the Company's ESG and climate-related issues and risks. Supported by the Group Sustainability Steering Committee which comprises heads of business units, the Board-level Sustainability Committee oversees the ESG management approach and policies, the processes of identifying and evaluating material ESG-related issues to internal and external stakeholders (including risks to the issuer's businesses) and delivering commitments and targets under the refreshed "Sustainability Vision 2030+" which guide us to evolve as a future-proof company towards 2050. The Sustainability Committee monitors the integrity of the Company's sustainability and ESG information in annual sustainability reporting and advises the Board on the matters in the applicable code provision(s) of the Environmental, Social and Governance Reporting Guide (Appendix C2) of the Listing Rules.

The Sustainability Committee met twice during the year. It discussed and endorsed the Group's sustainability strategy, targets and policies. It also reviewed the process of sustainability reporting and ESG disclosures and monitored the progress of targets achievement and sustainability performance. In addition, the Sustainability Committee discussed relevant global trends including sustainable finance, ESG ratings, materiality, employee well-being, climate risks, evolution of sustainability disclosures including the standards issued by the International Sustainability Standards Board ("ISSB"), and governance of sustainability matters.

AUDITORS' REMUNERATION

During the year ended 30 June 2025, the total fee paid/payable in respect of assurance and non-assurance services provided by the Group's external auditors is set out below:

Type of services	Fee paid/payable for the year ended 30 June	
	2025 HK\$m	2024 HK\$m
Assurance services	46.1	49.4
Non-assurance services	16.5	31.2
Total	62.6	80.6

The Group's external auditor is PricewaterhouseCoopers (Certified Public Accountants and Registered Public Interest Entity Auditor). PricewaterhouseCoopers has written to the Audit Committee confirming that they are independent with respect to the Company and that there is no relationship between PricewaterhouseCoopers and the Company which may reasonably be thought to bear on their independence. In order to maintain the external auditor's independence, the Group has reviewed the services provided by PricewaterhouseCoopers to the Group and it would only be employed for non-assurance work if the work does not compromise the external auditor's independence.

During the year, the external auditor provided assurance and permissible non-assurance services to the Group. Assurance services include services provided in connection with the audit of the Group's consolidated financial statements and certain of its subsidiaries, services such as issuance of special audit or assurance reports for other regulatory or compliance purposes. Permissible non-assurance services include services such as tax compliance services, tax advisory, transfer pricing services, due diligence and transaction advisory services relating to acquisition and disposal activities, ESG and green finance services and data privacy services as well as other related services. None of these services provided compromises the independence as auditor, in terms of Hong Kong Institute of Certified Public Accountants' Code of Ethics for Professional Accountants.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board, supported by the finance and accounts department, is responsible for the preparation of the financial statements of the Company and the Group. The Board has prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently except the adoption of amendments to standards and interpretation. The Directors consider that it is appropriate to prepare the consolidated financial statement on a going concern basis.

The statement by the auditor of the Company and the Group regarding its reporting responsibilities on the financial statements of the Company and the Group is set out in the Independent Auditor's Report in this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Audit Committee is delegated with the authority from the Board to oversee the Group's management in design, implementation and monitoring of the risk management and internal control systems. It also advises the Board on the Group's risk-related matters.

Sound and effective risk management and internal control systems have been established and maintained for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance of applicable laws, rules and regulations.

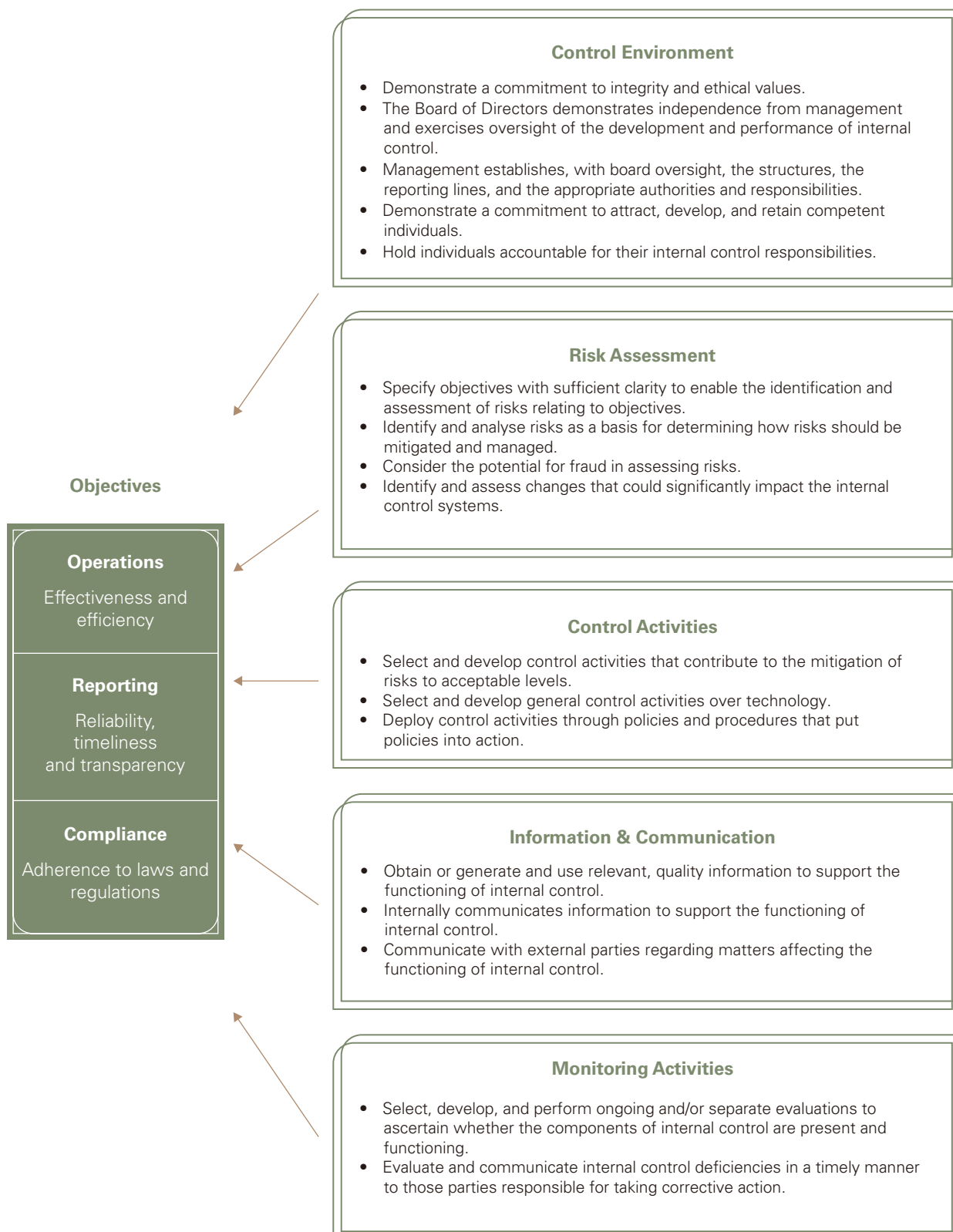
INTERNAL AUDIT

An internal audit department has been established to conduct internal audit of the Company and its subsidiaries, joint ventures and associated companies. The internal audit department performs risk-based audits to review the effectiveness of the Group's material internal controls so as to provide assurance that all key risks are identified and managed, and to ensure that the risk management and internal control measures are carried out appropriately and functioning as intended. Major audit findings and recommendations are reported to the Audit Committee, which in turn reports to the Board. The implementation of the agreed actions in response to the identified audit issues are tracked and followed up regularly, and the status is reported to the Audit Committee.

The Group Audit Director plays a major role in monitoring the internal governance and process of the Group for meeting its business objective, reports directly to the Audit Committee and Risk Management Committee and administratively to the Executive Director and Chief Executive Officer. The Group Audit Director also has the right to consult the Audit Committee without reference to management.

INTERNAL CONTROL

With reference to the “Internal Control – Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), the key features of our internal control systems are outlined below:



Policies, Guidelines and Practices

Enterprise Risk Management Policy

- The policy outlines the Group’s risk management framework and methodology, and provides guidance to business units and corporate departments of the Group in implementing effective risk management practices.

Whistleblowing Policy

- The Company has established a “Whistleblowing Policy” that enables employees to report serious concerns regarding suspected fraud, corruption, malpractice, misconduct or irregularity directly to the internal audit department for of the Group. Reported cases will be investigated confidentially and promptly, with the results of investigations reported to both the Executive Committee and the Audit Committee.

Anti-Corruption Policy

- The policy provides guidelines on standards of conduct to uphold integrity of the Group. It draws on principles from the UN Global Compact, the UN Convention Against Corruption, the World Economic Forum’s Partnering Against Corruption Initiative, and the Transparency International’s Business Principles for Countering Bribery to establish a strong tone at the top regarding anti-corruption commitment and relevant reporting channels. All employees of the Group are required to confirm annually that they have read and agreed to be bound by the policy.

Conflict of Interest Policy

- The policy offers guidance to all employees of the Group on reporting and handling (potential) conflict of interest, raises awareness among directors and employees, and promotes good corporate governance practices.

Disclosure Policy and Disclosure Procedure Manual in respect of Inside Information

- The Company has established the Disclosure Committee to oversee internal controls related to inside information. The Disclosure Policy and Disclosure Procedure Manual which set out the Company’s policies and practices for handling and disseminating inside information, with reference to the requirements and principles outlined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong), the Listing Rules and the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission. All Directors and employees are bound by the Disclosure Policy and the Disclosure Procedure Manual to ensure the proper handling and dissemination of inside information.

Anti-Money Laundering (“AML”) & Counter-Terrorist Financing Policy

- The policy aims to ensure that the Group, its directors, officers and employees understand the AML/Counter-Terrorist Financing requirements applicable to them and are aware of their roles and responsibilities in achieving compliance. It also seeks to establish and align AML/Counter-Terrorist Financing compliance objectives, compliance governance framework, compliance control design and monitoring systems to ensure consistent implementation of AML/Counter-Terrorist Financing controls across the Group.

Responsible Investment Policy

- The policy is designed to integrate the Group’s “ESG” commitments, standards and guidelines into its internal investment decision making processes.

Privacy Management Programme

- The Privacy Management Programme sets out a strategic framework to assist the Company build a robust privacy infrastructure, supported by effective ongoing review and monitoring processes, and provides guidance to all employees of the Group.

Personal Data Privacy Policy and Guidelines

- The policy aims to ensure the entire personal data life cycle from collection, use and transfer to retention remains within the parameters of the application regulatory regime. It also provides guidance to all employees of the Group on the policies and procedures for operating in compliance with the relevant laws.

Personal Data Access and Correction Policy

- The policy provides guidance to all employees of the Group on handling data access and correction requests in accordance with applicable laws.

Personal Data Privacy Enquiries and Complaints Handling Policy

- The policy offers guidance to all employees of the Group on handling personal data privacy enquiries and complaints in accordance with applicable laws.

Personal Identifiers Policy

- The policy provides guidance to all employees of the Group on the framework and mechanisms related to the collection, accuracy, retention, use and security of personal identifiers in accordance with applicable laws.

RISK MANAGEMENT

Robust and effective risk management is an vital and integral component of corporate governance. It ensures that risks encountered in the pursuit of the Group's strategic objectives are managed within its defined risk appetite, supporting the Group's sustainable growth and development.

To achieve this, the Group adopts an enterprise-wide, holistic and systematic approach known as Enterprise Risk Management ("ERM"). The ERM framework embeds risk management into business strategy, day-to-day operations and management processes. It is forward-looking and focused on supporting the achievement of the Group's strategic goals and performance objectives.

Enterprise Risk Management Framework

The Group has developed a tailor-made ERM framework with reference to internationally recognised standards, including COSO's Enterprise Risk Management – Integrating with Strategy and Performance, the International Organization for Standardization ("ISO") 31000 Risk Management and the World Business Council for Sustainable Development ("WBCSD").



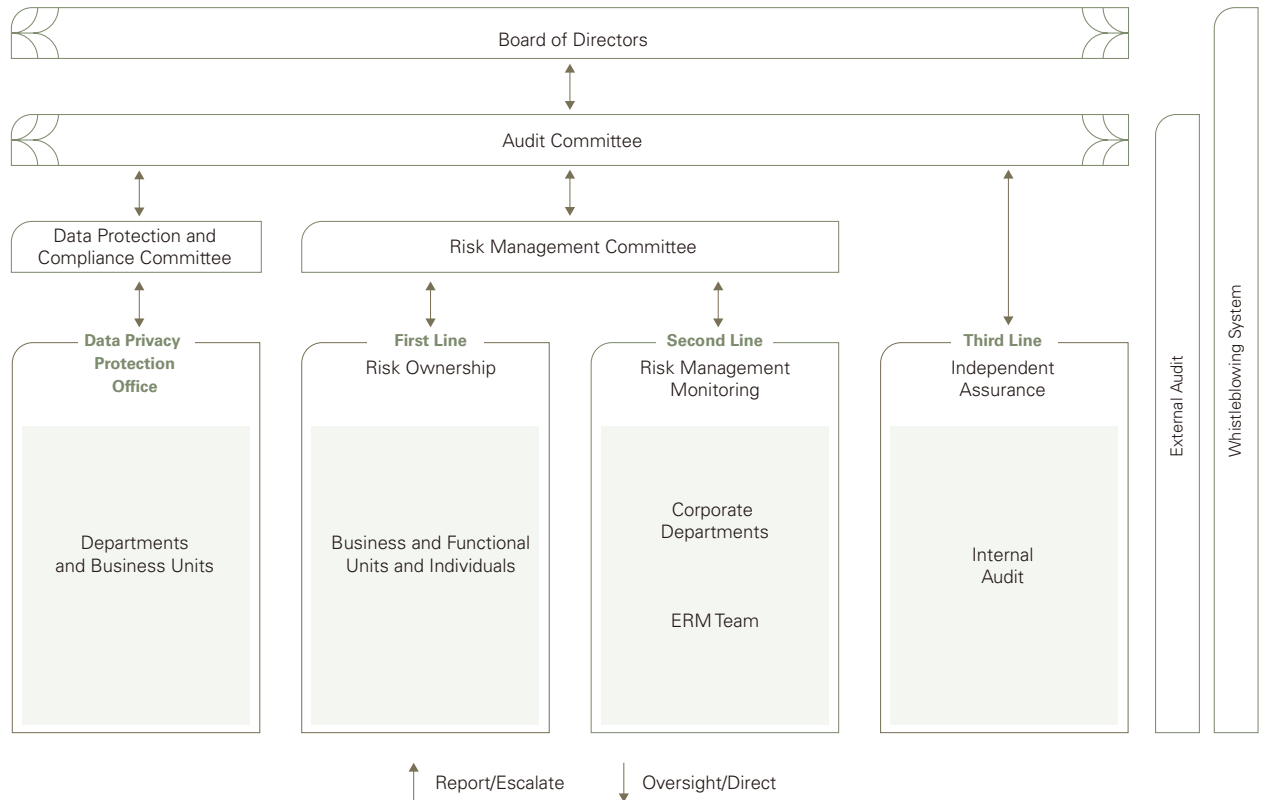
Risk Culture

Risk culture refers to the shared values and behaviours of all employees of the Group that influence the Group's risk-related decisions. The Group is committed to fostering a culture of speaking up across all levels. This includes both online and offline learning initiatives that encourage corporate and frontline employees to proactively communicate potential issues – whether related to operational risks, unsatisfactory customer service, grievances, whistleblowing, or suggestions for improving the working environment. A positive risk culture is characterised by the following attributes:

- Every employee is able to identify, understand, openly discuss and efficiently respond to current and emerging risks
- Risks are clearly and efficiently communicated to relevant stakeholders
- Policies, guidelines and rules are consistently followed by all employees

Risk Governance Structure

The Group adopts a “Three Lines” governance model illustrated as below.



Risk Oversight

Board of Directors

- Establishes a strong risk management culture and defines the Group’s risk appetite.
- Evaluates and determines the level of risk the Group should undertake, with regular monitoring.
- Sets strategic direction by proposing strategies that address key risks and align with the Group’s values and core business.
- Ensures annual disclosures comply with relevant regulatory requirements.
- Demonstrates openness, integrity, and accountability to stakeholders throughout the decision-making process.

Audit Committee

- Reviews the effectiveness of the Group's risk management system, including the identification, assessment, monitoring and reporting of risks.
- Evaluates and ensures that appropriate and effective business operations, risk management and internal control systems are in place.
- Provides market insights and strategic advice to enhance the Group's business performance and risk management practices.
- Assesses strategic risks and reviews related reports submitted by respective risk owners.
- Oversees compliance with data privacy and protection laws and regulations applicable to the Group.

Risk Management Committee

- Reviews ERM activities and the Group's risk profile, ensuring timely communication to the Audit Committee at least twice a year and to the Board of Directors as appropriate.
- Ensures a comprehensive and consistent approach to manage risks across the Group.
- Regularly assesses the ERM framework to ensure it remains fit for purpose and aligned with business, operational and regulatory requirements.
- Ensures that all key risks are properly identified, managed and monitored.

Data Protection and Compliance Committee

- Oversees compliance with data privacy and protection laws and regulations applicable to the Company, and reports to the Audit Committee at least twice a year on the Company's overall compliance status, issues encountered, privacy-related complaints and potential data breach incidents.
- Guides the development and implementation of the Company's Privacy Management Programme ("PMP").
- Establishes the Data Privacy Protection Office to support the day-to-day implementation and management of the PMP's programme controls.
- Ensures the compliance with Company's data privacy and protection policies, standards and guidelines, and reviews and recommends necessary updates.
- Reviews and assesses cyber risk mitigation and incident (including data breach) response strategies to ensure alignment with market best practices, business objectives, privacy expectations and the Company's risk appetite.
- Reviews and enhances information security standards in line with the Company's risk tolerance and relevant industry standards.

First Line

Business and Functional Units and Individuals

- Act as risk owners by identifying, assessing, monitoring and reporting risks.
- Ensure the effectiveness of risk management systems and mitigation strategies.
- Implement appropriate risk management measures and actions to safeguard the Group's interest and support business performance.

Second Line

Corporate Departments

- Support risk owners in implementing the risk management framework and overseeing risk information management.
- Ensure that risk management processes are functioning effectively as intended.
- Ensure operations are conducted efficiently and effectively, with appropriate consideration, assessment and management of risks.

ERM Team

- Facilitates the processes of risk identification, assessment, monitoring and reporting.
- Aggregates, analyses, prioritises and reports key risks to the Risk Management Committee.
- Provides expertise and support to management and risk owners on risk-related matters.
- Assists the Group in proactively identifying emerging risks.
- Ensures the ERM framework is effectively implemented across the Group.
- Supports the integration of ERM within the Group's strategic planning.

Third Line

Internal Audit

- Maintains primary accountability to the governing body and independence from management responsibilities.
- Provides independent and objective assurance and advice to management and the governing body on the adequacy and effectiveness of governance and risk management (including internal control), and supports the achievement of organisational objectives while promoting continuous improvement.
- Reports any impairments to independence and objectivity (if any) to the governing body and implements appropriate safeguards as necessary.

External Audit

- Provides independent assurance on the effectiveness of the Group's risk management and internal controls over financial reporting.

Whistleblowing System

- Enables all employees of the Group and other relevant parties to raise concerns, including suspected fraud, malpractice, misconduct or irregularities. All reported cases are handled confidentially and followed through in accordance with the Whistleblowing Policy and its related procedures.

Risk Appetite Setting

Risk appetite reflects the Group's willingness to take controlled and well-understood risks in pursuit of broader business objectives. NWD's strategic direction drives the Group's overall risk appetite, which defines the level of risk the Group is prepared to assume to achieve its goals. All risk-taking activities must be managed within this defined risk appetite.

The Board of Directors is responsible for approving the Group's Risk Appetite Statement. Senior management and business unit heads are tasked with cascading detailed interpretations and implementations of the risk appetite, ensuring the statement is effectively communicated to and understood by both internal and external stakeholders. They must also monitor and control their activities and business transactions to ensure alignment with the approved risk appetite.

Risk appetite is closely linked to the annual planning process, which sets business targets aligned with the Group's strategic objectives. It is also integrated into the ERM cycle, where management identifies risks and implements mitigation actions to manage the risk within the defined risk appetite. The Risk Appetite Statement should be communicated by management, reviewed by the Risk Management Committee, and disseminated throughout the Group to ensure consistent understanding and application. The risk appetite should also be reaffirmed at least annually to maintain alignment with the Group's strategy.

The Risk Appetite Statement is as follows:

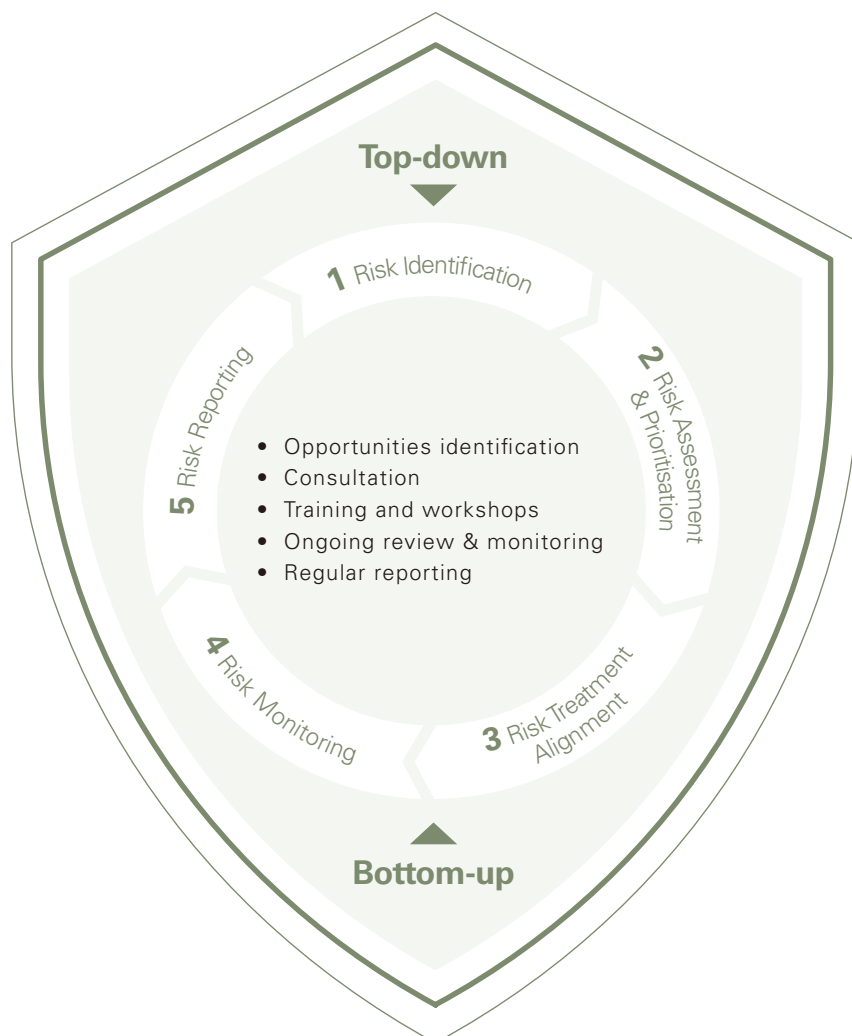
Risk category	Risk Appetite Statement
Strategic	The Group aspires to create shared value and contributes to building a better society through innovation and sustainable business growth, including but not limited to developing its own ecosystem, redeploying resources from non-core businesses to core business areas.
Operational	The Group aims to optimise its operations within its organisational structure to support sustainable business growth. The Group acknowledges that operational risks are inherent to business activities but is committed to protecting its assets and those of its customers through cost-effective risk mitigation strategies.
Financial	The Group actively manages profitability, liquidity and funding to support its business strategy and ensure compliance with relevant accounting and banking requirements through prudent capital management.
Regulatory	The Group is committed to maintaining the highest standards of compliance with applicable laws, regulations, industry standards as well as internal policies, guidelines and procedures. We have zero tolerance for regulatory risks that could expose our organisation to significant legal or compliance violations, penalties, or reputational harm.

Risk Management Process

The Group adopts both top-down and bottom-up approaches to risk management. This involves collating and appraising bottom-up inputs from risk owners across key departments and business units of the Group, with refinements and adjustments made through top-down input from senior management and the Board of Directors in an iterative manner.

The risk management process is integrated into our daily operations and is an ongoing process involving all levels of the Group, from the Board of Directors to each individual employee of the Group. Risk owners and risk oversight parties are clearly defined across the Group. They are responsible for identifying, analysing and evaluating the risks faced by their businesses, and for executing appropriate management actions to avoid, mitigate or transfer risks, as well as to exploit, enhance or share opportunities.

The ERM process is illustrated in the diagram below.



Risk Identification

Our ERM process enables management to identify new and emerging risks, including medium – to long-term sustainability risks such as climate-related risks. The interconnectivity of sustainability risks is also considered, with sustainability factors integrated across all key risk areas.

The risk identification process includes top-down interviews with management and bottom-up discussions with business and functional units and individual contributors, to gather insights on changes in the risk landscape. This process is integrated with the Group's annual strategic planning exercise. The linkage between the risks and opportunities, and the annual Objectives and Key Results ("OKRs"), which are derived from the Group's long-term strategic objectives, is clearly explained during interviews and deep-dive workshops. Additional sources of risk identification include emerging risks identified by the ERM Team and risks reported through the early risk flagging mechanism.

Risk Assessment and Prioritisation

Identified key risks and opportunities are assessed across two or more dimensions (e.g. impact and likelihood) based on predefined risk assessment criteria that incorporate both qualitative and quantitative elements. Additional tools, such as the Climate Checklist from the Company's Climate Resilience Guideline, are also introduced during deep-dive workshops to support the risk assessment process.

The results of risk analysis are compared against the Group's predefined risk appetite and tolerance levels. This enables management to determine appropriate risk response strategies, prioritise risk treatment plans, and allocate limited resources effectively.

Risk Treatment

The selection of the most appropriate risk treatment plan considers the costs and benefits at both the Group and business unit levels. The optimum risk treatment aims to limit downside exposure while maximising upside potential. Any residual risks that exceed the approved risk appetite must be escalated to senior management and, if deemed necessary, to the Risk Management Committee.

Risk Monitoring

Continuous tracking of risk treatment plans is in place to monitor whether risks remain within the Group's risk appetite and aligned with desired levels, while ensuring adherence to relevant policies, minimum standards and regulations.

Monitoring is performed using various techniques supported by automated and other tools. Examples include management reports, Key Risk Indicators ("KRIs") monitoring, action tracking, key control testing, supervision, quality assurance, back-testing, scorecard reviews, policy reviews, and self-assessments.

Key Risk Indicator ("KRI")

KRIs serve as early warning signals, developed to monitor potential shifts in risk exposures and enable management and the Board of Directors to make timely, data-driven and strategic decisions. KRIs for previously identified key risks have been established, along with the relevant reporting mechanism. Acceptable thresholds (i.e. upper and lower limits) are also defined to support ongoing risk monitoring and escalation procedures.

Early Risk Flagging Mechanism

An early risk flagging mechanism has been established to enable the Group to proactively identify and assess emerging risks and broad areas of changes arising from both internal and external factors, and to respond in a timely manner. All employees of the Group are encouraged to immediately report any perceived potential risks, especially those expected to impact business areas, to the corresponding risk oversight parties.

Risk Reporting

Following a holistic review of the Group, the internal audit department submits a written report on the effectiveness of the Group's risk management and internal control systems to the Risk Management Committee and the Audit Committee on a half-yearly basis. Through the Risk Management Committee and the Audit Committee, the Board of Directors has put in place effective risk management and internal control systems that enable the Group to respond appropriately to significant risks in achieving its strategic objectives.

Key Risks of the Group

Through our combined top-down and bottom-up risk review processes, the Group has identified the following key risks across various business segments for the upcoming period:

Existing Risks	Risk Trend	Mitigation Actions
Macroeconomic Adverse changes in macroeconomic environment due to the uncertainties of local and global financial conditions.	Increase	• Closely monitor economic conditions and respond with suitable strategies • Identify opportunities for business collaboration and partnership to leverage the synergies within the New World Group ecosystem • Perform sensitivity assessment on potential impacts in relation to economic conditions
Sales and Market Competition Changes in market demand, supply, and pricing for products/services, together with intensifying competition may impact sales targets.	Increase	• Regular market research conducted and close communication with local government bodies to grasp the optimal sales opportunities • Engage professional media agency to assist in spotting and dealing with public relations emergencies in a timely manner • Evaluation on the effectiveness of marketing activities are regularly conducted in multi-dimension to facilitate timely adjustments on marketing strategies • Utilise technology to enhance customer experience and to increase operational efficiency and effectiveness

Existing Risks	Risk Trend	Mitigation Actions
Customer Demand  Change in customers' needs, wants and behaviour, impacting company's market share target and/or sales revenue target.	Increase	- Conduct market update to monitor consumer trends - Review and act on the Voice of the Customer (VoC) - Leverage New World Group ecosystem to increase customer lifetime value
Investor and Public Relations Reputational events that could weaken market perception and stakeholder trust.	Increase	Track media/social sentiment with alerts, address misinformation quickly, and maintain regular stakeholder updates via IR channels to reinforce transparency
Interest Rate and Inflation Fluctuation of interest rate impacting the future cost of business.	Decrease	- Maintain an appropriate mix of fixed rate and floating rate debts - Enter into interest rate swaps to hedge against interest rate movements
Funding and Capital Management A risk associated with the company's ability to secure necessary funds to meet its obligations and manage its capital structure including debt and equity.	Decrease	- Maintain an appropriate balance of secured and unsecured borrowings - Regular review on concentration of exposure with banks; explore new financial institutions when necessary - Diversify funding channels to reduce dependency on a single or limited sources of cash inflow - Adopt rolling cashflow forecast and scenario planning to ensure adequate liquidity for operating, investing and financing activities
Business Return Variability in operating performance and shifting cost or pricing dynamics that may reduce expected ROI and profitability.	Increase	- Set and track Key Performance Indicators including sales revenue and cost - Strengthen cost control and execute cost-saving initiatives to enhance sustainable ROI
Brand Management and Reputation  Image, reputation and brand value impacting the stakeholder confidence towards the company.	Increase	- Align with relevant business units, departments and senior executives, as well as other internal stakeholders on communication strategies and key corporate messages to accurately reflect the company's value and operational performance - Iteratively refine communications plans and proactively identify reputational risks through collecting and monitoring stakeholders' feedback and public sentiment from engagements and social listening

Existing Risks	Risk Trend	Mitigation Actions
Human Capital and Talent Retention  Manpower planning and talent development strategies impacting in operational excellence.	Decrease	Closely work with different heads and support their manpower planning based on the business needs
Climate Resilience and Adaptation  Climate change risks are embedded in our risk management process. <u>Physical risks</u> Increased severity and frequency of physical events (rainfall, sea-level rise, heat stress and wind), both acute and chronic resulting from climate change impact the value of our portfolio. Either through physical damage resulting in losses or replacement costs, or operational disruptions impacting revenue generating activities. <u>Transition risks</u> Financial impacts derived by markets shifting under the pressure presented by climate change. Includes costs associated with: - changes in market preferences, - the onboarding of new technologies, - responding to increased policy regulation, and - reputational shifts and investor sentiments.	Unchange	- Adoption of the IFRS S2, HKEX Climate-related Disclosures, and other emerging standards for preparing climate-related disclosures - Continued to implement Climate Resilience Guideline to further incorporate climate resilience into assets - Engage both in-house expertise and external consultants to evaluate risks and quantify possible climate financial impacts - Adopt a consistent and practical assessment and prioritisation process to climate risks across the wider NWD portfolio - Implementation of site mitigation measures, including flood protection hardware e.g. flood gate - Sustainability Committee is responsible for overseeing the Group's sustainability risks and opportunities, including those presented by climate change - Climate change training workshops with latest updates on climate change and risk - Regular climate risk scenario analysis, review insurance coverage, update resilience plan and monitor accordingly For details of How NWD Identifies, Assesses and Manages Climate Risks, please refer to Annual Report, Corporate Sustainability Section – pages 46 to 101.

 Risks including sustainability considerations

Cybersecurity Risks

Despite cybersecurity risks did not rank among the Group's top 10 risks this year, we have made significant progress in strengthening our cybersecurity framework.

- Senior management's oversight on cybersecurity initiatives
- Ongoing assessments to ensure robust security measures are applied and maintained including the attainment of ISO certifications (e.g. ISO 27001)
- Conduct mandatory cybersecurity training covering all business units to raise awareness of the importance of and the best practices in information handling and vigilance against phishing attacks

Our dedicated team has implemented robust security measures, advanced threat detection systems and comprehensive employee training programs to fortify our defences. These proactive initiatives ensure we remain vigilant and resilient against potential cyber threats, safeguarding our digital assets and maintaining stakeholder trust. We will continue to prioritise cybersecurity and adapt to the evolving threat landscape to protect our organisation effectively.

Emerging Risks and Responses Strategies

Emerging Risks	Impact	Mitigation Actions
Risks spanning across cybersecurity, technology and AI Category: Technological Description: With the fast-paced technological development, the (1) Cybersecurity risks include potential data breaches, ransomware attacks, (2) Technology risk leading to malfunctioning of the supply chain, and (3) AI risks, are all emerging as forever-expanding web of risks in unprecedented rate threatening to compromise operation on a significant scale.	• Data breach incidents may lead to financial and reputational damage and stakeholders losing faith • Potential operational disruption due to technological failure jeopardising daily operation and customer experience • AI algorithms can inadvertently perpetuate biases, leading to unfair and discriminatory practices • Ensuring compliance with applicable and evolving laws and regulations around AI and data protection can be challenging and costly	• Establish IT and AI governance, covering acceptable usage and ensuring human oversight for responsible application • Implement robust data protection measures, including both administrative and technical controls to safeguard confidential data • Stay up-to-date cybersecurity best practices and conduct regular reviews of existing controls to ensure ongoing compliance with relevant certifications

Emerging Risks	Impact	Mitigation Actions
Difficulties in recruiting and retaining talents due to the demographic trend Category: Societal Description: The property sector in Hong Kong faces challenges in recruiting and retaining talent due to demographic shifts and evolving workforce expectations. Changes in population structure and job preferences also impact the availability and appeal of property-related roles.	- Fewer young workers are entering property management and development roles - Younger generations prioritise flexible work environments and technology integration - Traditional office-based roles may not attract top talent - Increasing numbers of skilled professionals are emigrating for better opportunities abroad	- Provide different development opportunities and career path to attract and retain young talents - Foster a culture of innovation and inclusivity within the workplace - Implement mentorship programs to transfer knowledge from retiring professionals

By addressing these emerging risks, the Group can strengthen its resilience, enhance competitive positioning and capitalise on new opportunities in a rapidly evolving market environment.

Review of Risk Management and Internal Control Systems Effectiveness

On behalf of the Board of Directors, the Audit Committee reviews the effectiveness of the Group's risk management and internal control systems at least half-yearly, including for the financial year ended 30 June 2025.

The Board of Directors has received confirmation from management regarding the effectiveness of the Group's risk management and internal control systems through the "Integrated Internal Control Self-Assessment Certificate". It is acknowledged that such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors concluded that the Group's risk management and internal control systems are effective and adequate. During the review, the Board of Directors also considered the adequacy of resources, staff qualifications and experience, training and budget allocated to the Group's accounting, internal audit, and financial reporting functions.

Although there were no significant areas of concerns identified during the year, the Group's risk management and internal control systems will continue to be reviewed regularly to support ongoing improvement.

COMPANY SECRETARY

Both Joint Company Secretaries are full-time employees of the Company and have day-to-day knowledge of the Company's affairs. The Joint Company Secretaries report to the Chief Executive Officer and are responsible for advising the Board on governance matters. For the year under review, each of the Joint Company Secretaries has confirmed that he/she has taken no less than 15 hours of relevant professional training.

CONSTITUTIONAL DOCUMENTS

No change has been made to the Company's Articles of Association during the year under review.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The "Corporate Sustainability" section in this annual report is prepared in accordance with the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange, which provides an overview of the Group's efforts and performance in pursuing corporate sustainability. Supplementary information is available on the Company's website under Sustainability section.

The section also references the Global Reporting Initiative ("GRI") Standards 2021, the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), the International Sustainability Standards Board's ("ISSB") IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, the United Nations Global Compact ("UNGC"), the recommendations of the Taskforce on Nature-related Financial Disclosures ("TNFD"), and the standard for real estate industry set by the Sustainability Accounting Standards Board ("SASB").

SHAREHOLDERS' RIGHTS

Convening Extraordinary General Meeting ("EGM")

Shareholders representing at least 5% of the total voting rights of all the shareholders of the Company having a right to vote at general meetings can deposit a written request to convene an EGM at the registered office of the Company for the attention of the Company Secretary. Such requisition, signed by the shareholders concerned, must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. If the Directors do not within 21 days from the date of the deposit of a request (after being verified to be valid) proceed to convene an EGM on a day not more than 28 days after the date on which the notice convening the EGM is given, the shareholders concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, but any EGM so convened shall not be held after the expiration of three months after the date on which the Directors become subject to the requirement to call a meeting.

Putting Forward Proposals at General Meetings

To put forward proposals at general meeting, a request in writing must be made by:

- (i) shareholders representing at least 2.5% of the total voting rights of all shareholders of the Company having the right to vote at general meeting; or
- (ii) at least 50 shareholders of the Company having the right to vote at the meeting,

to the Company to give to shareholders notice of any resolution which may properly be moved and is intended to be moved at an annual general meeting, or to circulate to shareholders any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at any general meeting.

The written request must be signed by all the shareholders concerned in one or more documents in like form and deposited at the registered office of the Company for the attention of the Company Secretary not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution at annual general meeting, and not less than seven days before the meeting in the case of requiring circulation of statement. Upon the request verified to be valid, the Company will give notice of the resolution or circulate the statement.

Proposing a Person for Election as Director

If a shareholder of the Company intends to propose a person other than a Director of the Company for election as a Director of the Company at any general meeting, the shareholder concerned shall lodge with the registered office of the Company for the attention of the Company Secretary (i) a written notice of his intention to propose that person for election as a Director; and (ii) a written notice by that person of his/her willingness to be elected as a Director together with the necessary information within the period commencing no earlier than the day after the dispatch of the notice of the general meeting and ending no later than seven days prior to the date of such general meeting.

Detailed procedures can be found in the following documents which are available on the Company's website:

- "Procedures for Shareholders to convene Extraordinary General Meetings and putting forward proposals at General Meetings"; and
- "Procedures for Shareholders to propose a person for election as a Director".

Enquiries to the Board

Enquiries may be put to the Board through the Company's investor relations department at 30/F., New World Tower, 16-18 Queen's Road Central, Hong Kong (email: ir@nwd.com.hk).

DIVIDEND POLICY

The Board adopted a Dividend Policy in November 2018 which sets out the guidelines for the Board to determine the frequency of dividend payment and target dividend payout ratio for a financial year. The Company would distribute to its shareholders funds surplus to the operating needs of the Company and its subsidiaries twice for each financial year as determined by the Board, subject to its shareholders' approval, where applicable. In general, it is the policy of the Company to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The following factors will be taken into account for determining the Company's target dividend payout ratio:

- Any restrictions under the Hong Kong Companies Ordinance;
- Any banking or other funding covenants by which the Company is bound from time to time;
- The capital expenditure and operating requirements of the Group; and
- The external economic and market situation.

COMMUNICATION WITH SHAREHOLDERS

The Board and management maintain a continuing dialogue with the Group's shareholders and investors through various channels. The Chairman, the Chief Executive Officer, other members of the Board and the external auditor attend the annual general meeting to meet the shareholders. The Directors will answer questions raised by the shareholders about the performance of the Group. The Company holds press conferences and analyst briefings at least twice a year following the release of interim and annual results announcements at which the Executive Directors and management of the Company are available to answer questions and listen to feedback regarding the performance of the Group. Our corporate websites which contain corporate information, interim and annual reports, announcements and circulars issued by the Group as well as the recent developments of the Group enable the Group's shareholders to have timely and updated information of the Group. Shareholders can refer to the "Shareholders' Communication Policy" posted on the Group's websites for more details.

The Company has reviewed its prevailing Shareholders' Communication Policy during the year under review, and believes the Shareholders' Communication Policy is still appropriate and effective.

INVESTOR RELATIONS

To ensure that the investors have a comprehensive and thorough understanding of the Group, with the establishment of timely and effective two-way communications, the management and the investor relations department of the Group participate in different international investment conferences and arrange local and overseas non-deal roadshows on a regular basis to elaborate the Group's business development and market movement to investors in different locations. During the year under review, the Group reaped over 25 domestic and international awards for its investor relations, ESG and annual report in recognition of the management's efforts in maintaining a high level of standard in investor relations and ESG. For details, please refer to the "Investor Relations" section of this annual report.

Investor Relations

The Group is committed to facilitating comprehensive interaction with its stakeholders, maintaining close communication and actively engaging with shareholders, institutional investors and analysts through a professional investor relations team to ensure that markets can receive the Group's information in a comprehensive, swift and timely manner to enable effective assessment and informed decision-making on investment.

BOARD'S EMPHASIS ON INVESTOR RELATIONS

The annual general meeting is an important annual event for members of the Board to engage and communicate with shareholders in person. The Chairman and other members of the Board, together with the representatives of the external auditor, attend the meeting and answer questions raised by shareholders on the spot. On the days of annual and interim results announcements, the Group typically holds press conferences and analyst briefings in Hong Kong, at which the Executive Directors and senior management report the operating conditions and development prospects, listen to the feedback from stakeholders of the investment community and address their queries in a bid to promote two-way communications. The press conferences and analyst briefings for the financial year were taken place via live streaming and in three languages (i.e. English, Cantonese and Putonghua), for the convenience of investors from different regions with different language backgrounds.



COMPREHENSIVE, SWIFT AND TIMELY DISCLOSURE OF INFORMATION

Committed to complying with pertinent laws and regulatory requirements, the Group attaches great importance to corporate governance and is committed to maintaining a high level of transparency through establishing effective and mutual communication with its stakeholders, such as shareholders and bond investors. The Board has approved and adopted the Shareholders' Communication Policy, which will be reviewed in due course to ensure its appropriateness and effectiveness. Publicly available information uploaded to the websites of the HKEX (HKEx news) or the Group includes primary corporate governance policies, terms of reference of the Board committees, financial reports, announcements, press releases and newsletters (ARTISANAL CONNECT). Other than shareholders' services provided by the share registrar and transfer office, the Group also addresses general enquiries from shareholders and stakeholders via email and online forms available on the corporate website.





DIVERSIFIED INVESTOR COMMUNICATION CHANNELS

The Group's senior management and investor relations team maintain close relationship with shareholders, institutional investors and analysts. While the Group actively participates in investor conferences and forums, it also hosts a number of investor relations activities to engage its stakeholders in different ways. During the year under review, the investor relations team was active in organising property tours and site visits, including visits to projects in Hong Kong and Mainland China, to allow participants to enhance their understanding about the Group's future development plan.

In further reiteration of the Group's emphasis on sustainable development, the investor relations team works with the sustainability team to attend ESG thematic sessions to address investors' concerns on sustainability initiatives and goals. It also connects with the corporate governance teams, green funds and environmental, social and governance (ESG) funds of institutional investors, in a proactive manner to explore new markets.

EXCEPTIONAL MARKET RECOGNITION

The Group has been enjoying longstanding market recognition for its outstanding performance in investor relations. During the year under review, the Group reaped over 25 domestic and international awards for its investor relations, ESG and annual report in recognition of the management's efforts in maintaining a high level of standard in investor relations and ESG.

Garnered over 25 investor relations awards	
Hosted over 40 non-deal roadshows and investors activities	
Joined over 10 international investment conferences	

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Cheng Kar-Shun, Henry GBM GBS (*Chairman*)
Ms. Huang Shaomei, Echo (*Chief Executive Officer*)
Ms. Cheng Chi-Man, Sonia
Mr. Sitt Nam-Hoi
Ms. Chiu Wai-Han, Jenny
Mr. Ho Gilbert Chi-Hang
Mr. Lau Fu-Keung (*Chief Financial Officer*)

Non-executive Directors

Mr. Doo Wai-Hoi, William BBS JP
(*Non-executive Vice-chairman*)
Mr. Cheng Kar-Shing, Peter
Mr. Cheng Chi-Heng
Mr. Cheng Chi-Ming Brian

Independent Non-executive Directors

Mr. Lee Luen-Wai, John BBS JP
Mr. Ip Yuk-Keung, Albert
Mr. Chan Johnson Ow
Mrs. Law Fan Chiu-Fun, Fanny GBM GBS JP
Ms. Lo Wing-Sze, Anthea BBS JP
Ms. Wong Yeung-Fong, Fonia

JOINT COMPANY SECRETARIES

Mr. Lau Fu-Keung
Ms. Hui Ka-Wai

INDEPENDENT AUDITOR

PricewaterhouseCoopers
*Certified Public Accountants and
Registered Public Interest Entity Auditor*

SOLICITORS

Linklaters
Clifford Chance
Woo, Kwan, Lee & Lo
Simmons & Simmons
Howse Williams
Kao, Lee & Yip
Dentons Hong Kong LLP

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

30/F., New World Tower,
16-18 Queen's Road Central, Hong Kong
Tel: (852) 2523 1056
Fax: (852) 2810 4673

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China (Hong Kong)
Bank of Communications
Bank of East Asia
Bank of Nova Scotia
China Construction Bank (Asia)
China Merchants Bank
Crédit Agricole Corporate & Investment Bank
DBS Bank
Hang Seng Bank
Huaxia Bank
Industrial and Commercial Bank of China (Asia)
Maybank
Mizuho Bank
MUFG Bank, Ltd.
Nanyang Commercial Bank
OCBC Bank
Shanghai Pudong Development Bank
Sumitomo Mitsui Banking Corporation
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation
United Overseas Bank

STOCK CODE

Hong Kong Stock Exchange 0017
Reuters 0017.HK
Bloomberg 17 HK

INFORMATION FOR INVESTORS

For more information about the Group,
please contact the Investor Relations Department of
the Company at:
30/F., New World Tower,
16-18 Queen's Road Central,
Hong Kong
Tel: (852) 2523 1056
Fax: (852) 2810 4673
e-mail: ir@nwd.com.hk

WEBSITE

www.nwd.com.hk

Report of the Directors

The Directors have pleasure in presenting their annual report and financial statements for the year ended 30 June 2025.

GROUP ACTIVITIES

The principal activities of the Company remain investment holding and property development and investment. The principal activities of the principal subsidiaries, joint ventures and associated companies are shown in notes 47 to 49 to the financial statements.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 30 June 2025 are set out in the consolidated income statement on page 176 of this annual report.

The Directors have resolved not to recommend a final dividend for the year ended 30 June 2025 (2024: Nil). There is no dividend for the financial year ended 30 June 2025 (2024: interim dividend of HK\$0.20 per share).

BUSINESS REVIEW

A fair review of the business of the Group, a discussion and analysis of the Group's performance during the year including analysis using financial key performance indicators, particulars of important events affecting the Group that have occurred since the end of the financial year, description of the principal risks and uncertainties facing the Group, and a discussion on the Group's environmental policies and performance and the Group's compliance with relevant laws and regulations that have a significant impact on the Group, and an account of the Group's key relationships with its stakeholders are provided throughout this annual report, particularly in the sections headed "Financial Highlights", "CEO's Report", "Corporate Sustainability", "Corporate Governance Report" and "Management Discussion and Analysis" of this annual report. These discussions form part of this Directors' Report.

SHARES ISSUED

During the year, there was no movement in issued share capital of the Company.

Details of the share capital of the Company during the year are set out in note 33 to the financial statements.

DEBENTURES ISSUED

On 8 August 2024, US\$400.0 million (equivalent to approximately HK\$3,120.0 million) 8.625% guaranteed notes due 2028 were issued by NWD (MTN) Limited ("NWD (MTN)"), a wholly-owned subsidiary of the Company) and listed on the Stock Exchange at a price of 100% of the principal amount with net proceeds of US\$395.2 million (equivalent to approximately HK\$3,082.6 million) for repayment of bank loans and repurchase of perpetual capital securities of the Group.

Save as disclosed above, the Group has not issued any debenture during the year.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company as set out on pages 150 and 151, no equity-linked agreements were entered into by the Company, or existed during the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 30 June 2025, calculated under Part 6 of the Hong Kong Companies Ordinance (Cap. 622, Laws of Hong Kong), amounted to HK\$4,739.2 million (2024: HK\$15,248.1 million).

BOOK CLOSE DATES FOR 2025 ANNUAL GENERAL MEETING ("2025 AGM")

Book close dates (both days inclusive)	:	13 November 2025 to 20 November 2025
Record date	:	Thursday, 20 November 2025
Latest time to lodge transfers with share registrar	:	4:30 p.m. on Wednesday, 12 November 2025
Address of share registrar	:	Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 276 and 277.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, around 10,000 staff were employed by entities under the Group's management. Remuneration policies are reviewed annually. Remuneration and bonuses are awarded to employees based on individual performances and are in line with market practices. Education subsidies are granted to employees who are taking job-related courses. Periodic in-house training programs are also offered. Under the share option schemes of the Company and its listed subsidiary namely, NWDS which is not a principal subsidiary (as defined under Rule 17.14 of the Listing Rules) of the Company, share options may be granted to certain directors and employees of the Group to subscribe for shares in the Company and/or NWDS.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 1 August 2024, the Company as the offeror launched a tender offer (the "Offer") to purchase for cash for the following debt securities (each unconditionally and irrevocably guaranteed by the Company) which were purchased and redeemed by the Company upon settlement of the Offer on 9 August 2024 and cancelled pursuant to the terms and conditions of the respective debt securities:

Description of the debt securities	Purchase price (as a % of the respective principal amount)	Principal amount purchased and redeemed upon settlement	Total outstanding principal amount as at 30 June 2025
US\$600,000,000 (equivalent to approximately HK\$4,680,000,000) 4.750% guaranteed notes due 2027 issued by NWCL (stock code: 5343)	96%	US\$45,855,000 (equivalent to approximately HK\$357,669,000)	US\$458,366,000 (equivalent to approximately HK\$3,575,254,800)
US\$500,000,000 (equivalent to approximately HK\$3,900,000,000) 6.150% guaranteed senior perpetual capital securities issued by NWD Finance (BVI) Limited ("NWD Finance", a wholly-owned subsidiary of the Company) (stock code: 5312)	100%	US\$108,567,000 (equivalent to approximately HK\$846,822,600)	US\$345,314,000 (equivalent to approximately HK\$2,693,449,200)

During the year, the Company has not redeemed any of its listed securities (including sale of treasury shares, if any). Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities (including sale of treasury shares, if any) during the year.

DONATIONS

The Group made charitable and other donations during the year of HK\$35.0 million (2024: HK\$35.3 million).

MAJOR DISPOSALS

- On 26 June 2024, Total Partner Holdings Limited (an indirect wholly-owned subsidiary of the Company) entered into a sale and purchase agreement with Shine Through Holdings Limited (a wholly-owned subsidiary of Chow Tai Fook Enterprises Limited ("CTF")) to dispose of 30% of the entire issued share capital of Sky Treasure Development Limited ("Sky Treasure") at consideration of approximately RMB1,440.5 million (equivalent to approximately HK\$1,548.9 million). The transaction was completed on 27 August 2024 and the Group ceased to have any interest in Sky Treasure and Sky Treasure ceased to be an associate of the Group.
- On 26 September 2024, the Group entered into disposal agreements (including a rights agreement) with AC Group Limited as the purchaser which is wholly owned by Dr. Cheng Chi-Kong Adrian regarding the sale of the entire issued capital of K11 Commercial Management Group Company Limited, K11 Loyalty Program Limited, K11 Gentry Club Limited, Globo Travel Agency Limited and Share for Good Company Limited (the "Target Companies") which mainly relate to the management of the properties under the "K11" brand and related businesses at an aggregate consideration of HK\$209.0 million (subject to instalment arrangements). The transactions were completed in November 2024.
- On 28 November 2024, the Company entered into a sale and purchase agreement with CTF regarding the sale of the entire equity interest of New World Sports Development Limited ("NWSD") and the related shareholder's loan at a total consideration of HK\$416.7 million. NWSD holds 75% interest in Kai Tak Sports Park Limited which is principally engaged in the design, construction and operation of Kai Tak Sports Park Project. The transaction was completed on 29 November 2024 and the Company ceased to have any interest in NWSD.

CONNECTED TRANSACTIONS

Connected transactions of the Company during the year and up to the date of this report are set out on pages 153 to 160.

RULES 13.20 AND 13.22 OF THE LISTING RULES

The disclosure pursuant to Rules 13.20 and 13.22 of the Listing Rules is set out on page 163.

DIRECTORS

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

Executive Directors

Dr. Cheng Kar-Shun, Henry *GBM GBS (Chairman)*
Ms. Huang Shaomei, Echo *(Chief Executive Officer)*
Ms. Cheng Chi-Man, Sonia
Mr. Sitt Nam-Hoi
Ms. Chiu Wai-Han, Jenny
Mr. Ho Gilbert Chi-Hang (appointed on 29 November 2024)
Mr. Lau Fu-Keung *(Chief Financial Officer)* (appointed on 29 November 2024)
Mr. Ma Siu-Cheung *GBS JP* (resigned on 29 November 2024)

Non-executive Directors

Mr. Doo Wai-Hoi, William *BBS JP*
(Non-executive Vice-chairman)
Dr. Cheng Chi-Kong, Adrian *SBS JP* (re-designated on 26 September 2024 and resigned on 1 July 2025)
Mr. Cheng Kar-Shing, Peter
Mr. Cheng Chi-Heng
Mr. Cheng Chi-Ming, Brian

Independent Non-executive Directors

Mr. Lee Luen-Wai, John *BBS JP*
Mr. Ip Yuk-Keung, Albert
Mr. Chan Johnson Ow
Mrs. Law Fan Chiu-Fun, Fanny *GBM GBS JP*
Ms. Lo Wing-Sze, Anthea *BBS JP*
Ms. Wong Yeung-Fong, Fonia

Mr. Ma Siu-Cheung and Dr. Cheng Chi-Kong, Adrian resigned as Directors on 29 November 2024 and 1 July 2025 respectively. Each of them had confirmed that he has no disagreement with the Board and there are no matters in respect of his resignation that needs to be brought to the attention of the shareholders of the Company.

In accordance with Article 94 of the Company's Articles of Association, Mr. Ho Gilbert Chi-Hang and Mr. Lau Fu-Keung who were appointed on 29 November 2024, hold office until the conclusion of the 2025 AGM and, being eligible, will offer themselves for re-election.

In accordance with Article 103(A) of the Company's Articles of Association, Dr. Cheng Kar-Shun, Henry, Mr. Lee Luen-Wai, John, Mr. Cheng Chi-Ming, Brian, Mrs. Law Fan Chiu-Fun, Fanny, Ms. Lo Wing-Sze, Anthea and Ms. Wong Yeung-Fong, Fonia shall retire by rotation at the 2025 AGM and, being eligible, will offer themselves for re-election.

No Director has a service contract which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

A list of names of all the directors who have served on the boards of the Company's subsidiaries during the year is available on the Company's website at www.nwd.com.hk.

AUDIT COMMITTEE

An Audit Committee has been established and the members of the Committee as at the date of this report are Mr. Lee Luen-Wai, John, Mr. Ip Yuk-Keung, Albert, Mr. Chan Johnson Ow, Ms. Lo Wing-Sze, Anthea and Mrs. Law Fan Chiu-Fun, Fanny. The principal responsibilities of the Audit Committee include the review and supervision of the Group's financial reporting process and risk management (including but not limited to business, operation as well as environmental, social and governance related risks) and internal control systems.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Connected Transactions" on pages 153 to 160 of this annual report and contracts amongst group companies, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company and the Director's connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, interests of the Directors in shares, underlying shares and debentures of the Company and its associated corporations which were recorded in the register to be kept by the Company under Section 352 of the Securities and Futures Ordinance ("SFO") are set out on pages 161 to 163.

PERMITTED INDEMNITY PROVISION

The Company's Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company and its listed subsidiary namely, NWDS, have taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year, according to the Listing Rules, the following Directors have interests in the following businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Directors of the Company were appointed as directors to represent the interests of the Company and/or the Group:

Name of Director	Businesses which are considered to compete or likely to compete with the businesses of the Group		Nature of interest of the Director in the entity
	Name of entity	Description of businesses	
Dr. Cheng Kar-Shun, Henry	Cheung Hung Development (Holdings) Limited	Property investment and development	Director
	CTF group of companies	Property investment and development, hotel operations, healthcare investment, facilities management, property and carpark management, property agency, strategic investment, and food and beverage	Director
	FSE Lifestyle Services Limited group of companies	Property and carpark management	Director
	Ramada Property Limited	Property and hotel property investment	Director

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (CONTINUED)

Name of Director	Businesses which are considered to compete or likely to compete with the businesses of the Group		Nature of interest of the Director in the entity
	Name of entity	Description of businesses	
Mr. Doo Wai-Hoi, William	Ace Action Ltd. group of companies	Property investment	Director
	Fortune Success Limited group of companies	Property investment	Director
	FSE Lifestyle Services Limited group of companies	Property and carpark management	Director
	Fungseng Prosperity Holdings Limited group of companies	Property investment and management	Director
	Lifestyle International Holdings Limited group of companies	Department stores operations and property investment	Director
	Oriental Triumph Inc. group of companies	Property and hotel property investment	Director and shareholder
	Perfect Fine Group Limited group of companies	Property investment	Director
	Silver Success Company Limited group of companies	Hotel property investment	Director
	Supreme Harvest Development Limited group of companies	Property investment and development	Director
Dr. Cheng Chi-Kong, Adrian [#]	Cheung Hung Development (Holdings) Limited	Property investment and development	Director
	CTF group of companies	Property investment and development, hotel operations, healthcare investment, facilities management, property and carpark management, property agency, strategic investment, and food and beverage	Director
	CTF Services Limited group of companies	Facilities management, property and carpark management, property agency, property investment, strategic investment, and food and beverage	Director*

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (CONTINUED)

Name of Director	Businesses which are considered to compete or likely to compete with the businesses of the Group		Nature of interest of the Director in the entity
	Name of entity	Description of businesses	
Mr. Cheng Kar-Shing, Peter	CTF group of companies	Property investment and development, hotel operations, healthcare investment, facilities management, property and carpark management, property agency, strategic investment, and food and beverage	Director
Mr. Cheng Chi-Heng	CTF group of companies	Property investment and development, hotel operations, healthcare investment, facilities management, property and carpark management, property agency, strategic investment, and food and beverage	Director
Mr. Cheng Chi-Ming, Brian	CTF Services Limited group of companies	Facilities management, property and carpark management, property agency, property investment, strategic investment, and food and beverage	Director
	GHK Hospital Limited	Medical centre	Director
Mr. Ho Gilbert Chi-Hang	CTF group of companies	Property investment and development, hotel operations, healthcare investment, facilities management, property and carpark management, property agency, strategic investment, and food and beverage	Director
	GHK Hospital Limited	Medical centre	Director
	Quon Hing Concrete Company Limited	Supply and procurement of construction materials	Director

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (CONTINUED)

Name of Director	Businesses which are considered to compete or likely to compete with the businesses of the Group		Nature of interest of the Director in the entity
	Name of entity	Description of businesses	
Ms. Huang Shaomei, Echo	Chow Tai Fook Business Development (Wuhan) Co., Ltd.	Property investment, development and management	Director
	Chow Tai Fook Chuangdi Real Estate (Wuhan) Co., Ltd.	Property investment and development, estate agency and carpark management	Director
	Guangzhou Junfu Real Estate Development Co., Ltd.	Hotel operations, property investment and management	Director
	Guangzhou Xinyu Operation Management Co., Ltd.	Hotel operations, property investment and management	Director
	Guangzhou Xinyuxian Yinghui Business Management Co., Ltd.	Carpark leasing and management	Director
	Shenzhen Fusheng Investments Co., Ltd.	Hotel operations, property investment and management	Director
	Tianjin New World Huan Bo Hai Real Estate Development Co., Ltd.	Property investment and management	Director
Mr. Ma Siu-Cheung^	Wuhan Xinhuiye Real Estate Co., Ltd.	Property investment and development and carpark management	Director
	China Resources (Holdings) Limited	Property investment, development and management and construction	Director

resigned on 1 July 2025

* resigned on 26 September 2024

^ resigned on 29 November 2024

As the Board of Directors of the Company is independent of the boards of the above-mentioned entities and none of the above Directors can control the Board of the Company, the Group is therefore capable of carrying on its businesses independently of, and at arm's length from the businesses of these entities.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Under the share option schemes of the Company and its listed subsidiary, namely NWDS, which is not a principal subsidiary (as defined under Rule 17.14 of the Listing Rules) of the Company, certain Directors may be granted share options to subscribe for shares in the Company and/or NWDS. No share option of the Company was granted to any Director during the year or remains outstanding and held by any Director as at 30 June 2025 under the share option scheme of the Company. No share option was granted by NWDS to any Director since adoption of its share option scheme.

Other than the above share option schemes, at no time during the year was the Company or any of its specified undertakings (as defined under the Hong Kong Companies (Directors' Report) Regulation) a party to any arrangements to enable the Directors or chief executives of the Company or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME OF THE COMPANY

On 22 November 2016, the Company adopted a share option scheme (the "Scheme"). Under the Scheme, the Directors of the Company may at their discretion grant options to any eligible participant (as explained hereinafter) to subscribe for shares in the Company.

Summary of the Scheme disclosed in accordance with the Listing Rules is as follows:

	The Scheme
Purpose of the Scheme	To reward directors and employees of the Group for past service or performance, to provide incentive, motivation or reward to eligible participants for increasing performance or making contribution to the Group, to attract and retain persons of right caliber with the necessary experience to work for or make contribution to the Group, to foster a sense of corporate identity and to allow the eligible participants to enjoy the results of the Company attained through their relationship, efforts and/or contribution.
Participants of the Scheme	Eligible participant may be a person or an entity belonging to any of the following classes: (i) any eligible employee (including directors) of the Group or any invested entity of the Group (the "Invested Entity"); (ii) any person seconded or nominated by the Group to represent the Group's interest in any of the Invested Entity or any other company or organisation; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of any member of the Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; (vi) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (vii) any joint venture partner or business alliance that co-operates with any member of the Group or any Invested Entity in any area of business operation or development.

SHARE OPTION SCHEME OF THE COMPANY (CONTINUED)

The Scheme	
Total number of shares available for issue under the Scheme and percentage of issued shares it represents as at the date of this annual report	The Company had granted share options to subscribe for 34,812,500 shares of the Company under the Scheme up to the date of this report. The total number of shares available for issue under the Scheme is 226,834,911 representing approximately 9.01% of the Company's total number of issued shares (excluding treasury shares, if any) as at the date of this report.
Maximum entitlement of each participant under the Scheme	Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1.0% of the total number of shares of the Company in issue.
The period within which the option may be exercised by the grantee under the Scheme	A period to be specified by the Directors and not to exceed 10 years from the date of grant of options.
The vesting period of options granted under the Scheme	Any period as determined by the Directors.
The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid	HK\$10.0 is to be paid as consideration for the grant of option within 14 days from the date of offer.
The basis of determining the exercise price of options granted	The exercise price is determined by the Directors which must be at least the higher of (i) the closing price of the shares on the HKEx as stated in the HKEx's daily quotations sheets on the date of grant, which must be a dealing day; and (ii) the average closing price of the shares as stated in the HKEx's daily quotation sheets for the five dealing days immediately preceding the date of grant.
The remaining life of the Scheme	The Scheme shall be valid and effective for a period of 10 years from the date of adoption, i.e. 22 November 2016.

The number of options available for grant under the Scheme mandate as at 1 July 2024 and 30 June 2025 is 226,834,911.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2025, the interests or short positions of substantial shareholders (as defined in the Listing Rules) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in shares

Name	Number of shares held			Approximate % of shareholding as at 30 June 2025
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") ⁽¹⁾	—	1,140,728,609	1,140,728,609	45.33
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II") ⁽²⁾	—	1,140,728,609	1,140,728,609	45.33
Chow Tai Fook Capital Limited ("CTFC") ⁽³⁾	2,300,000	1,138,428,609	1,140,728,609	45.33
Chow Tai Fook (Holding) Limited ("CTFHL") ⁽⁴⁾	—	1,138,428,609	1,138,428,609	45.24
CTF ⁽⁵⁾	1,035,392,823	103,035,786	1,138,428,609	45.24

Notes:

- (1) CYTFH holds 48.98% direct interest in CTFC and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFC.
- (2) CYTFH-II holds 46.65% direct interest in CTFC and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFC.
- (3) CTFC holds 81.03% direct interest in CTFHL and is accordingly deemed to have an interest in the shares deemed to be interested by CTFHL.
- (4) CTFHL holds 100% direct interest in CTF and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF.
- (5) CTF together with its subsidiaries.

Save as disclosed above, there is no other interest recorded in the register that is required to be kept under Section 336 of the SFO as at 30 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

According to information that is available to the Company, the percentage of the Company's shares which are in the hands of the public exceeds 25.0% of the Company's total number of issued shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, less than 30.0% of the Group's turnover and less than 30.0% of the Group's purchases were attributable to the Group's five largest customers and five largest suppliers respectively.

AUDITOR

The financial statements have been audited by Messrs. PricewaterhouseCoopers, who retire and, being eligible, offer themselves for re-appointment.

On Behalf of the Board

Dr. Cheng Kar-Shun, Henry

Chairman

Hong Kong, China, 26 September 2025

CONNECTED TRANSACTIONS

- (1) On 22 March 2012, NWDS and Chow Tai Fook Jewellery Group Limited (“CTFJ”) entered into a master concessionaire counter agreement (the “Master Concessionaire Counter Agreement”) commencing from 24 April 2012 up to and including 30 June 2014, pursuant to which members of the NWDS Group (i.e. NWDS and its subsidiaries) and the CTFJ Group (i.e. CTFJ and its subsidiaries) may from time to time enter into definitive concessionaire agreements in relation to any transactions arising from the concessionaire arrangements or rental agreements in respect of retailing counters for the sale of jewellery products and watches by the CTFJ Group at properties in the PRC owned by, or leased to the NWDS Group or at which the NWDS Group operates its business.

The Master Concessionaire Counter Agreement will be automatically renewed for a successive period of three years after the initial term or subsequent renewal term subject to compliance with relevant requirements of the Listing Rules. Upon expiry of its third renewed term on 30 June 2023, the Master Concessionaire Counter Agreement was automatically further renewed for three years commencing from 1 July 2023 up to and including 30 June 2026. Details of the fourth renewal of the Master Concessionaire Counter Agreement and the annual caps set for each of the three financial years ending 30 June 2026 were set out in the announcement of the Company dated 28 April 2023.

As CTFJ is a fellow subsidiary of CTF which is a substantial shareholder of the Company, CTFJ is therefore a connected person of the Company under the Listing Rules. Accordingly, the renewal of the Master Concessionaire Counter Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2025, the aggregate amount of the transactions under the Master Concessionaire Counter Agreement amounted to approximately RMB20.5 million (equivalent to approximately HK\$22.3 million), which is within the annual cap of RMB95.0 million (equivalent to approximately HK\$103.3 million).

- (2) On 28 April 2023, the Company and Mr. Doo Wai-Hoi, William (“Mr. Doo”) entered into a master services agreement (the “Mr. Doo MSA”) for a term of three years commencing from 1 July 2023 up to and including 30 June 2026 in respect of the provision of the contracting services, cleaning and landscaping services, facility management services, insurance, medical and health care services, property management services, security, guarding and event servicing services, rental and procurement services between members of the Group and members of the Services Group (being (1) Mr. Doo and his immediate family members (as defined under the Listing Rules) and (2) any company in the equity capital of which Mr. Doo and/or his immediate family member(s) (individually or together) is/are or will be directly or indirectly interested so as to exercise or control the exercise of 30.0% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary). Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the Mr. Doo MSA will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules). The Mr. Doo MSA and the annual caps set for each of the three financial years ending 30 June 2026 were disclosed in the announcement of the Company dated 28 April 2023 and were approved by the independent shareholders of the Company on 27 June 2023.

Mr. Doo is a non-executive vice-chairman of the Company and a director of certain subsidiaries of the Company and the beneficial owner of several corporate substantial shareholders of certain subsidiaries of the Company, and hence a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Mr. Doo MSA and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2025, the aggregate amount of the transactions under the Mr. Doo MSA amounted to approximately HK\$475.1 million, which is within the annual cap of HK\$4,860.3 million.

CONNECTED TRANSACTIONS (CONTINUED)

- (3) On 28 April 2023, the Company and CTF entered into a master services agreement (the “CTF MSA”) for a term of three years commencing from 1 July 2023 up to and including 30 June 2026 in respect of the provision of services including administrative services, contracting services, general and rental services, insurance, medical and health care services, and project management and consultancy services between members of the Group and members of the CTF Services Group (being CTF, (a) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company, and/or (b) any other company in the equity capital of which CTF and such other companies referred to in (a) above taken together are directly or indirectly interested so as to exercise or control the exercise of 30.0% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings or to control the composition of a majority of the board of directors, and any other company which is its subsidiary, but excluding members of the Group). Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the CTF MSA will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules). Details of the CTF MSA and the annual caps set for each of the three financial years ending 30 June 2026 were set out in the announcement of the Company dated 28 April 2023.

In anticipation of expected increases in the annual transaction values under the CTF MSA upon completion of the disposal of NWS Holdings Limited (“NWS”, now known as CTF Services Limited) (the “NWS Disposal”), the Board proposed the revision of annual caps for the three financial years ending 30 June 2026 as set out in the announcement of the Company dated 12 October 2023. The new annual caps became effective upon completion of the NWS Disposal at the close of business on 17 November 2023 as disclosed in the announcement of the Company dated 20 November 2023.

As CTF is a substantial shareholder of the Company, it is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the CTF MSA and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2025, the aggregate amount of the transactions under the CTF MSA amounted to approximately HK\$1,111.5 million, which is within the revised annual cap of HK\$3,538.0 million.

- (4) On 28 April 2020, the Company and CTFJ entered into the master leasing and licensing agreement (the “Master Leasing and Licensing Agreement”) for a term of three years commencing from 1 July 2020 up to and including 30 June 2023 in relation to transactions arising from the leases or tenancy agreements, licensing agreements, concession agreements, other similar collaboration agreements or any other agreements in relation to any real properties (including without limitation retail shops, shops-in-shops and counters) between members of the Group and members of the CTFJ Group.

Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the Master Leasing and Licensing Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules). Upon expiry of its initial term on 30 June 2023, the Master Leasing and Licensing Agreement was automatically renewed for a further term of three years commencing from 1 July 2023 up to and including 30 June 2026. Details of the renewal of the Master Leasing and Licensing Agreement and the annual caps set for each of the three financial years ending 30 June 2026 were set out in the announcement of the Company dated 28 April 2023.

As CTFJ is a fellow subsidiary of CTF which is a substantial shareholder of the Company, CTFJ is therefore a connected person of the Company under the Listing Rules. Accordingly, the renewal of the Master Leasing and Licensing Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2025, the aggregate amount of the transactions under the Master Leasing and Licensing Agreement amounted to approximately HK\$79.5 million, which is within the annual cap of HK\$133.2 million.

CONNECTED TRANSACTIONS (CONTINUED)

- (5) On 10 April 2017, the Company and CTF entered into a master hotel management services agreement (the “Master Hotel Management Services Agreement”) regarding the provision of hotel management and consultancy services by members of the CTF Group (i.e. CTF and its subsidiaries) to members of the Group. The Master Hotel Management Services Agreement is for a term of 10 years commencing from 1 July 2017 up to and including 30 June 2027 and will be automatically renewed for a further term of 10 years upon expiration of the initial term subject to compliance with the relevant requirements under the Listing Rules.

In anticipation of the expiry of the annual caps for the transactions under the Master Hotel Management Services Agreement on 30 June 2023, the Board determined new annual caps for the three financial years ending 30 June 2026 as set out in the announcement of the Company dated 28 April 2023.

As CTF is a substantial shareholder of the Company, it is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Master Hotel Management Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2025, the aggregate amount of the transactions under the Master Hotel Management Services Agreement amounted to approximately HK\$227.4 million, which is within the annual cap of HK\$265.2 million.

- (6) On 10 April 2017, the Company and CTF entered into a master hotel leasing agreement (the “Master Hotel Leasing Agreement”) regarding the leasing of hotels and licensing of related licences to members of the CTF Group from members of the Group for a term of 10 years commencing from 1 July 2017 up to and including 30 June 2027. The Master Hotel Leasing Agreement will be automatically renewed for a further term of 10 years upon expiration of the initial term subject to compliance with the relevant requirements under the Listing Rules.

In anticipation of the expiry of the annual caps for the transactions under the Master Hotel Leasing Agreement on 30 June 2023, the Board determined new annual caps for the three financial years ending 30 June 2026 as set out in the announcement of the Company dated 28 April 2023.

As CTF is a substantial shareholder of the Company, it is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Master Hotel Leasing Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2025, the aggregate amount of the transactions under the Master Hotel Leasing Agreement amounted to approximately HK\$272.1 million, which is within the annual cap of HK\$341.7 million.

- (7) On 28 April 2023, the Company and Mr. Choy Hon-Ping (“Mr. Choy”) entered into a master construction services agreement (the “Master Construction Services Agreement”) in respect of the provision of the construction services by the Construction Services Group (being (1) Hip Seng Construction Group Limited together with its subsidiaries and joint venture; (2) Mr. Choy; (3) the immediate family members (as defined under the Listing Rules) of Mr. Choy; and (4) any company in the equity capital of which Mr. Choy and/or his immediate family member(s) (individually or together) is/are or will be directly or indirectly interested so as to exercise or control the exercise of 30.0% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary) to the Group for a term of three years commencing from 1 July 2023 up to and including 30 June 2026. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the Master Construction Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules). The Master Construction Services Agreement and the annual caps set for each of the three financial years ending 30 June 2026 were disclosed in the announcement of the Company dated 28 April 2023 and were approved by the independent shareholders of the Company on 27 June 2023.

Mr. Choy was a director of certain subsidiaries of the Group and hence a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Master Construction Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2025, the aggregate amount of the transactions under the Master Construction Services Agreement amounted to approximately HK\$876.5 million, which is within the annual cap of HK\$5,953.6 million.

CONNECTED TRANSACTIONS (CONTINUED)

- (8) On 26 June 2024, Total Partner Holdings Limited ("Total Partner", an indirect wholly-owned subsidiary of the Company) as vendor entered into a conditional sale and purchase agreement (the "SP Agreement") with Shine Through Holdings Limited ("Shine Through", a wholly-owned subsidiary of CTF) as purchaser and the Company as Total Partner's guarantor, pursuant to which Total Partner conditionally agreed to sell and assign, and Shine Through conditionally agreed to purchase and take the assignment of, the three ordinary shares representing 30% of the entire issued share capital of Sky Treasure Development Limited ("Sky Treasure") and the entire amount of the unsecured, non-interest bearing and repayable on demand shareholder's loan owing from Sky Treasure to Total Partner at an initial consideration of RMB1,440,450,187 (equivalent to approximately HK\$1,548.9 million) (the "Initial Consideration"), subject to adjustment (if any) (the "Sky Treasure Disposal"). Prior to the Sky Treasure Disposal, Sky Treasure was owned as to 70% and 30% by Shine Through and Total Partner respectively.

Sky Treasure is principally engaged through its wholly-owned PRC subsidiary in the development, management and operation of a 43-storey office building including 3-storey fire protection layer and 5-storey retail shopping mall, and car parks located at No. 66 Shuniu Avenue, Nanshan Subdistrict, Shenzhen Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, the PRC with total gross floor area of 125,656.57 sq m.

As CTF is a substantial shareholder of the Company, it is a connected person of the Company under the Listing Rules. Accordingly, the Sky Treasure Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Sky Treasure Disposal also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Details of the Sky Treasure Disposal were disclosed in the announcement of the Company dated 26 June 2024 and the circular of the Company dated 2 August 2024. Following the approval of the Sky Treasure Disposal by the independent shareholders of the Company on 22 August 2024, the Sky Treasure Disposal was completed on 27 August 2024. The Initial Consideration had been paid and was adjusted downward by RMB1,631,226 (equivalent to approximately HK\$1.8 million) (the "Adjustment Amount") to RMB1,438,818,961 (equivalent to approximately HK\$1,547.1 million) in accordance with the SP Agreement. The Adjustment Amount was paid by Total Partner to Shine Through in cash on 16 September 2024 (within five business days after the agreement of the completion accounts) in accordance with the SP Agreement. After completion of the Sky Treasure Disposal, the Company ceased to own any direct or indirect interest in Sky Treasure and Sky Treasure ceased to be an associate of the Group.

- (9) On 26 September 2024, the Company, K11 Group Limited ("Vendor A") and K11 Professional Company Limited ("Vendor B", together with Vendor A, the "Vendors", both wholly-owned subsidiaries of the Company) as vendors and AC Group Limited (the "Purchaser", a company wholly-owned by Dr. Cheng Chi-Kong, Adrian, together with its affiliates, the "Purchaser Group") as purchaser entered into the agreements (the "SPAs") in respect of the sale of all the issued shares in, and the assignment of shareholders loans (if any) of K11 Commercial Management Group Company Limited, K11 Gentry Club Limited, Share for Good Company Limited, K11 Loyalty Program Limited and Globo Travel Agency Limited (collectively the "Target Companies") at the consideration of HK\$26.3 million, HK\$27,211,000, HK\$489,000, HK\$4.0 million and HK\$1.0 million respectively subject to the terms and conditions as set out in each SPA.

The aggregate consideration of the SPAs is payable by instalments as follows:

- (a) on completion of the disposal of the relevant Target Company – 30% of the consideration set out in the relevant SPA;
- (b) on the first anniversary of the completion of the disposal of the relevant Target Company – 35% the consideration set out in the relevant SPA; and
- (c) on the second anniversary of the completion of the disposal of the relevant Target Company – balance of the consideration of the relevant SPA.

The above transactions were completed in November 2024.

CONNECTED TRANSACTIONS (CONTINUED)

(9) (continued)

Also, on 26 September 2024, the Company and the Purchaser entered into an agreement (the “Rights Agreement”, together with the SPAs, the “Disposal Agreements”) pursuant to which the Company agreed to grant or procure to grant to the Purchaser Group the exclusive right (the “Rights”) to enter into definitive agreements in respect of the provision of project management and consultancy services for certain property projects as set out in the Rights Agreement at a consideration of HK\$150,000,000 payable in 180 equal instalments subject to the terms and conditions contained therein. Details of the Disposal Agreements were disclosed in the announcement of the Company dated 26 September 2024.

On 26 September 2024, Dr. Cheng Chi-Kong, Adrian has entered into a guarantee in favour of the Vendors to unconditionally and irrevocably guarantee the due and punctual performance and observance by the Purchaser of its payment obligations of the considerations under or pursuant to the Disposal Agreements.

In light of the aforesaid disposal of the Target Companies and the grant of Rights, on 26 September 2024, the Company and the Purchaser entered into the master services agreement (the “ACG MSA”) in relation to all future transactions between members of the Purchaser Group and members of the Group in respect of provision of the administrative services, general and rental services, general management and advisory services, project management and consultancy services, and such other types of services as the Purchaser and the Company may agree upon from time to time in writing with an initial term of three years commencing from 1 October 2024. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the ACG MSA will be renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules). Details of the ACG MSA and the annual caps set for the 9 months ending 30 June 2025, two financial years ending 30 June 2026 and 2027 and 3 months ending 30 September 2027 were disclosed in the announcement of the Company dated 26 September 2024.

For the 9 months ending 30 June 2025, the aggregate amount of the transactions under the ACG MSA amounted to approximately HK\$180.3 million, which is within the annual cap of HK\$279.5 million.

On 26 September 2024, Glaze Fortune (HK) Limited (“Licensor A”, a wholly-owned subsidiary of the Company) and Vendor A (together with Licensor A, the “Licensors”), as licensors, entered into a trademark licensing agreement (the “Trademark Licensing Agreement”) with the Purchaser, pursuant to which the Licensors agreed to grant to the Purchaser an exclusive, irrevocable, sub-licensable and non-transferable licence to use the trademark “K11” (details of which are set out in the Trademark Licensing Agreement) for the purposes set out in the Trademark Licensing Agreement in the Territory (as defined in the Trademark Licensing Agreement) subject to the terms of the Trademark Licensing Agreement. The Trademark Licensing Agreement shall have a term of 30 years commencing from 1 October 2024 and shall be automatically renewed for another term of 30 years upon its expiry subject to compliance with the Listing Rules, unless terminated earlier pursuant to the terms of the Trademark Licensing Agreement. As the annual royalty fee income expected to be received by the Group under the Trademark Licensing Agreement for 9 months ending 30 June 2025, two financial years ending 30 June 2026 and 2027 and 3 months ending 30 September 2027 are de minimis, the entering into of the Trademark Licensing Agreement is fully exempt from reporting, announcement, annual review, circular and independent shareholders’ approval requirements under the Listing Rules. Details of the Trademark Licensing Agreement were disclosed in the announcement of the Company dated 26 September 2024.

As the Purchaser is a company directly wholly-owned by Dr. Cheng Chi-Kong, Adrian, a former director of the Company (who resigned on 1 July 2025), the Purchaser is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Disposal Agreements constitute connected transactions for the Company under the Listing Rules, and the entering into of the ACG MSA and the Trademark Licensing Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

CONNECTED TRANSACTIONS (CONTINUED)

- (10) On 28 November 2024, the Company as vendor entered into a conditional sale and purchase agreement (the "Agreement") with CTF as the purchaser regarding the sale of the entire equity interest of NWSD and the related shareholder's loan at a total consideration of HK\$416.7 million which shall be payable in full at completion of the Agreement (the "Disposal"). NWSD holds 75% interest in Kai Tak Sports Park Limited which is principally engaged in the design, construction and operation of Kai Tak Sports Park Project (the "Project").

In light of the Disposal, the Company, NWSD, NWS and NWS Sports Development Limited ("NWS Sports") shall enter into a deed of novation with CTF ("2024 Deed of Novation") upon completion of the Agreement, pursuant to which CTF shall assume all the rights and obligations of the Company under the shareholders' agreement relating to NWSD dated 28 December 2018. In addition, a deed of termination (the "2024 Deed of Termination") shall be entered into among the relevant parties to terminate the deeds of counter-indemnity dated 10 August 2018 and 15 February 2019 in relation to the Project upon completion of the Agreement. Details of the Agreement, the 2024 Deed of Novation and the 2024 Deed of Termination were disclosed in the announcement of the Company dated 28 November 2024.

Upon fulfilment of all the conditions set out in the Agreement, the transaction was completed on 29 November 2024 and the Company ceased to have any interest in NWSD.

As CTF is a substantial shareholder of the Company, it is a connected person of the Company under the Listing Rules. Accordingly, the Disposal constitutes a connected transaction for the Company under the Listing Rules.

- (11) On 16 January 2025, Orient Sea Investments Limited ("Orient Sea", an indirect subsidiary of the Company) as the vendor accepted the tender document (the "A1 Tender") submitted by Ms. Huang Shaomei ("Ms. Huang") as the purchaser for the purchase of Flat A1 on 33rd Floor at 283 King's Road (name of the residential redevelopment project: STATE PAVILIA) and a car parking space (B2/F P39) (the "A1 Property"), and entered into agreement (i.e. the tender document submitted by Ms. Huang and the letter of acceptance issued by Orient Sea to Ms. Huang) with Ms. Huang, pursuant to which Orient Sea agreed to sell and Ms. Huang agreed to purchase the A1 Property at a consideration of HK\$54,880,000 (the "A1 Consideration").

The A1 Consideration is payable by Ms. Huang in the following manner:

- (a) a deposit of HK\$2,744,000 (representing 5% of the A1 Consideration) shall be paid upon the date of the letter of acceptance of the A1 Tender; and
- (b) the remaining amount of HK\$52,136,000 (representing 95% of the A1 Consideration) shall be paid within 14 days after the date of Orient Sea's written notification to Ms. Huang that Orient Sea is in a position to validly assign the A1 Property to Ms. Huang for completion of the transaction.

In addition, Ms. Huang is entitled to the following benefits under the terms of the A1 Tender:

- (i) Cash Rebate in case of early completion: A cash rebate ranging from 3% to 10% of the A1 Consideration depending on the date of completion and full payment are made subject to Ms. Huang completing the sale and purchase and fully settling the A1 Consideration earlier than the completion and payment dates specified in the relevant agreements; and serving a written notice to Orient Sea in the designated form at least 30 days in advance.
- (ii) HKGTA Town Club Patronship: a three-year patronship benefit at the HKGTA Town Club of approximately HK\$248,880 shall be provided by The Town Club (HK) Limited to Ms. Huang subject to the terms and conditions of the A1 Tender.

Details of the A1 Tender were disclosed in the announcement of the Company dated 16 January 2025.

As Ms. Huang is an executive director and the chief executive officer of the Company, she is a connected person of the Company under the Listing Rules. Accordingly, the sale of the A1 Property by Orient Sea to Ms. Huang constitutes a connected transaction for the Company under the Listing Rules.

CONNECTED TRANSACTIONS (CONTINUED)

(12) On 11 February 2025, Orient Sea as vendor accepted two tender documents each submitted by Ms. Ip Mei-Hing, Katherine ("Ms. Ip") for the purchase of two properties at 283 King's Road (name of the residential redevelopment project: STATE PAVILIA), i.e., Flat B8 on 6th Floor with a flat roof and a car parking space (B1/F P91) ("Property A") ("Tender A"), and Flat B9 on 6th Floor with a flat roof ("Property B") ("Tender B"), and entered into agreements (i.e. the relevant tender documents submitted by Ms. Ip and letters of acceptance issued by Orient Sea to Ms. Ip) with Ms. Ip, pursuant to which Orient Sea agreed to sell and Ms. Ip agreed to purchase Property A and Property B at a consideration of HK\$7,500,000 ("Consideration A") and HK\$7,369,000 ("Consideration B") respectively.

Consideration A and Consideration B shall be payable by Ms. Ip in the following manner:

For Consideration A:

- (a) a deposit of HK\$375,000 (representing 5% of Consideration A) shall be paid upon the date of the letter of acceptance of Tender A; and
- (b) the remaining amount of HK\$7,125,000 (representing 95% of Consideration A) shall be paid within 14 days after the date of Orient Sea's written notification to Ms. Ip that Orient Sea is in a position to validly assign Property A for completion of the transaction.

For Consideration B:

- (a) a deposit of HK\$368,450 (representing 5% of Consideration B) shall be paid upon the date of the letter of acceptance of Tender B; and
- (b) the remaining amount of HK\$7,000,550 (representing 95% of Consideration B) shall be paid within 14 days after the date of Orient Sea's written notification to Ms. Ip that Orient Sea is in a position to validly assign Property B for completion of the transaction.

In addition, Ms. Ip is entitled to the following benefits under the terms of each of Tender A and Tender B:

- (i) Cash Rebate in case of early completion: A cash rebate ranging from 3% to 10% of the consideration depending on the date of completion and full payment are made subject to Ms. Ip completing the sale and purchase and fully settling the consideration earlier than the completion and payment dates specified in the relevant agreements; and serving a written notice to Orient Sea in the designated form at least 30 days in advance.
- (ii) Cash Rebate for Bulk Purchase: Provided that Ms. Ip purchases more than one specified residential property of STATE PAVILIA at the same time and completes the sale and purchase of all such properties in accordance with the relevant formal agreements, Ms. Ip shall be entitled to a cash rebate of 5% of the purchase price of each of the purchased properties.

Details of Tender A and Tender B were disclosed in the announcement of the Company dated 11 February 2025.

As Ms. Ip is the spouse of Dr. Cheng Kar-Shun, Henry, who is an executive director and the chairman of the Company, she is a connected person of the Company under the Listing Rules. Accordingly, each of the sale of Property A and Property B by Orient Sea to Ms. Ip constitutes a connected transaction for the Company under the Listing Rules.

In relation to the connected transactions mentioned in paragraphs (11) and (12) above, STATE PAVILIA, which is estimated to handover to buyers within the financial year ending 30 June 2027, is expected to generate gross profit margin ranged from 10% to 15% taking into account of current estimated construction costs.

CONNECTED TRANSACTIONS (CONTINUED)

The Company has complied with the applicable disclosure requirements under Chapter 14 and 14A of the Listing Rules for all the above discloseable transaction, connected transactions and continuing connected transactions. The price and terms of the continuing connected transactions mentioned in paragraphs (1) to (7) and (9) above were determined in accordance with the pricing policies and guidelines as set out in the relevant announcements of the Company. These continuing connected transactions have been reviewed by the Independent Non-executive Directors who have confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions stated in paragraphs (1) to (7) and (9) above in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules.

Save as disclosed above, a summary of significant related party transactions made during the year, including the exempt or non-exempt connected transactions of the Company for which the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules, where applicable, is disclosed in note 44 to the financial statements.

SUPPLEMENTAL INFORMATION TO THE 2024 ANNUAL REPORT

In addition to the disclosures under: (i) the section headed "CONNECTED TRANSACTIONS" from pages 146 to 151 of the 2024 Annual Report; and (ii) Note 50 to the consolidated financial statements in page 279 of the 2024 Annual Report ("Note 50"), the Company would like to supplement additional information in relation to the connected transactions pursuant to the disclosure requirements of Chapter 14A of the Listing Rules as follows:

- (i) the items headed "Joint ventures and associated companies" referred to in Note 50 do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules;
- (ii) the items headed "Related companies" referred to in Note 50 (h) constitute exempt or non-exempt connected transactions of the Company and the Company has complied with the requirements under Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules on the connected transactions conducted in that financial year are provided in the section headed "CONNECTED TRANSACTIONS" from pages 146 to 151 of the 2024 Annual Report; and
- (iii) key management compensation disclosed in Note 50 (k) constitutes exempt connected transactions of the Company under Chapter 14A of the Listing Rules.

The supplemental information does not affect other information contained in the 2024 Annual Report. Saved as disclosed above, all other information in the 2024 Annual Report remains unchanged.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests of the Directors in shares, underlying shares and debentures of the Company or any of its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO were as follows:

(A) Long positions in shares

	Number of shares			Total	Approximate % of shareholding as at 30 June 2025
	Personal interests	Spouse interests	Corporate interests		
NWD					
(Ordinary shares)					
Dr. Cheng Kar-Shun, Henry	5,168,909	—	—	5,168,909	0.21
Dr. Cheng Chi-Kong, Adrian [#]	2,559,118	—	—	2,559,118	0.10
Mr. Cheng Kar-Shing, Peter	213,444	141,641 ⁽¹⁾	—	355,085	0.01
Mr. Cheng Chi-Heng	133,444	—	—	133,444	0.01
Ms. Cheng Chi-Man, Sonia	825,672	—	—	825,672	0.03
Ms. Chiu Wai-Han, Jenny	29,899	—	—	29,899	0.00
Mr. Lau Fu-Keung	1,000	—	—	1,000	0.00
NWDS					
(Ordinary shares of HK\$0.10 each)					
Ms. Cheng Chi-Man, Sonia	92,000	—	—	92,000	0.01
Mr. Lau Fu-Keung	1,000	—	—	1,000	0.00
Sun Legend Investments Limited					
(Ordinary shares)					
Mr. Cheng Kar-Shing, Peter	—	—	9,500,500 ⁽²⁾	9,500,500	50.00

[#] resigned on 1 July 2025

Notes:

- (1) These shares were jointly held by Mr. Cheng Kar-Shing, Peter and his spouse.
- (2) These shares were beneficially owned by a controlled corporation of Mr. Cheng Kar-Shing, Peter.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES
(CONTINUED)

(B) Long positions in debentures

(1) NWCL

Name	Amount of debentures issued by NWCL				Approximate % to the total amount of debentures in issue as at 30 June 2025
	Personal interests HK\$	Spouse interests HK\$	Corporate interests HK\$	Total HK\$	
Mr. Doo Wai-Hoi, William	—	27,167,400 ⁽¹⁾	—	27,167,400	0.76

Note:

(1) These debentures were issued in US\$ and had been translated into HK\$ using the rate of US\$1.0=HK\$7.8.

(2) NWD Finance

Name	Amount of debentures issued in US\$ by NWD Finance				Approximate % to the total amount of debentures in issue as at 30 June 2025
	Personal interests US\$	Spouse interests US\$	Corporate interests US\$	Total US\$	
Mr. Doo Wai-Hoi, William	—	107,875,000	10,000,000 ⁽¹⁾	117,875,000	2.63
Mr. Cheng Kar-Shing, Peter	4,000,000	—	—	4,000,000	0.09
Mr. Ip Yuk-Keung, Albert	—	750,000 ⁽²⁾	—	750,000	0.02

Notes:

(1) These debentures were beneficially owned by a company which was wholly owned by Mr. Doo Wai-Hoi, William.

(2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse.

(3) NWD (MTN)

Name	Amount of debentures issued by NWD (MTN)				Approximate % to the total amount of debentures in issue as at 30 June 2025
	Personal interests HK\$	Spouse interests HK\$	Corporate interests HK\$	Total HK\$	
Mr. Doo Wai-Hoi, William	—	78,000,000 ⁽¹⁾	—	78,000,000	0.33
Mr. Ip Yuk-Keung, Albert	—	3,900,000 ⁽²⁾	—	3,900,000	0.02

Notes:

(1) These debentures were issued in US\$ and had been translated into HK\$ using the rate of US\$1.0=HK\$7.8.

(2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse, and were issued in US\$ and had been translated into HK\$ using the rate of US\$1.0=HK\$7.8.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive had or deemed to have any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as defined in the SFO that were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

At 30 June 2025, the Group had given financial assistance and guarantees to its joint ventures and associated companies (collectively "affiliated companies") as set out below:

	2025 HK\$m	2024 HK\$m
Amounts due by affiliated companies (note)	26,368.0	26,446.6
Guarantees given for affiliated companies in respect of banking and other credit facilities	5,482.1	8,601.4
	31,850.1	35,048.0

Note:

The advances were unsecured and were interest free except for an aggregate amount of HK\$13,484.4 million (2024: HK\$10,118.0 million) which carried interest ranging from 3.45% to 10% per annum (2024: from 3.45% to 10% per annum). The advances had no fixed repayment terms.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of those affiliated companies with financial assistance from the Group and the Group's attributable interests in those affiliated companies as at 30 June 2025 are presented as follows:

	Combined statement of financial position HK\$m	Group's attributable interests HK\$m
Non-current assets	34,044.3	17,725.1
Current assets	102,572.1	38,692.1
Current liabilities	(78,489.8)	(29,246.9)
Total assets less current liabilities	58,126.6	27,170.3
Non-current liabilities	(54,251.7)	(26,839.5)
Net assets	3,874.9	330.8

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 30 June 2025.

Management Discussion and Analysis

During the year under review, the Group recorded consolidated revenues of HK\$27,680.5 million and core operating profit of approximately HK\$6,016.5 million (note) from continuing operations, a decrease of 23% and 13% year-on-year respectively. The Group recorded a net loss attributable to shareholders of HK\$16.3 billion for FY2025, primarily attributed to several one-off provisions and non-recurring losses.

Note: Reconciliation of loss from continuing operations to core operating profit as follows:

	FY2025 HK\$m	FY2024 HK\$m
Loss from continuing operations	(16,356.6)	(9,810.8)
Changes in fair value of investment properties, include share of results of joint ventures and associated companies	406.9	2,734.2
Gain on transfer to investment properties	—	(2,237.2)
Taxation	2,521.2	5,062.4
Financing income	(700.2)	(1,233.3)
Financing costs	5,420.5	5,508.1
Impairment loss on properties held for sale and properties under development, include share of results of joint ventures and associated companies	8,502.0	4,390.6
Impairment loss on property, plant and equipment, right-of-use assets and interests in associated companies	277.2	1,379.1
Impairment loss on other non-current asset	2,700.0	—
Impairment loss on goodwill, include share of results of joint ventures and associated companies	538.3	414.5
Loss on disposal of investments and investments through disposal of subsidiaries and joint ventures	1,219.4	—
Loss on disposal of long-term loan receivables and provision of receivables shared in investments in joint ventures	1,347.5	491.3
Loss on assets disposal and remeasurement of the disposal group	144.9	367.9
Write back of loss allowance on properties for development and property, plant and equipment	(4.6)	(169.0)
Core operating profit	6,016.5	6,897.8

One-off Impairment Provisions and Losses

Although general market sentiment and transaction volumes in the property sector showed early signs of recovery, housing prices remained relatively subdued, prompting further impairment provisions in the year under review. For development properties, the Group has recognised an impairment provision of approximately HK\$8.5 billion in FY2025.

In addition, the Group recognised approximately HK\$6.2 billion in other provisions and one-off losses in FY2025, mainly attributable to three areas. Firstly, due to changes in Hong Kong's retail environment and office space demand, the Group revised the valuation of the 11 SKIES project, resulting in an impairment loss of HK\$2.7 billion. Secondly, the Group's disposal of certain long-stalled legacy projects in Mainland China, incurring a loss of HK\$1.2 billion. Thirdly, the disposal of other businesses and asset portfolios as well as other impairments led to a one-off loss of HK\$2.3 billion.

Continuous Stringent Control on CAPEX and OPEX

In FY2025, the Group continued to exercise stringent measures regarding the Group's capital expenditure spending, as well as general administrative and other operating expenses, resulting in a year-on-year reduction of 15% and 16% respectively.

Capital expenditure covers all the land and construction costs incurred for the Group's property development, property investment projects and property, plant and equipment during the financial year. For FY2025, CAPEX amounted to HK\$12.6 billion, a 15% reduction compared with HK\$14.8 billion in FY2024. This amount came in below the revised FY2025 guidance of HK\$13.0 billion, underscoring the Group's disciplined approach to capital spending. For FY2026, the Group will strive to maintain CAPEX below HK\$12.0 billion.

General administrative and other operating expenses amounted to HK\$3.5 billion, representing a year-on-year decrease of 16% from HK\$4.2 billion in FY2024. This improvement was primarily driven by the Group's ongoing efforts to optimise its organisational structure, as well as improved resource sharing between the Mainland China and Hong Kong offices. These initiatives boosted efficiency across IT, Finance, Human Resources and ESG departments, resulting in meaningful cost savings for the Group.

The following provides analysis on the performance of each segment.

REVENUES – ANALYSED BY BUSINESS SEGMENTS

	FY2025 HK\$m	FY2024 HK\$m
From continuing operations		
Property Development	15,039.7	16,124.9
Property Investment	5,055.3	5,197.2
Construction	3,506.9	9,388.7
Hotel operations	1,499.1	1,381.2
Others	2,579.5	3,690.2
Total	27,680.5	35,782.2

REVENUES – GEOGRAPHIC CONTRIBUTION (PROPERTY RELATED SEGMENTS)

	FY2025 HK\$m	FY2024 HK\$m
From continuing operations		
Property Development		
Hong Kong	2,696.1	2,411.9
Mainland China	12,343.6	13,713.0
Total	15,039.7	16,124.9

	FY2025 HK\$m	FY2024 HK\$m
From continuing operations		
Property Investment		
Hong Kong	3,234.4	3,356.3
Mainland China	1,820.9	1,840.9
Total	5,055.3	5,197.2

The Group's total revenue in FY2025 amounted to HK\$27,680.5 million, decreased by approximately 23% year-on-year, attributed to decrease in revenue from property sales and construction.

Property Development

Revenues from overall property development segment amounted to HK\$15,040 million, decreased by approximately 7% year-on-year.

Segment revenue of property development in Hong Kong amounted to HK\$2,696 million, increased by 12% year-on-year. Main contributors included residential projects such as Mount Pavilia and Uptown East, as well as 888 Lai Chi Kok Road.

Segment revenues of property development in Mainland China amounted to HK\$12,344 million, decreased by 10% year-on-year, mainly attributed to fewer properties handovers in FY2025. Main contributors included Hangzhou Wangjiang New Town Project, Shenyang New World Garden, and New World-Guangzhou metro Hanxi Development Project in Guangzhou.

Property Investment

Revenue from overall property investment segment amounted to HK\$5,055 million, decreased by approximately 3% year-on-year. If excluding contributions from disposed properties and pre-operating expenses, the overall property investment segment results improved 2% year-on-year.

Segment Revenue of property investment in Hong Kong during the year under review was HK\$3,234 million, representing a slight decrease year-on-year of 4%. This was primarily attributed to reduced contributions from several of the Group's disposed investment properties, such as D Park and Luk Hop Street.

Segment Revenue of property investment in Mainland China reached HK\$1,821 million, representing a year-on-year decrease of 1%. The occupancy rate of major projects in the investment property portfolio remained stable.

Construction, Hotel Operations and Others

Revenues from the construction segment amounted to HK\$3,507 million, representing a year-on-year decrease of 63%.

Revenues from the hotel operations segment amounted to HK\$1,499 million, representing a year-on-year increase of 9%.

Revenues from others segment amounted to HK\$2,580 million, representing a year-on-year decrease of 30%.

SEGMENT RESULTS – ANALYSED BY BUSINESS SEGMENTS

	FY2025 HK\$m	FY2024 HK\$m
From continuing operations		
Property Development	5,580.4	5,757.1
Property Investment	3,243.5	3,490.1
Construction	(180.2)	(248.5)
Hotel operations	(359.8)	(369.4)
Others	(1,213.5)	(1,253.8)
Total	7,070.4	7,375.5

SEGMENT RESULTS – GEOGRAPHIC CONTRIBUTION (PROPERTY RELATED SEGMENTS)

Property Development	FY2025 HK\$m	FY2024 HK\$m
From continuing operations		
Hong Kong	877.0	499.0
Mainland China	4,703.4	5,258.1
Total	5,580.4	5,757.1

Property Investment	FY2025 HK\$m	FY2024 HK\$m
From continuing operations		
Hong Kong	2,400.6	2,536.1
Mainland China	842.9	954.0
Total	3,243.5	3,490.1

The Group's consolidated segment results in FY2025 amounted to HK\$7,070 million, decreased by 4% year-on-year, mainly attributed to the decrease in segment results of property development in Mainland China, offset by improved segment results of property development in Hong Kong, as well as attributed to the disposal of certain investment property leading to reduced contribution from property investment.

Property Development

During the year under review, the Group's segment results of property development in Hong Kong was HK\$877 million. Major contributions include Mount Pavilia and Fleur Pavilia.

As at 30 June 2025, among the unrecognised attributable income of the Group from contracted sales of properties in Hong Kong, HK\$16,825 million would be booked in FY2026 and FY2027.

During the year under review, the Group's segment results from property development in Mainland China amounted to HK\$4,703 million. The contributions from the Mainland China segment mainly derived from Hangzhou Wangjiang New Town Project, Shenyang New World Garden, Guangzhou Covent Garden, Guangzhou Central Park-view and the New World – Guangzhou Metro Hanxi Development Project.

As at 30 June 2025, among the unrecognised gross revenue from contracted sales of properties in Mainland China, approximately RMB3,137 million would be booked in FY2026 and FY2027.

Property Investment

In FY2025, the overall property investment segment recorded a contribution of HK\$3,244 million, decreased by approximately 7% year-on-year. If excluding contributions from disposed properties and pre-operating properties, the overall property investment segment results improved 2% year-on-year, while segment results of K11 Group improved by 4% year-on-year.

Segment results of Hong Kong's investment properties was HK\$2,401 million, year-on-year decreased by 5%, mainly attributable to reduced contributions from several of the Group's disposed investment properties, such as D Park and Luk Hop Street.

During the year under review, the segment results of the property investment in Mainland China was HK\$843 million, decreased by 12%.

Construction, Hotel Operations and Others

The contribution from construction segment recorded a loss of HK\$180 million, loss narrowed by 27% year-on-year.

Hotel operations segment recorded a loss of HK\$360 million, loss decreased by 2% year-on-year.

Others segment recorded a loss of HK\$1,214 million, loss decreased by 3% year-on-year.

LIQUIDITY AND CAPITAL RESOURCES

Net Debt

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Consolidated net debt	120,113.3	123,657.1
New World Department Store China Limited ("NWDS") (stock code: 0825)		
– net cash and bank balances	(26.5)	(119.0)
Net debt (exclude listed subsidiaries)	120,139.8	123,776.1

The Group's debts were primarily denominated in Hong Kong dollar, United States Dollar and Renminbi. In respect of the Group's operations in Mainland China, the Group maintains an appropriate level of external borrowings in Renminbi for natural hedging. The Renminbi currency exposure of the Group is mainly derived from the translation of non-current assets and liabilities of the subsidiaries, associated companies and joint ventures in Mainland China with functional currency of Renminbi and the Renminbi deposits held for future development costs to Hong Kong Dollar. As at 30 June 2025, the translation of non-current assets and liabilities of subsidiaries, associated companies and joint ventures with functional currency other than Hong Kong Dollar to Hong Kong Dollar by using exchange rates at that day resulted a gain of HK\$1,744.5 million is recognised in equity. Apart from this, the Group does not have any material foreign exchange exposure.

The Group's borrowings were arranged on both floating rate and fixed rate basis. The financing costs had slightly decreased to HK\$5,420.5 million. The Group used interest rate swaps, cross currency swaps and foreign exchange forward contracts to hedge part of the Group's underlying interest rate and foreign exchange exposure. As at 30 June 2025, the Group had outstanding cross currency swaps in the amounts of approximately HK\$15,602.4 million, and had outstanding interest rate swaps in the amounts of HK\$20,611.7 million.

In August 2024, the Company repurchased and cancelled parts of US\$600.0 million (equivalent to approximately HK\$4,680.0 million) 4.75% guaranteed notes due 2027 (stock code: 5343) (the "2027 Notes") and parts of US\$500.0 million (equivalent to approximately HK\$3,900.0 million) 6.15% guaranteed senior perpetual capital securities (stock code: 5312) (the "Perpetual Securities") in principal amounts of US\$45.9 million (equivalent to approximately HK\$357.7 million) and US\$108.6 million (equivalent to approximately HK\$846.8 million) respectively. The purchase prices were 96% and 100% respectively. The 2027 Notes and Perpetual Securities of respectively US\$458.4 million (equivalent to approximately HK\$3,575.3 million) and US\$345.3 million (equivalent to approximately HK\$2,693.4 million) principal amounts remain outstanding.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Net Debt (continued)

In August 2024, a US\$400.0 million (equivalent to approximately HK\$3,120.0 million) 8.625% guaranteed notes due 2028 were issued by a wholly-owned subsidiary of the Group and listed on the Stock Exchange at a price of 100.0% of the principal amount with net proceeds of US\$395.2 million (equivalent to approximately HK\$3,082.6 million).

In June 2025, the Group (a) refinanced certain of its existing offshore unsecured financial indebtedness, including bank loans, through a new refinancing term loan facility (the “New Bank Facility”) entered into by the Company, the relevant Group entities and the relevant bank creditors; and (b) aligned its other existing offshore unsecured bank loans with the terms of the New Bank Facility (the “Aligned Bank Facilities”). The New Bank Facility and Aligned Bank Facilities together cover approximately HK\$88.2 billion of the Group’s existing unsecured offshore financial indebtedness. The New Bank Facility consists of multiple tranches of bank loans with different maturities, with the earliest maturity date being 30 June 2028.

As at 30 June 2025, the Group’s cash and bank balances (including restricted bank balances) stood at HK\$25,856.8 million (30 June 2024: HK\$27,990.1 million) and the consolidated net debt amounted to HK\$120,113.3 million (30 June 2024: HK\$123,657.1 million). The net debt to equity ratio was 58.1%; an increase of 3.1% as compared to 30 June 2024.

As at 30 June 2025, the Group’s long-term bank loans, other loans and fixed rate bonds and notes payable amounted to HK\$145,886.9 million (30 June 2024: HK\$141,132.1 million). Short-term bank loans and other loans as at 30 June 2025 were HK\$83.2 million (30 June 2024: HK\$10,515.1 million). The maturity of bank loans, other loans and fixed rate bonds and notes payable as at 30 June 2025 and 30 June 2024 was as follows:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Within first year	6,569.8	41,631.9
In the second year	22,447.8	32,157.7
In the third year	40,296.7	32,988.9
In the fourth year	42,085.0	14,831.7
In the fifth year	22,693.0	9,589.1
After the fifth year	11,877.8	20,447.9
	145,970.1	151,647.2

Equity of the Group as at 30 June 2025 decreased to HK\$206,736.9 million against HK\$224,888.8 million as at 30 June 2024.

Independent Auditor's Report



To the Members of New World Development Company Limited
(incorporated in Hong Kong with limited liability)

羅兵咸永道

OPINION

What we have audited

The consolidated financial statements of New World Development Company Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 176 to 275, comprise:

- the consolidated statement of financial position as at 30 June 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties;
- Recoverability of properties for/under development and properties held for sale held by the Group and its joint ventures; and
- Going concern assessment

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com



KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties <i>Refer to notes 5(a) and 16 to the consolidated financial statements.</i> As at 30 June 2025, the investment properties held by the Group were stated at fair value of HK\$204,885.0 million with fair value loss of HK\$1,128.6 million recognised in the consolidated income statement. Management engaged independent external valuers to assist them to determine the fair value of investment properties as at 30 June 2025. For completed investment properties, fair value was derived by income capitalisation method, direct comparison method and discounted cash flow method. Income capitalisation method was based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates and prevailing market rents. Direct comparison method was based on comparable market transactions, as adjusted by the property-specific qualitative factors. Discounted cash flow method was based on daily room rates, growth rates and discount rates assumptions. For investment properties under construction, fair value was derived using the residual method based on capitalising the rental income that would be generated from the investment property in its completed form and deducting development costs together with developer's profit and risk margins from the estimated capital value of the proposed development assuming completed as at the date of valuation. We focused on this area due to the fact that there are significant judgements and estimation uncertainty involved in the valuation of investment properties.	Our procedures in relation to the valuation of investment properties included: • We understood management's controls and processes for determining the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors; • We evaluated the competence, capability and objectivity of the independent external valuers; • We obtained the valuation reports and met the independent external valuers to discuss the valuation methodologies and key assumptions used; • We involved our in-house valuation experts and assessed the appropriateness of the valuation methodologies and the reasonableness of the key assumptions used in the valuation of investment properties, based on our knowledge of the property industry, research evidence of capitalisation rates, prevailing market rents, comparable market transactions for similar properties, daily room rates, growth rates and discount rates, where applicable; • We tested, on a sample basis, the data used in the valuation of investment properties, including rental rates from existing tenancies and estimated cost to complete, by agreeing them to the underlying agreements with the tenants and approved budgets, respectively. We also compared the estimated developer's profit and risk margins to properties with comparable stage of development, where appropriate; and • We evaluated the appropriateness of the disclosures relating to the valuation of investment properties included in the consolidated financial statements. Based on the procedures performed, we found the methodologies used in the valuations were appropriate and the key assumptions were supportable by available evidence.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of properties for/under development and properties held for sale held by the Group and its joint ventures <i>Refer to notes 5(b) and 25 to the consolidated financial statements.</i> As at 30 June 2025, the carrying values of the Group's properties for/under development and properties held for sale amounted to HK\$15,377.5 million, HK\$37,328.4 million and HK\$28,773.9 million respectively. The Group also has significant property development projects for sale held by its joint ventures. Management assessed the recoverability of the properties for/under development and properties held for sale by the Group and its joint ventures based on estimates of the net realisable values of the underlying properties. These involved the estimation of selling prices of the properties based on current market prices of properties of comparable locations and conditions, the costs necessary to make the sales and the construction costs to complete based on the existing development plans, where applicable. Impairment provision for properties for/under development and properties held for sale is made when the estimated net realisable values of the underlying properties are lower than their carrying values. We focus on this area because the existence of estimates and assumptions involved in the recoverability assessment warrants specific audit focus and attention.	Our procedures in relation to management's assessment of recoverability of properties for/under development and properties held for sale included: • We understood management's control and processes of the assessment of the recoverability of properties for development, properties under development and properties held for sale and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; • We evaluated and tested the key controls over cost budgeting for estimated costs to completion, where applicable; • We evaluated management's assessment, on a sample basis, on the recoverability of properties for/under development and properties held for sale; and • We assessed the reasonableness of key assumptions and estimates in management's assessment including: (i) For the estimated selling prices, we compared, on a sample basis, to the contracted selling prices of the underlying properties or current market prices of properties of comparable locations and conditions, where applicable; and (ii) For the estimated costs necessary to make the sales and costs to completion, we assessed the reasonableness of the costs necessary to make sales and the latest budgets of total construction costs and tested, on a sample basis, to committed contracts and other supporting documentation. Based on the procedures performed, we found the key assumptions in the recoverability assessment were supportable by available evidence.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Going concern assessment <i>Refer to notes 2(c) and 5(g) to the consolidated financial statements.</i> As stated in note 2(c), during the year ended 30 June 2025, the Group incurred a loss of HK\$16,356.6 million. As at 30 June 2025, the Group had a total borrowings of HK\$150,936.1 million, of which HK\$6,994.0 million is due within 12 months from 30 June 2025. Majority of the Group's borrowings of HK\$143,942.1 million are due from financial year ending 30 June 2027 and beyond. The Group's financial position was adversely affected by the market downturn, unfavorable fluctuations in Renminbi, interest rate remaining at a high level and consumer caution amidst uncertainties in Hong Kong and Mainland China. These factors resulted in lower property sales volumes and margins, higher finance costs, and declines in both the net realisable value of development properties and the fair value of investment properties. The Group obtained written waivers for strict compliance of certain financial covenants in December 2024 and commenced the negotiation with lenders on refinancing certain bank and other borrowings. The Group has also elected to defer distributions for all of its perpetual securities. In view of the abovementioned circumstances, as part of the going concern assessment, the directors of the Company reviewed the Group's cash flow projections prepared by management which covered a period for not less than 12 months from 30 June 2025 and have taken into account various plans and measures as set out in note 2(c) of the consolidated financial statements and considered that it is appropriate to prepare the consolidated financial statements on a going concern basis. We focus on this area because management's assessment of the going concern basis used in the preparation of consolidated financial statements involves significant management judgements and assumptions.	Our procedures in relation to going concern assessment included: • We obtained the cash flow projections prepared by management and discussed with management to understand the process of the preparation of and key assumptions used in the cash flow projections; • We challenged the reasonableness the key assumptions adopted by management, including the volume and amount of sale of property projects and assets disposals, by considering the prevailing market information and the Group's business plan; • We enquired management of the status of the availability of banking and other financing facilities and corroborated with relevant supporting documents, including, waiver letters, agreements and commitment letters entered into with banks for new or existing banking facilities; • We tested the compliance of financial covenants as at the test dates during the year and inspected the waiver letters from lenders for strict compliance of financial covenants; • We performed sensitivity analyses around the key assumptions in the cash flow projections to consider the downside effect of such changes on liquidity and financial covenants compliance; and • We evaluated the appropriateness of the disclosures relating to the going concern basis of preparation included in the consolidated financial statements. Based on the procedures performed, we found that the management's assumptions used in management's going concern assessment were supportable by available evidence.

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ho Chiu Ping, Dennis (Practising certificate number: P04731).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 September 2025

Consolidated Income Statement

For the year ended 30 June 2025

	Note	2025 HK\$m	2024 HK\$m
Continuing operations			
Revenues	6	27,680.5	35,782.2
Cost of sales		(16,054.7)	(22,933.0)
Gross profit		11,625.8	12,849.2
Other income	7	32.1	43.8
Other losses, net	8	(13,074.2)	(4,978.5)
Selling and marketing expenses		(1,181.5)	(1,285.7)
Expenses of department store's operation		(1,032.4)	(1,036.1)
Administrative and other operating expenses		(3,524.6)	(4,195.7)
Gain on transfer to investment properties	16	–	2,237.2
Changes in fair value of investment properties	16	(1,128.6)	(3,145.6)
Operating (loss)/profit	9	(8,283.4)	488.6
Financing income		700.2	1,233.3
Financing costs	10	(5,420.5)	(5,508.1)
		(13,003.7)	(3,786.2)
Share of results of			
Joint ventures		(830.6)	(295.6)
Associated companies		(1.1)	(666.6)
Loss before taxation		(13,835.4)	(4,748.4)
Taxation	11	(2,521.2)	(5,062.4)
Loss from continuing operations		(16,356.6)	(9,810.8)
Discontinued operations			
Loss from discontinued operations		–	(7,315.1)
Loss for the year		(16,356.6)	(17,125.9)
Attributable to:			
Shareholders of the Company	35		
From continuing operations		(16,301.5)	(11,806.5)
From discontinued operations		–	(7,876.4)
Holders of perpetual capital securities			
From continuing operations		988.3	1,906.2
From discontinued operations		–	269.3
Non-controlling interests			
From continuing operations		(1,043.4)	89.5
From discontinued operations		–	292.0
		(16,356.6)	(17,125.9)
Basic and diluted losses per share (HK\$)	12		
From continuing operations		(6.82)	(4.60)
From discontinued operations		–	(3.13)

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

	2025 HK\$m	2024 HK\$m
Loss for the year	(16,356.6)	(17,125.9)
Other comprehensive (loss)/income		
Items that will not be reclassified to profit or loss		
Net fair value changes of equity instruments as financial assets at fair value through other comprehensive income ("FVOCI")	(49.9)	(442.1)
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	105.8	3,010.1
Translation differences	398.2	(64.7)
Items that had been reclassified/may be reclassified subsequently to profit or loss		
Net fair value changes and other net movements of debt instruments as financial assets at FVOCI	—	(293.9)
Release of reserves upon disposal of debt instruments as financial assets at FVOCI	—	(3.0)
Release of reserves and reclassification of reserves upon disposal of interests in joint ventures and associated companies	85.5	—
Release of reserves and reclassification of reserves upon disposal of subsidiaries	(987.1)	4,339.5
Net finance expenses from insurance contracts	—	(46.7)
Share of other comprehensive income/(loss) of joint ventures and associated companies	37.6	(91.9)
Cash flow/fair value hedges	(313.0)	(782.3)
Translation differences	1,308.7	(843.5)
Other comprehensive income for the year	585.8	4,781.5
Total comprehensive loss for the year	(15,770.8)	(12,344.4)
Attributable to:		
Shareholders of the Company		
From continuing operations	(15,982.9)	(10,570.5)
From discontinued operations	—	(4,027.1)
Holders of perpetual capital securities		
From continuing operations	988.3	1,906.2
From discontinued operations	—	269.3
Non-controlling interests		
From continuing operations	(776.2)	46.0
From discontinued operations	—	31.7
	(15,770.8)	(12,344.4)

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 HK\$m	2024 HK\$m
Assets			
Non-current assets			
Investment properties	16	204,885.0	207,711.8
Property, plant and equipment	17	16,034.3	13,207.4
Right-of-use assets	18	3,898.8	3,860.4
Intangible assets	19	791.5	1,174.6
Interests in joint ventures	20	32,186.1	37,503.9
Interests in associated companies	21	9,199.5	8,578.1
Financial assets at amortised costs	28	111.9	129.7
Financial assets at fair value through profit or loss	29	4,420.4	6,285.7
Financial assets at fair value through other comprehensive income	30	2,331.5	2,303.6
Derivative financial instruments	22	—	402.6
Properties for development	25	15,377.5	15,286.8
Deferred tax assets	23	1,714.5	2,204.9
Other non-current assets	24	22,737.8	28,493.3
		313,688.8	327,142.8
Current assets			
Properties under development	25	37,328.4	43,483.4
Properties held for sale	25	28,773.9	28,346.1
Inventories	26	153.3	139.0
Debtors, prepayments and contract assets	27	12,266.2	15,276.1
Financial assets at fair value through profit or loss	29	536.7	841.0
Derivative financial instruments	22	106.0	178.3
Restricted bank balances	31	400.4	590.5
Cash and bank balances	31	25,456.4	27,399.6
		105,021.3	116,254.0
Assets of disposal groups held for sale	32	1,554.9	1,760.8
		106,576.2	118,014.8
Total assets		420,265.0	445,157.6

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 HK\$m	2024 HK\$m
Equity			
Share capital	33	78,382.1	78,382.1
Reserves	35	85,333.7	101,449.8
Shareholders' funds		163,715.8	179,831.9
Perpetual capital securities	34	35,178.0	36,280.5
Non-controlling interests		7,843.1	8,776.4
Total equity		206,736.9	224,888.8
Liabilities			
Non-current liabilities			
Long-term borrowings and other interest-bearing liabilities	36	143,942.1	114,437.8
Lease liabilities	37	3,415.1	3,701.4
Deferred tax liabilities	23	7,766.9	7,762.2
Derivative financial instruments	22	666.1	317.0
Other non-current liabilities	38	91.8	92.2
		155,882.0	126,310.6
Current liabilities			
Creditors, accrued charges and contract liabilities	39	40,173.9	39,658.9
Current portion of long-term borrowings and other interest-bearing liabilities	36	6,520.0	31,198.3
Short-term borrowings and other interest-bearing liabilities	36	474.0	10,913.8
Lease liabilities	37	655.8	701.1
Derivative financial instruments	22	67.5	0.3
Current tax payable		9,754.9	10,787.7
Liabilities of disposal groups held for sale	32	57,646.1	93,260.1
		–	698.1
		57,646.1	93,958.2
Total liabilities		213,528.1	220,268.8
Total equity and liabilities		420,265.0	445,157.6

Dr. Cheng Kar-Shun, Henry
Director

Ms. Huang Shaomei, Echo
Director



Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Share capital HK\$m	Retained profits HK\$m	Other reserves HK\$m	Shareholders' funds HK\$m	Perpetual capital securities HK\$m	Non- controlling interests HK\$m	Total HK\$m
At 1 July 2024	78,382.1	95,327.4	6,122.4	179,831.9	36,280.5	8,776.4	224,888.8
(Loss)/profit for the year	—	(16,301.5)	—	(16,301.5)	988.3	(1,043.4)	(16,356.6)
Other comprehensive income							
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	—	—	105.8	105.8	—	—	105.8
Share of other comprehensive income of joint ventures and associated companies	—	—	37.6	37.6	—	—	37.6
Net fair value changes of equity instruments as financial assets at FVOCI	—	—	(49.9)	(49.9)	—	—	(49.9)
Release of reserves and reclassification of reserve upon disposal of interest in joint ventures and associated companies	—	—	85.5	85.5	—	—	85.5
Release of reserves and reclassification of reserves upon disposal of subsidiaries	—	—	(856.1)	(856.1)	—	(131.0)	(987.1)
Cash flow hedges	—	—	(313.0)	(313.0)	—	—	(313.0)
Translation differences	—	—	1,308.7	1,308.7	—	398.2	1,706.9
Other comprehensive income for the year	—	—	318.6	318.6	—	267.2	585.8
Total comprehensive (loss)/income for the year	—	(16,301.5)	318.6	(15,982.9)	988.3	(776.2)	(15,770.8)
Transactions with owners							
Distributions to owners							
Dividends	—	—	—	—	—	(177.7)	(177.7)
Redemption of perpetual capital securities	—	—	—	—	(846.8)	—	(846.8)
Distribution to perpetual capital security holders	—	—	—	—	(1,244.0)	—	(1,244.0)
Release of reserve upon deregistration of subsidiaries	—	4.5	(4.5)	—	—	—	—
Transfer of reserves	—	(6.2)	6.2	—	—	—	—
	—	(1.7)	1.7	—	(2,090.8)	(177.7)	(2,268.5)
Change in ownership interests in subsidiaries							
Deregistration of a subsidiary	—	—	6.2	6.2	—	(70.7)	(64.5)
Acquisition of additional interest in subsidiaries	—	—	(139.4)	(139.4)	—	(138.7)	(278.1)
Contributions from non-controlling interest	—	—	—	—	—	230.0	230.0
	—	—	(133.2)	(133.2)	—	20.6	(112.6)
Total transactions with owners	—	(1.7)	(131.5)	(133.2)	(2,090.8)	(157.1)	(2,381.1)
At 30 June 2025	78,382.1	79,024.2	6,309.5	163,715.8	35,178.0	7,843.1	206,736.9



Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Share capital HK\$m	Retained profits HK\$m	Other reserves HK\$m	Shareholders' funds HK\$m	Perpetual capital securities HK\$m	Non- controlling interests HK\$m	Total HK\$m
At 1 July 2023	78,382.1	114,927.9	6,321.8	199,631.8	47,439.3	27,300.7	274,371.8
(Loss)/profit for the year	—	(19,682.9)	—	(19,682.9)	2,175.5	381.5	(17,125.9)
Other comprehensive income							
Net fair value changes of equity instruments as financial assets at FVOCI	—	—	(388.9)	(388.9)	—	(53.2)	(442.1)
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	—	—	3,010.1	3,010.1	—	—	3,010.1
Share of other comprehensive loss of joint ventures and associated companies	—	—	(77.7)	(77.7)	—	(14.2)	(91.9)
Net fair value changes and other net movements of debt instruments as financial assets at FVOCI	—	—	(178.9)	(178.9)	—	(115.0)	(293.9)
Release of reserves upon disposal of debt instruments as financial assets at FVOCI	—	—	(1.8)	(1.8)	—	(1.2)	(3.0)
Release of reserves and reclassification of reserves upon disposal of subsidiaries	—	5,210.9	(871.4)	4,339.5	—	—	4,339.5
Cash flow/fair value hedges	—	—	(745.1)	(745.1)	—	(37.2)	(782.3)
Net insurance finance expenses	—	—	(28.4)	(28.4)	—	(18.3)	(46.7)
Translation differences	—	—	(843.5)	(843.5)	—	(64.7)	(908.2)
Other comprehensive income/(loss) for the year	—	5,210.9	(125.6)	5,085.3	—	(303.8)	4,781.5
Total comprehensive (loss)/income for the year	—	(14,472.0)	(125.6)	(14,597.6)	2,175.5	77.7	(12,344.4)
Transactions with owners							
(Distributions to)/contributions by owners							
Dividends	—	(5,259.7)	—	(5,259.7)	—	(608.8)	(5,868.5)
Contribution from non-controlling interest	—	—	—	—	—	32.4	32.4
Share options lapsed	—	—	(31.6)	(31.6)	—	—	(31.6)
Redemption of perpetual capital securities	—	220.7	—	220.7	(801.2)	—	(580.5)
Release of reserves upon disposal of equity instruments as financial assets at FVOCI	—	—	13.4	13.4	—	—	13.4
Distribution to perpetual capital security holders	—	—	—	—	(2,138.8)	—	(2,138.8)
Transfer of reserves	—	55.6	(55.6)	—	—	—	—
	—	(4,983.4)	(73.8)	(5,057.2)	(2,940.0)	(576.4)	(8,573.6)
Change in ownership interests in subsidiaries							
Disposal/partial disposal of subsidiaries	—	(145.1)	—	(145.1)	(10,394.3)	(18,025.6)	(28,565.0)
Total transactions with owners	—	(5,128.5)	(73.8)	(5,202.3)	(13,334.3)	(18,602.0)	(37,138.6)
At 30 June 2024	78,382.1	95,327.4	6,122.4	179,831.9	36,280.5	8,776.4	224,888.8

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 HK\$m	2024 HK\$m
Cash flows from operating activities			
Net cash generated from operations	43(a)	15,725.6	12,083.7
Hong Kong profits tax paid		(622.0)	(604.7)
Mainland China and overseas taxation paid		(3,187.6)	(3,541.7)
Net cash from operating activities before net purchases of financial assets in relation to insurance business		11,916.0	7,937.3
Purchases of financial assets in relation to insurance business		—	(29,287.9)
Disposal of financial assets in relation to insurance business		—	21,688.1
Net purchase of financial assets in relation to insurance business		—	(7,599.8)
Net cash from operating activities		11,916.0	337.5
Cash flows from investing activities			
Interest received		366.9	1,766.9
Dividends received from			
Joint ventures		66.7	589.7
Associated companies		4.3	98.2
Financial assets at FVOCI and financial assets at fair value through profit or loss ("FVPL")		—	45.7
Additions of investment properties, property, plant and equipment and intangible assets		(4,211.1)	(4,824.6)
Increase in interests in/advances to joint ventures		(886.1)	(410.1)
(Increase)/decrease in interests to associated companies		(284.3)	288.4
Increase in short-term bank deposits maturing after more than three months		—	(792.7)
Purchase of financial assets at FVOCI and financial assets at FVPL		(446.9)	(2,111.1)
Purchase of financial assets at amortised cost		—	(49.9)
Decrease/(increase) in other non-current assets		294.4	(1,222.9)
Proceeds from disposal/partial disposal of			
Joint ventures		887.3	2.0
Financial assets at amortised cost		—	39.0
Financial assets at FVOCI and financial assets at FVPL		1,452.1	1,318.5
Disposal groups held for sale		1,570.2	—
Investment properties and property, plant and equipment		1,949.4	4,587.1
Subsidiaries (net of cash and cash equivalents)	43(d)	1,030.8	7,163.6
Net cash from investing activities		1,793.7	6,487.8

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 HK\$m	2024 HK\$m
Cash flows from financing activities			
Issue of fixed rate bonds		3,089.9	—
Redemption of fixed rate bonds and notes payable		(1,375.9)	(9,486.1)
Drawdown of bank and other loans		12,405.0	29,936.1
Repayment of bank and other loans		(19,921.5)	(34,729.7)
Repayment of financing received under a financial reinsurance arrangement		—	(28.5)
Increase in loans from non-controlling shareholders		11.1	22.7
Principal elements of lease liabilities payments		(395.8)	(679.7)
Increase in cash collateral received from counterparties		—	21.2
Decrease in restricted bank balances		190.1	663.5
Contributions from non-controlling interests		230.0	32.4
Interest paid		(7,554.9)	(8,972.0)
Dividends paid to shareholders of the Company		—	(5,259.7)
Dividends paid to non-controlling shareholders		(177.7)	(608.8)
Repurchase of perpetual capital securities		(846.8)	(580.5)
Distribution to holders of perpetual capital securities		(1,244.0)	(2,138.8)
Payments to acquire additional interest in a subsidiary		(138.7)	—
Net cash used in financing activities		(15,729.2)	(31,807.9)
Net decrease in cash and cash equivalents		(2,019.5)	(24,982.6)
Cash and cash equivalents at beginning of the year		25,951.6	52,539.3
Translation differences		358.1	(1,605.1)
Cash and cash equivalents at end of the year		24,290.2	25,951.6
Analysis of cash and cash equivalents			
Cash at banks and on hand	31	18,137.5	17,065.3
Short-term bank deposits maturing within three months	31	6,152.7	8,801.3
Cash and bank balances of subsidiaries reclassified as non-current assets classified as assets held for sale	32	—	85.0
		24,290.2	25,951.6

Notes to the Financial Statements

1 GENERAL INFORMATION

New World Development Company Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The address of its registered office is 30/F, New World Tower, 16-18 Queen’s Road Central, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company and its subsidiaries (together the “Group”) are principally engaged in property development and investment, construction, hotel operations, and other businesses (including department store and other strategic businesses).

These consolidated financial statements have been approved by the Board of Directors on 26 September 2025.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5 below.

(a) Adoption of new standard and amendments to standards

The Group has adopted the following new and amendments to standards which are relevant to the Group’s operations and are mandatory for the financial year ended 30 June 2025:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(b) New standard, amendments to standards and interpretations which are not yet effective

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

Amendments to HKAS 21	Lack of Exchangeability
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 18	Presentation and Disclosure in Financial Statements
HKFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRSs – Volume 11

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

(c) Going concern basis

For the year ended 30 June 2025, the Group incurred a net loss of HK\$16,356.6 million. The Group's financial position was adversely affected by the market downturn, unfavourable movement in Renminbi, interest rate remaining at a high level, and consumer caution amidst uncertainties in Hong Kong and Mainland China. These factors resulted in lower property sales volumes and margins, higher finance costs, and declines in both the net realisable value of development properties and the fair value of investment properties. In December 2024, in anticipation of potential non-compliance of a financial covenant of certain bank borrowings, the Group obtained written waivers from strict compliance from the relevant lenders. In order to manage the Group's liquidity position, the Group commenced negotiation with lenders to refinance certain bank and other borrowings.

On 30 June 2025, the Group successfully (a) refinanced certain of its existing offshore unsecured financial indebtedness, including bank loans, through a new refinancing term loan facility (the "New Bank Facility") entered into by the Company, certain subsidiaries and the relevant bank creditors; and (b) aligned its other existing offshore unsecured bank loans with the terms of the New Bank Facility (the "Aligned Bank Facilities"). Together the New Bank Facility and Aligned Bank Facilities cover approximately HK\$88.2 billion of the Group's existing unsecured offshore financial indebtedness as at 30 June 2025. Their terms, including financial covenants and security interests granted over certain of the Group's assets, provided the Group with more flexibility to manage its ongoing business and financial needs. The New Bank Facility consists of multiple tranches with different maturities, the earliest maturity date which falls on 30 June 2028. As a result of the refinancing, as at 30 June 2025, among the Group's total borrowings and other interest bearing liabilities of HK\$150,936.1 million, HK\$6,994.0 million is due within 12 months from 30 June 2025. Majority of the Group's borrowings of HK\$143,942.1 million are due from the financial year ending 30 June 2027 and beyond. Details of the borrowings and other interest bearing liabilities were set out in notes 4(c) and 36.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(c) Going concern basis (continued)

Despite of the successful refinancing, in view of the abovementioned circumstances, in preparing the consolidated financial statements for the year ended 30 June 2025, the Directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least 12 months from 30 June 2025, taking into account the following plans and measures:

- (i) The Group will continue to actively arrange for the sales and pre-sale activities to respond to market changes, capture demands and generate cash inflow, including implementation of its sales plans and measures to achieve its budgeted sales and pre-sales volumes and amounts, and to speed up the collection of sales proceeds;
- (ii) The Group will continue to actively execute its assets disposal plan including identifying potential buyers or seeking other opportunities for the realisation of certain assets, including but not limited to property projects and investments, to reduce its debt and finance cost;
- (iii) As at 30 June 2025, the Group was in active dialogue with certain lenders regarding a banking facility, of which an amount of HK\$7.8 billion was committed by the lender, to be secured by a first ranking mortgage over the Group's property known as "Victoria Dockside" (which comprises five major components, namely "K11 ARTUS", "K11 ATELIER", "K11 MUSEA", Rosewood Hong Kong and certain carparks) and assets that are related to Victoria Dockside. Subsequent to 30 June 2025, a term loan facility of HK\$5.9 billion with an initial committed tranche of up to HK\$3.95 billion has been granted (note 46). The Group retains the ability to use Victoria Dockside as security to obtain other additional financing to support its ongoing business needs. The Group will further proceed and conclude the remaining bank facilities with lenders as and when funding is required. Based on its understanding and ongoing communication with the lenders, and the availability and adequacy of security, the Group is confident that such facilities will be available as and when needed;
- (iv) Subsequent to the year end, on 22 August 2025, the Group elected to defer distributions on an additional series of its perpetual securities, in addition to those for which distributions were deferred during the year. The Group will continue to monitor its financial position and cashflow in determining distribution decisions and will consider different ways to strengthen its capital base and enhance liquidity;
- (v) The Group will continue to monitor compliance with financial covenants across all borrowings through robust oversight and reporting. To optimise operations, reduce leverage and strengthen the capital structure, the Group is evaluating the long-term prospects of its significant investments. While no definitive plan or proposals has been approved, any potential transactions will be carefully assessed for their impact on financial covenant compliance, and appropriate mitigation actions will be identified and implemented before any decision is finalised. If potential non-compliance is anticipated, the Group will proactively engage with lenders to renegotiate terms or seek waivers to mitigate risks, with confidence that these efforts would be successful.

Notwithstanding the above, whether the Group is able to achieve its plans and measures as described above, which incorporate management's judgement, at a particular point in time, about inherent uncertain outcome of future events and conditions. The directors of the Company, in making assessment and identifying whether there is any material uncertainty, have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 30 June 2025 and are of the opinion that, in the absence of unforeseeable circumstances, considering the successful implementation of the above-mentioned plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, the Group will be able to meet its financial obligations as and when they fall due within twelve months from 30 June 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted for the presentation of the consolidated financial statements, which have been consistently applied to all the year presented are set out as below:

(a) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 30 June.

(i) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement at the acquisition date. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. There is a choice, on the basis of each acquisition to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amount of acquiree's identifiable net assets. If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated income statement.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree at the date of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this consideration is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated income statement. The fair value is the carrying amount for the purposes of subsequently accounting for the retained interest as associated companies, joint ventures or financial assets. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement or transferred to another category of equity as specified/ permitted by applicable HKFRS Accounting Standards.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(i) **Subsidiaries** (continued)

In the Company's statement of financial position, interests in subsidiaries are stated at cost less impairment losses. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the interests in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(ii) **Joint arrangements**

Under HKFRS 11 "Joint Arrangements", investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations each investor has.

(1) *Joint ventures*

The Group recognises its interests in joint ventures using equity method of accounting. Interests in joint ventures are stated in the consolidated financial statements at cost (including goodwill on acquisition) plus the share of post-acquisition results and movements in other comprehensive income less provision for impairment losses. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired joint ventures at the date of acquisition.

The Group's interests in joint ventures include the loans and advances to the joint ventures which, in substance, form part of the Group's net investments in the joint ventures. The loans and advances to the joint ventures are a form of commercial arrangement between the parties to the joint ventures to finance the development of projects and viewed as means by which the Group invests in the relevant projects. These loans and advances have no fixed repayment terms and will be repaid when the relevant joint venture has surplus cash flow. Please refer to note 3(i) for the impairment of loans and advances to joint ventures.

The share of post-acquisition results and other comprehensive income is based on the relevant profit sharing ratios which vary according to the nature of the joint ventures set out as follows:

- (a) **Equity joint ventures/joint ventures in wholly foreign owned enterprises**
Equity joint ventures/joint ventures in wholly foreign owned enterprises are joint ventures in respect of which the capital contribution ratios of the venturers are defined in the joint venture contracts and the profit sharing ratios and share of net assets of the venturers are in proportion to the capital contribution ratios.
- (b) **Co-operative joint ventures**
Co-operative joint ventures are joint ventures in respect of which the profit sharing ratios of the venturers and share of net assets upon the expiration of the joint venture periods are not in proportion to their capital contribution ratios but are as defined in the joint venture contracts.
- (c) **Companies limited by shares**
Companies limited by shares are limited liability companies in respect of which each shareholder's beneficial interests therein is in accordance with the amount of the voting share capital held thereby.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(ii) Joint arrangements (continued)

(1) Joint ventures (continued)

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investments in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

For equity accounting purpose, accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company's interests in joint ventures are stated at cost less provision for impairment losses. The results of joint ventures are accounted for by the Company on the basis of dividend received and receivable.

(2) Joint operations

The assets that the Group has the rights and the liabilities that the Group has the obligations in relation to the joint operations are recognised in the consolidated statement of financial position on an accrual basis and classified according to the nature of the item. The share of expenses that the Group incurs and its share of income that it earns from the joint operations are included in the consolidated income statement.

(iii) Associated companies

An associated company is a company other than a subsidiary and a joint venture, in which the Group has significant influence, but not control, exercised through representatives on the board of directors.

The Group's interests in associated companies include the loans and advances to the associated companies which, in substance, form part of the Group's interests in the associated companies. The provision of loans and advances to the associated companies are a form of commercial arrangement between the parties to the associated companies to finance the development of projects and viewed as a means by which the Group invests in the relevant projects.

Interests in associated companies are accounted for by the equity method of accounting and are initially recognised at cost. The Group's interests in associated companies include goodwill (net of any accumulated impairment loss) identified on acquisition. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired associated companies at the date of acquisition. The interests in associated companies also include long-term receivables that, in substance, form part of the Group's net investments in the associated companies. Please refer to note 3(i) for the impairment of long-term receivables.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (continued)

(iii) **Associated companies** (continued)

The Group's share of its associated companies' post-acquisition profits or losses is recognised in the consolidated income statement, and the share of post-acquisition movements in other comprehensive income is recognised in the consolidated statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses in an associated company equals or exceeds its interests in the associated company, including any other unsecured receivable, the Group does not recognise further losses, unless it has incurred legal and constructive obligations or made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interests in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. For equity accounting purpose, accounting policies of associated companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company's interests in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Company on the basis of dividend income received and receivable.

Gains or losses on deemed disposal on dilution arising from interests in associated companies are recognised in the consolidated income statement.

The cost of an associated company acquired in stages is measured as the sum of consideration paid for each purchase plus a share of investee's profits and other equity movements.

The Group ceases to use the equity method from the date an investment ceases to be an associated company that is the date on which the Group ceases to have significant influence over the associated company or on the date it is classified as held for sale.

(iv) **Transactions with non-controlling interests**

Non-controlling interests are the equity in a subsidiary which is not attributable, directly or indirectly, to a parent. The Group treats transactions with non-controlling interests (namely, acquisitions of additional interests and disposals of partial interests in subsidiaries that do not result in a loss of control) as transactions with equity owners of the Group. For purchases of additional interests in subsidiaries from non-controlling shareholders, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of partial interests to non-controlling shareholders are also recorded in equity.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Intangible assets

(i) Goodwill

Goodwill arising on acquisitions of subsidiaries is included in intangible assets. Goodwill arising on acquisitions of joint ventures and associated companies is included in interests in joint ventures and associated companies respectively and is tested for impairment as part of overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of all or part of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of testing for impairment. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

(ii) Trademarks

Separately acquired trademarks are initially recognised at initial cost. Trademarks acquired in a business combination are recognised at fair value at the date of acquisition. Trademarks have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives.

(iii) Operating right

Operating right primarily resulted from the acquisition of right to operate facilities rental and other businesses. Separately acquired operating rights are initially recognised at cost. Operating rights acquired in a business combination are initially recognised at fair value at the acquisition date.

Operating right is carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over the period of the operating right.

(iv) Other intangible assets

Other intangible assets mainly represent computer software. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to consolidated income statement on a straight-line basis over the assets' estimated useful lives or 3 to 5 years, whichever is shorter.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. For assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment properties that are carried at fair value, would continue to be measured in accordance with the policies set-out elsewhere in note 3.

A remeasurement loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative remeasurement loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement and the consolidated statement of comprehensive income.

(d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property comprises land held under operating leases are accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Property held by the lessee as a right-of-use asset for long-term rental yields or for capital appreciation or both is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is determined by professional qualified valuers on an open market value basis at the end of each reporting period. Changes in fair value are recognised in the consolidated income statement.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Investment properties (continued)

Property that is being constructed or developed for future use as investment property is stated at fair value.

Subsequent expenditure is included in the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to properties for/under development. The property's deemed cost for subsequent accounting as properties for/under development is its fair value at the date of change in use.

If an owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this property at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if the fair value of the property at the date of transfer which results in a reversal of the previous impairment loss, the write-back is recognised in the consolidated income statement.

For a transfer from properties for/under development or property held for sale to investment properties that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in the consolidated income statement. Transfers to investment properties shall be made when, and only when, there is a change in use. The inception of a lease to another party is generally an evidence of a change in use. A change in use has occurred is based on an assessment of all relevant facts and circumstances. The relevant facts include but not limited to the Group's business plan, financial resources and legal requirements.

(e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of assets. Subsequent costs are included in the carrying amount of the assets or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged in the consolidated income statement during the financial period in which they are incurred. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying value of an asset is greater than its estimated recoverable amount.

(i) Assets under construction

All direct costs relating to the construction of property, plant and equipment, including borrowing costs during the construction period are capitalised as the costs of the assets.

(ii) Depreciation

No depreciation is provided on assets under construction until such time when the relevant assets are completed and available for intended use. No depreciation is provided on freehold land.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings	20 to 40 years
Other assets	2 to 25 years

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (continued)

(iii) Gain or loss on disposal

The gain or loss on disposal of property, plant and equipment is determined by comparing the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statement.

(f) Impairment of investments in subsidiaries, joint ventures, associated companies and non-financial assets

Non-financial assets that have an indefinite useful life, for example goodwill, or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount. An impairment loss is recognised in the consolidated income statement for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and value in use. Impairment losses on goodwill are not reversed. For the purpose of assessing impairment, assets are grouped as CGUs for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment testing of the interests in subsidiaries, joint ventures or associated companies is required upon receiving dividends from these interests if the dividend exceeds the total comprehensive income of the subsidiaries, joint ventures or associated companies in the period the dividend is declared or if the carrying amount of the interest in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(g) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- (a) those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss); and
- (b) those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated income statement or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instruments at fair value through OCI.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Investments and other financial assets (continued)

(iii) Measurement

Except for trade debtors that do not have a significant financing component, at initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated income statement when the asset is derecognised or impaired. Interest income from these financial assets is recognised in the consolidated income statement using the effective interest method.

(b) Financial assets at fair value through other comprehensive income ("FVOCI")

Assets that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the consolidated income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated income statement. Interest income from these financial assets is recognised in the consolidated income statement using the effective interest method. Foreign exchange gains and losses and impairment loss are presented in "other gains/losses, net".

(c) Financial assets at fair value through profit or loss ("FVPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the consolidated income statement and presented net in the period in which it arises.

Equity instruments

The Group subsequently measures all investments in equity instruments at fair value. Where the Group's management has elected to present fair value gains and losses on investments in equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated income statement following the derecognition of the investments. Dividends from such investments continue to be recognised in the consolidated income statement when the Group's right to receive payments is established.

Changes in the fair value of investments in equity instruments at FVPL are recognised in the consolidated income statement. Investments in equity instruments at FVOCI are not subject to impairment assessment.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Derivative financial instruments and hedging activities

A derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently remeasured at its fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges) or the changes in fair value of recognised assets or liabilities (fair value hedges).

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedges items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 22. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that quantity for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised in OCI and accumulated in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised in OCI and accumulated in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in OCI and accumulated in the cash flow hedge reserve within equity.

Amounts accumulated in equity are transferred to the consolidated income statement in the periods when the hedged item affects profit or loss. Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of such asset. The deferred amounts are ultimately recognised in consolidated income statement as the hedged item affects profit or loss. The gain or loss relating to the effective portion of the hedging instrument is recognised in the consolidated income statement at the same time as the expense on the hedged items.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that were reported in equity are immediately reclassified to the consolidated income statement.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Derivative financial instruments and hedging activities (continued)

Cash flow hedges that qualify for hedge accounting (continued)

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness may occur due to:

- the credit/debit value adjustment on the hedging instrument which is not matched by the hedged item; and
- differences in critical terms between the hedged item and hedging instrument.

Fair value hedges

Change in the fair value on hedging instrument is recognised in OCI when the hedged item is an equity instrument for which the Group has elected to present changes in fair value in OCI.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the consolidated income statement.

(i) Impairment of financial assets

The Group's financial assets measured at amortised cost, including trade and other debtors, deposits, retention receivables for contract works, amounts due from associated companies, amounts due from joint ventures and amounts due from non-controlling shareholders, cash and bank balances, and other debt instruments at FVOCI as well as contract assets are subject to expected credit loss model under HKFRS 9 "Financial Instruments" ("HKFRS 9").

For trade debtors, retention receivables and contract assets, the Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision.

For all other instruments, the Group measures the loss allowance equal to 12-month expected credit loss, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime expected credit loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 4(b) details how the Group determines whether there has been a significant increase in credit risk.

(j) Properties for/under development

Properties for/under development comprise leasehold land and land use rights, development expenditure and borrowing costs capitalised, and are carried at the lower of cost and net realisable value. Net realisable value takes into account the proceeds ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to complete. Upon completion, the properties are transferred to properties held for sale. Properties under development included in the current assets are expected to be realised in, or is intended for sale in the Group's normal operating cycle.

(k) Properties held for sale

Properties held for sale are initially measured at the carrying amount of the property at the date of reclassification from properties under development. Subsequently, properties held for sale are carried at the lower of cost and net realisable value. Net realisable value is determined by reference to management estimates based on prevailing market conditions.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the weighted average basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(m) Trade and other debtors

Trade and other debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other debtors is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Details of impairment of trade debtors is disclosed in note 3(i).

(n) Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net contract asset or a net contract liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the cumulative revenue recognised in the consolidated income statement exceeds cumulative payments made by customers. Conversely, the contract is a liability and recognised as contract liabilities if the cumulative payments made by customers exceeds the revenue recognised in the consolidated income statement.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of trade debtors as described in notes 3(i) and 4(b). Contract liabilities are recognised as revenue when the Group transfers the goods or services to the customers and therefore satisfies its performance obligation.

The incremental costs of obtaining a contract with a customer are capitalised and presented as contract related assets, if the Group expects to recover those costs, and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. The Group recognises an impairment loss in the consolidated income statement to the extent that the carrying amount of the contract related assets recognised exceeds the remaining amounts of consideration that the Group expects to receive less the costs that directly relate to those goods or services and have not been recognised as expenses.

(o) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities in the consolidated statement of financial position.

(p) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Perpetual capital securities

Perpetual capital securities with no contractual obligation to repay its principal or to pay any distribution are classified as part of equity.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow of resources will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow of resources with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(t) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability, other than that assumed in a business combination, is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(u) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group, joint ventures and associated companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Current and deferred income tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(v) Borrowings and other interest-bearing liabilities

Borrowings and other interest-bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Borrowings and other interest-bearing liabilities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement or capitalised as stated in note 3(y) over the period of the borrowings using the effective interest method.

Borrowings and other interest-bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(w) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, allowances for credit and other revenue reducing factors after eliminating sales within the Group.

Revenue is recognised when it is probable that future economic benefits will flow to the Group and specific criteria for each of the activities have been met. Estimates are based on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

(i) Rental

Rental income is recognised in the consolidated income statement on a straight-line basis over the lease term.

(ii) Property sales

Revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. If properties have no alternative use to the Group contractually and the Group has an enforceable right to payment from the customers for performance completed to date, the Group satisfies the performance obligation over time and therefore, recognises revenue over time in accordance with the input method for measuring progress. Otherwise, revenue is recognised at a point in time when the customer obtains control of the completed property.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

(iii) Construction revenue

Revenue from construction service contract is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation using input method.

(iv) Service fee income

Property and facilities management service fees and property letting agency fee are recognised over time and at a point in time respectively when services are rendered.

(v) Sales of goods

Income from sales of goods is recognised at a point in time when the goods are delivered to customers and title has passed.

(vi) Hotel operations

Revenue from hotel and restaurant operations is recognised upon provision of the services.

(vii) Department store operations

Revenue from sale of goods to retail customers is recognised when the Group sells the product to the customers and the revenue from sale of goods to wholesalers is recognised when control of the products has transferred, being when the products are delivered to the wholesaler. The Group recognises commission income from concessionaire sales upon sale of goods.

Payments received in advance that are related to sales of goods or provision of services not yet delivered to customers are deferred and recognised as contract liabilities. Revenue is recognised when goods or services are delivered to customers.

Marketing or promotional offer made to customers at the time of the sale of goods is a separate performance obligation, and the likelihood of settlement of the outstanding performance obligation must be estimated and allocated to the consideration received.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

(viii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues to unwind the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(ix) Dividend income

Dividend income is recognised when the right to receive payment is established.

(x) Leases

The Group leases various land, office buildings and premises. Rental contracts are made for a range of fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Leases (continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.

Some leases contain variable payment terms that are linked to sales generated. Variable lease payments that depend on sales are recognised in the consolidated income statement in the period in which the condition that triggers those payments occurs. Most leases are subject to fixed payments.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

(y) Borrowing cost

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on forward currency rates at the inception of the borrowings.

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined on a cumulative basis based on the cumulative amounts of interest expenses that would have been incurred had the entity borrowed in its functional currency. The total amount of foreign exchange differences capitalised cannot exceed the amount of total net foreign exchange differences incurred on a cumulative basis at the end of the reporting period.

(z) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Bonus plans

Provision for bonus plans are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans, including the Mandatory Provident Fund ("MPF") Scheme and employee pension schemes established by municipal government in The People's Republic of China ("PRC") are expensed as incurred. Contributions are reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions, where applicable.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(z) Employee benefits (continued)

(iv) Defined benefit plans

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the consolidated income statement.

(v) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the date of grant, excluding the impact of any non-market vesting conditions. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

On lapse of share options according to the plan, corresponding amount recognised in employees' share-based compensation reserve is transferred to retained profits.

The grant by the Company of options over its equity instruments to the employees of subsidiary in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, with a corresponding credit to equity in the parent entity accounts.

(aa) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar, which is the Company's functional and presentation currency.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(aa) Foreign currencies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates ruling at the end of the reporting period are recognised in the consolidated income statement.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the consolidated income statement as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in the consolidated statement of comprehensive income.

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) assets and liabilities for each consolidated statement of financial position presented are translated at the exchange rate ruling at the date of that consolidated statement of the financial position;
- (2) income and expenses for each consolidated income statement are translated at the average exchange rate during the period covered by the consolidated income statement; and
- (3) all resulting translation differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate ruling at the end of the reporting period.

(iv) Disposal of foreign operation and partial disposal

On the disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the translation differences accumulated in equity in respect of that operation attributable to the equity holders of the company are reclassified to the consolidated income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated translation differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement. For all other partial disposals (that is, reductions in the Group's ownership interest in associated companies or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated translation difference is reclassified to the consolidated income statement.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(ab) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Board of Directors of the Company has appointed an Executive Committee which assess the financial performance and position of the Group, and makes strategic decisions. The Executive Committee, which has been identified as being the chief operating decision-maker, consists of executive directors of the Company.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, investment properties, intangible assets, financial assets at FVOCI, financial assets at FVPL, properties for development, other non-current assets, properties under development, properties held for sale, inventories, receivables and non-current assets classified as assets held for sale and exclude interests in joint ventures and associated companies, derivative financial instruments, deferred tax assets, restricted bank balances and cash and bank balances. Segment liabilities comprise operating liabilities and exclude items such as current tax payable, deferred tax liabilities and borrowings.

(ac) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the financial period when the dividends are approved by the Company's shareholders/directors, where appropriate.

(ad) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

(ae) Deferred Income

Deferred income is included in both current and non-current liabilities and is credited to the consolidated income statement on a straight-line basis over the concession periods.

(af) Non-controlling interests

Non-controlling interests are the equity in a subsidiary which is not attributable, directly or indirectly, to a parent. The Group treats transactions with non-controlling interests (namely, acquisitions of additional interests and disposals of partial interests in subsidiaries that do not result in a loss of control) as transactions with equity owners of the Group. For purchases of additional interests in subsidiaries from non-controlling shareholders, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of partial interests to non-controlling shareholders are also recorded in equity.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group has centralised treasury function for all of its subsidiaries except for listed subsidiaries which arrange their financial and treasury affairs on a stand-alone basis and in a manner consistent with the overall policies of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group's operations are mainly in Hong Kong and Mainland China. Entities within the Group are exposed to foreign exchange risk from future commercial transactions and monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates and will consider to enter into foreign exchange forward contracts and foreign exchange swaps to reduce the exposure should the need arises.

During the year, the results and financial position of the Group's operations in Mainland China having Renminbi as their functional currency fluctuated against the Hong Kong dollar. This gave rise to an unrealised gain of approximately of HK\$1,744.5 million (2024: loss of HK\$1,001.9 million) on translation of these operations' net assets to the Group's Hong Kong dollar reporting currency, including the Group's share of the translation gains and losses of associates and joint ventures. This unrealised gain/loss was reflected as a movement in other reserves under the heading of exchange fluctuation reserve. If Renminbi had strengthened/weakened by 2.5% (2024: 2.5%) against Hong Kong dollar with all other variables unchanged, the Group's total equity would have been HK\$1,925.8 million (2024: HK\$2,454.3 million) higher/lower.

At 30 June 2025, the Group's entities with functional currency of Hong Kong dollar had aggregate United States dollar net monetary liabilities of HK\$14,556.8 million (2024: HK\$8,878.5 million). Under the Linked Exchange Rate System in Hong Kong, Hong Kong dollar is pegged to the United States dollar, management therefore considers that there are no significant foreign exchange risk with respect to the United States dollar.

At 30 June 2025, the Group's entities with functional currency of Hong Kong dollar had aggregate Renminbi net monetary assets of HK\$2,139.0 million (2024: HK\$2,402.2 million). If Hong Kong dollar had strengthened/weakened by 5% (2024: 5%) against Renminbi with all other variables unchanged, the Group's loss before taxation would have been HK\$106.9 million (2024: HK\$120.1 million) lower/higher.

At 30 June 2025, the Group's entities with functional currency of Renminbi had aggregate United States dollar net monetary assets of HK\$35.3 million (2024: HK\$13.6 million). If Renminbi had strengthened/weakened by 5% (2024: 5%) against United States dollar with all other variables unchanged, the Group's loss before taxation would have been HK\$1.8 million (2024: HK\$0.7 million) lower/higher.

At 30 June 2025, the Group's entities with functional currency of Renminbi had aggregate Hong Kong dollar net monetary liabilities of HK\$849.1 million (2024: HK\$816.6 million). If Renminbi had strengthened/weakened by 5% (2024: 5%) against Hong Kong dollar with all other variables unchanged, the Group's loss before taxation would have been HK\$42.5 million (2024: HK\$40.8 million) higher/lower.

This sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period from the end of the reporting period until the end of next reporting period. There are no other significant monetary balances held by group companies at 30 June 2025 and 2024 that are denominated in a non-functional currency. Currency risks as defined by HKFRS 7 "Financial Instruments: Disclosures" ("HKFRS 7") arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency, differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. The Group's interest bearing assets on a floating rate basis mainly include deposits at bank and amounts due from joint ventures and associated companies. The Group's floating rate borrowings will be affected by fluctuation of prevailing market interest rates and will expose the Group to cash flow interest rate risk. The Group's borrowings issued at fixed rates exposed the Group to fair value interest rate risk.

The Group is also exposed to fair value interest risk mainly in relation to the financial assets at FVOCI (debt instruments) and derivative financial instruments. Fair value interest rate risk is the risk that the fair value of the future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

To mitigate the risk, the Group has maintained an appropriate mix of fixed and floating rate interests. To match with underlying risk faced by the Group, the level of fixed rate instrument for the Group is decided after taking into consideration the potential impact of higher interest rates on the consolidated income statement, interest cover and the cash flow cycles of the Group's businesses and investments. Variance interest bearing financial assets and liabilities are mainly subject to an interest repricing risk of one year or below.

If interest rates had been 100 basis points (2024: 100 basis points) higher/lower with all other variables held constant, the Group's loss before taxation would have been HK\$244.1 million higher/lower (2024: HK\$116.7 million). The sensitivity analysis has been determined assuming that the change in rates had occurred throughout the year and had been applied to the exposure to interest rate risk for financial instruments in existence at the end of the reporting period. The 100 basis points (2024: 100 basis points) increase or decrease represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group over the period until the end of next reporting period. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments. As a consequence, they are included in the calculation of profit before taxation sensitivities.

(iii) Price risk

The Group is exposed to securities price risk arising from the listed and unlisted investments held by the Group. Gains or losses arising from changes in the fair value of financial assets at FVOCI and financial assets at FVPL are dealt with in equity and the consolidated income statement respectively. The performance of the Group's listed and unlisted investments are monitored regularly, together with an assessment of their relevance to the Group's strategic plans. The Group is also exposed to other price risk arising from fair value of certain interest rate swaps which is determined based on the in-house indexes of banks. Changes in fair value of these interest rate swaps are dealt with in the consolidated income statement. The Group is not exposed to commodity price risk.

At 30 June 2025, if the price of listed and unlisted investments in financial assets at FVOCI had been 25% (2024: 25%) higher/lower with all other variables held constant, the Group's financial assets at FVOCI reserve would have been HK\$582.8 million (2024: HK\$575.9 million) higher/lower. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

At 30 June 2025, if the price of listed and unlisted investments in financial assets at FVPL had been 25% (2024: 25%) higher/lower with all other variables held constant, the Group's loss before taxation would have been HK\$1,239.3 million (2024: HK\$1,781.7 million) higher/lower. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months and assumed no impact from overlay approach adjustments.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)

(b) Credit risk

The credit risk of the Group mainly arises from trade and other receivables, contract assets, other non-current assets, balances receivable from investee companies, joint ventures and associated companies, deposits with banks, and debt instruments at FVOCI.

The Group considers the probability of default from initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis by close monitoring against established credit policies in each of its core business. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the assets, generally on individual basis, as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. The following indicators are generally incorporated:

- external credit rating (if any);
- average default rate by independent external parties;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties' ability to meet their obligations; and
- significant actual and expected changes in the performance and behaviour of the counterparties, including changes in the payment status of counterparties in the Group and changes in the operating results of the counterparties.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. Financial assets are considered to be credit-impaired and written off when there is no reasonable expectation of recovery.

For trade debtors, retention receivables and contract assets in relation to provision of services, expected credit loss allowance has been provided under lifetime expected credit loss assessment with reference to the historical credit loss experience with counterparties and ageing analysis, adjusted for forward-looking factors specific to the counterparties and the economic environment.

For trade debtors in relation to property sales, the Group normally receives deposits or progress payments from individual customers and possesses the control of the property unit prior to the completion of sales transaction. Taking into account the historical settlement of contractual payment and forward-looking factors, management considered the lifetime expected credit loss surrounding property sales receivables is immaterial.

For trade debtors in relation to rental income, the Group carries out regular review on these balances and follow-up action on any overdue amounts to minimise exposures to credit risk. The Group measures the lifetime expected credit losses based on the outstanding balances with debtors, offset with the deposit placed to the Group by the counterparties or the assets held by the counterparties expected to be frozen by the court for confiscation, and historical credit loss experience adjusted by the current and forecast economic conditions that may affect the ability of the counterparties to settle receivables.

There is no concentration of credit risk with respect to trade debtors and contract assets from third party customers as the customer bases are widely dispersed in different sectors and industries.

In assessing expected credit loss of contract assets, judgement has been applied in determining the level of provision for lifetime expected credit loss, taking into account the counter party risk and value of the underlying lease. While the loss allowance is considered appropriate, changes in estimation basis or in economic conditions could lead to a change in the level of loss allowance recorded and consequently on the charge of credit to profit or loss.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)

(b) Credit risk (continued)

For mortgage loans receivables, similar to other financial institutions, credit assessments are part of the normal process before approving loans to applicants. Regular review is carried out and stringent monitoring procedures are in place to deal with overdue debts. At the end of each reporting period, the Group reviews the recoverable amount of each individual receivable, taking into account the historical settlement of contractual payments and forward-looking factors under general approval, to ensure that adequate provisions for impairment are made for irrecoverable amounts, if any.

Impairment on financial assistance provided to investee companies, joint ventures and associated companies, other debtors and other non-current assets such as loans receivables, is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition, through the management's critical assessment on the recoverable amounts based on underlying assets, historical repayment pattern, the actual and expected changes in business performance and general market default rate. If a significant increase in credit risk of a receivable has occurred since initial recognition, then loss allowance is measured as lifetime expected credit losses.

In addition, the Group monitors the exposure to credit risk in respect of the financial assistance provided to investee companies, associated companies and joint ventures through exercising joint control or influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis. The Group determines the probability of default and recovery rate based on the underlying financial information, the actual and expected changes in business performance and general market default and recovery rate. The Group has also considered the forward-looking information by incorporating a set of different economic scenarios.

Deposits with banks mainly placed with high-credit-quality financial institutions and are considered to be of low credit risk. For debt securities, the Group maintain a balanced debt securities portfolio to meet both short-term and long-term financial objectives.

The Group provides guarantees to banks in connection with certain property purchasers' borrowing of mortgage loans to finance their purchase of the properties until the issuance of the official property title transfer certificates by the relevant authority in Mainland China. If a purchaser defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the purchaser's deposit and sell the property to recover any amounts paid by the Group to the bank. Therefore the Group's credit risk is significantly reduced. Nevertheless, the net realisable values of the relevant properties are subject to the fluctuation of the property market in general, the Group assesses at the end of each reporting period the liabilities based on the current estimates of future cash flows. As at 30 June 2025 and 2024, no provision on the above guarantees to banks had been made in the consolidated financial statements.

The maximum exposure to credit risk is represented by the carrying amounts of financial assets in the consolidated statement of financial position after deducting any loss allowance.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management involves managing the profile of debt maturities and funding sources, maintaining sufficient cash and marketable securities, and ensuring the availability of funding from an adequate amount of committed credit facilities, renewal of loan facilities upon maturity and the ability to close out market positions so as to mitigate liquidity risk. It is the Group's policy to actively and continuously monitor current and expected liquidity requirements, ensuring adequate funding is available for operating, investing and financing activities by performing cash flow forecast at least for the next twelve months of the Group by considering different plans and measures as stated in note 2(c). The Group will consider different ways to strengthen our capital base and enhance liquidity.

The Group maintains adequate flexibility to respond to opportunities and events by ensuring that committed credit lines are available to meet future funding requirements. The Group also maintains adequate undrawn committed credit facilities to further reduce liquidity risk in meeting funding requirements (including financing for the Group's capital commitments as detailed in note 41(b)). The Directors of the Company are of the view that the Group has sufficient resources to meet the Group's commitments and liabilities as and when they fall due.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. Except for the liabilities related to unit-linked contracts where these unit-linked contracts typically include options for policyholders to surrender early, often subject to surrender or other penalties. The Group's investment related to unit-linked contracts are held to back the liabilities to the policyholders. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Carrying amount HK\$m	Total contractual undiscounted cash flow HK\$m	Within 1 year or on demand HK\$m	Over 1 year but within 5 years HK\$m	After 5 years HK\$m
At 30 June 2025					
Creditors and accrued charges	33,160.8	33,160.8	30,627.0	1,075.8	1,458.0
Short-term borrowings and other interest-bearing liabilities	474.0	533.8	533.8	—	—
Long-term borrowings and other interest-bearing liabilities	150,462.1	181,130.7	14,691.6	147,985.7	18,453.4
Lease liabilities	4,070.9	8,372.3	702.2	1,845.1	5,825.0
At 30 June 2024					
Creditors and accrued charges	31,058.9	31,058.9	28,566.2	1,058.3	1,434.4
Short-term borrowings and other interest-bearing liabilities	10,913.8	11,411.6	11,411.6	—	—
Long-term borrowings and other interest-bearing liabilities	145,636.1	168,361.0	37,481.8	105,878.5	25,000.7
Lease liabilities	4,402.5	5,492.8	682.9	1,972.9	2,837.0

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)**(c) Liquidity risk (continued)**

Derivative financial liabilities:

	Total contractual undiscounted cash flow HK\$m	Within 1 year or on demand HK\$m	Over 1 year but within 5 years HK\$m	After 5 years HK\$m
At 30 June 2025				
Derivative financial instruments (net settled)	(387.1)	0.1	(339.9)	(47.3)
At 30 June 2024				
Derivative financial instruments (net settled)	(174.8)	33.5	49.9	(258.2)

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group generally obtains long-term financing to on-lend or contribute as equity to its subsidiaries, joint ventures and associated companies to meet their funding needs in order to provide more cost efficient financing. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue or repurchase shares, raise new debt financing or sell assets to reduce debt.

The Group monitors capital on the basis of the Group's gearing ratio and makes adjustments to it in light of changes in economic conditions and business strategies. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total long-term and short-term borrowings and other interest-bearing liabilities (excluding loans from non-controlling shareholders) less cash and bank balances and restricted bank balances.

The gearing ratios were as follows:

	2025 HK\$m	2024 HK\$m
Consolidated total borrowings*	145,970.1	151,647.2
Less: cash and bank balances and restricted bank balances	(25,856.8)	(27,990.1)
Consolidated net debt	120,113.3	123,657.1
Total equity	206,736.9	224,888.8
Gearing ratio	58.1%	55.0%

* Excluding loans from non-controlling shareholders.

4 FINANCIAL MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)

(e) Fair value estimation

The Group's financial instruments that are measured at fair value are disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Management determined the fair value of these financial assets within level 2 and level 3 as follows:

- The fair value of forward starting swap contracts and forward exchange contracts is determined by discounting the contractual future cash flows. The discount rate used is derived from the relevant swap curve as at the reporting date with potential adjustment made for various collateralisation agreement when appropriate;
- The fair value of cross currency swap contracts is determined by discounting the contractual future cash flows. The exchange rate and discount rate used are derived from the relevant foreign exchange forward rates and swap curve as at the reporting date, with potential adjustment made for various collateralization agreement when appropriate;
- For investments in unlisted investment funds, management discussed with the respective fund managers to understand the performance of the underlying investments and fair value measurement basis conducted by the respective fund managers in order to evaluate whether the fair values as stated in the fund statements at the end of reporting period is appropriate;
- For investments in unlisted equity and debt instruments with recent transactions, management determined the fair value at the end of reporting period with reference to recent transaction prices of these financial assets; investments in bonds are classified as level 2 financial instruments if there was no active market for such investments;
- For investments in unlisted equity and debt instruments without recent transactions, management has established fair values of these investments by using appropriate valuation techniques such as discounted cash flow with the credit risk of the issuer taken into consideration for investments in bonds and the purchase price paid by the Group with consideration to the latest financial information, movement of market comparable/market indices and the latest business development of the investee companies, where applicable. Independent external valuer has been involved in determining the fair value, when appropriate.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)

(e) Fair value estimation (continued)

The carrying amounts of the financial instruments of the Group are as follows. See note 16 for disclosure relating to the investment properties which are measured at fair value.

Listed investments are stated at market prices. The quoted market price used for financial assets held by the Group is the bid price at the end of the reporting period. They are included in level 1.

Unlisted investments are stated at fair values which are estimated using other prices observed in recent transactions or valuation techniques when the market price is not readily available.

The fair value of long-term financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying values of bank balances, receivables, payables and short-term borrowings approximately their fair values due to the short-term maturities of these assets and liabilities.

The carrying amounts of mortgage loans receivables, which carry interest rates with reference to bank's lending rates, approximate their fair values that are determined based on the discounted cash flow projections with reference to the unobservable inputs, including lending rates from financial institutions, ranging from Hong Kong Prime rate minus 2.85% to Hong Kong Prime rate (2024: Hong Kong Prime rate minus 2.85% to Hong Kong Prime rate) per annum, and loan repayment pattern and dates over the terms not more than 30 years (2024: 30 years).

The following table presents the Group's financial instruments, including financial assets at FVOCI, financial assets at FVPL and derivative financial instruments, that are measured at fair value at 30 June 2025 and 30 June 2024:

As at 30 June 2025

	Level 1 HK\$m	Level 2 HK\$m	Level 3 HK\$m	Total HK\$m
Financial assets at FVOCI	263.4	2.3	2,065.8	2,331.5
Financial assets at FVPL	212.1	132.4	4,612.6	4,957.1
Derivative financial instruments				
Derivative financial assets	—	106.0	—	106.0
	475.5	240.7	6,678.4	7,394.6
Derivative financial instruments				
Derivative financial liabilities	—	(733.6)	—	(733.6)

As at 30 June 2024

	Level 1 HK\$m	Level 2 HK\$m	Level 3 HK\$m	Total HK\$m
Financial assets at FVOCI	292.4	2.3	2,008.9	2,303.6
Financial assets at FVPL	623.6	117.9	6,385.2	7,126.7
Derivative financial instruments				
Derivative financial assets	—	580.9	—	580.9
	916.0	701.1	8,394.1	10,011.2
Derivative financial instruments				
Derivative financial liabilities	—	(317.3)	—	(317.3)

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (CONTINUED)**(e) Fair value estimation (continued)**

The following table presents the changes/transfers in level 3 financial instruments for the year ended 30 June 2025 and 30 June 2024:

	Financial assets at FVOCI HK\$m	Financial assets at FVPL HK\$m
At 1 July 2024	2,008.9	6,385.2
Additions	—	447.0
Transfer to level 1 instruments	—	(46.0)
Transfer in/(out)	77.8	(36.0)
Net loss recognised in the consolidated statement of comprehensive income/income statement	(20.9)	(1,212.2)
Disposals	—	(925.4)
At 30 June 2025	2,065.8	4,612.6
	Financial assets at FVOCI HK\$m	Financial assets at FVPL HK\$m
At 1 July 2023	2,044.6	12,265.0
Additions	—	1,672.3
Transfer to level 1 instruments	—	(17.8)
Transfer in/(out)	88.9	(68.4)
Net loss recognised in the consolidated statement of comprehensive income/income statement	(60.2)	(174.8)
Disposals	(64.4)	(7,291.1)
At 30 June 2024	2,008.9	6,385.2

In determining the fair values of financial assets at FVOCI and financial assets at FVPL included in level 3:

- The fair value of financial assets relating to property investment industry of HK\$716.2 million (2024: HK\$753.5 million) will be determined with reference to the reported net asset value at the end of the reporting period;
- Majority of other level 3 financial instruments comprise investment funds, unlisted debt and equity instruments and derivative financial assets/(liabilities). Fair values of the investment funds are mainly determined based on the net asset value, representing the fair value of the funds reported by respective fund managers and relevant factors if deemed necessary. Fair value of unlisted debt and equity instruments is determined primarily based on the purchase price paid by the Group and taking into account of the analysis of the investees' financial position and results, risk profile, prospects, industry trend and other factors. Recent transaction prices, if any, are referenced or independent external valuer is involved, where appropriate, to determine the fair value.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

(a) Valuation of investment properties

The fair value of each completed investment property is individually determined at the end of each reporting period by independent valuers based on a market value assessment. The valuers have relied on the capitalisation of income approach as their primary methods, supported by the direct comparison method. Management also determines fair value based on active market prices and adjusted if necessary for any difference in nature, location or conditions of the specific asset, and uses alternative valuation methods such as recent prices on less active markets. These methodologies are based upon estimates of future results and a set of assumptions specific to each property to reflect its tenancy and cash flow profile. The fair value of each investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

The fair values of investment properties under development are determined by reference to independent valuations. For majority of the Group's investment properties under development, their fair value reflects the expectations of market participants of the value of the properties when they are completed, less deductions for the costs required to complete the projects and appropriate adjustments for profit and risk. The valuation and all key assumptions used in the valuation should reflect market conditions at the end of each reporting period. The key assumptions include value of completed properties, period of development, outstanding construction costs, finance costs, other professional costs, risk associated with completing the projects and generating income after completion and investors' return as a percentage of value or cost.

At 30 June 2025, if the market value of investment properties had been 5% (2024: 5%) higher/lower with all other variables held constant, the carrying value of the Group's investment properties would have been HK\$10,244.2 million (2024: HK\$10,385.6 million) higher/lower.

(b) Recoverability of properties for/under development and properties held for sale

The Group assesses the carrying amounts of properties for/under development and properties held for sale according to their estimated net realisable value based on the realisability of these properties, taking into account construction costs to completion based on the existing development plans and the estimation of selling prices of the properties of comparable locations and conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of significant estimates.

(c) Impairment of interests in joint ventures and associated companies

The Group determines whether interests in joint ventures and associated companies are impaired by regularly review whether there are any indicators of impairment of the investments by reference to the requirements under HKAS 28 (2011) "Investments in Associates and Joint Ventures" and HKAS 36 "Impairment of Assets".

For investments where impairment indicators exist, management estimated the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. The value in use of the underlying businesses is determined based on the discounted cash flow projections. Significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as revenue growth, unit price and discount rates. Independent external valuers were also involved in the fair value and value in use assessments, where appropriate. Based on the results of these impairment assessments, management concluded that the current level of impairment provision for the Group's interests in joint ventures and associated companies as at 30 June 2025 was appropriate.

For the measurement of expected credit losses of the amounts receivable from joint ventures and associated companies, please refer to note 4(b).

(d) Impairment of assets

The Group tests annually whether goodwill has suffered any impairment according to their recoverable amounts determined by the CGUs based on either fair value less cost of disposal or value in use calculations whichever is higher. These calculations require the use of estimates which are subject to change of economic environment in future. Details are set out in note 19.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of assets (continued)

Property, plant and equipment and right-of-use assets are regularly reviewed for impairment whenever there are any indications of impairment and will recognise an impairment loss if the carrying amount of an asset is higher than its estimated recoverable amount. The recoverable amounts of property, plant and equipment have been determined based on the higher of their fair values less costs of disposal and value in use, taking into account the latest market information and past experience.

In determining the value in use, management assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Estimates and judgements are applied in determining these future cash flows and the discount rate. Management estimates the future cash flows based on certain assumptions, such as market competition and development and the expected growth in business.

The Group assesses whether there is objective evidence as stated in note 3(i) that trade and other debtors, deposits, retention receivables for contract works, amounts due from associated companies, amounts due from joint ventures and amounts due from non-controlling shareholders, cash and bank balances, contract assets, and debt instruments at amortised cost are impaired.

(e) Fair value of financial assets at FVPL and financial assets at FVOCI

The fair value of financial assets at FVPL and financial assets at FVOCI that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and determine the fair values primarily based on the purchase price paid by the Group, net asset value and taking into account of the analysis of the investees' financial trends and results, risk profile, prospects, industry trends and other factors. Recent transaction prices, if any, are referenced and independent external valuer has been involved in determining fair value of certain unlisted investments. The key assumptions adopted on projected cash flow are based on management's best estimates.

(f) Estimate of revenue for construction contracts

For revenue from construction work that is recognised over time, the Group recognised such revenue by reference to the progress of satisfying the performance obligation at the reporting date. This is measured based on the Group's costs incurred up to the reporting date and budgeted costs which depict the Group's performance towards satisfying the performance obligation. Significant estimates and judgements are required in determining the accuracy of the budgets. In making the above estimation, the Group conducts periodic review on the budgets and makes reference to past experience and work of internal quantity surveyors.

(g) Judgement in preparation of cash flows projections

The preparation of the cash flow projections requires significant management judgement, including in determining the key assumptions that have the significant impact on the forecast of the business performance, timing, volume and amounts of sales or pre-sales of property projects and assets disposal, and the range of the reasonable outcomes of those assumptions.

(h) Distinction between property development projects, investment properties and owner-occupied properties

When the Group determines whether a property qualifies as an investment property, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process. Properties for/under development and properties held for sale are assets under development and held for sale in the ordinary course of business. The Group shall reclassify a property when, and only when, there is evidence of a change in use.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold or leased out separately, the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

(i) Judgement in determining the lease term for lease contracts with renewal option

The Group applies judgement to determine the lease term for lease contracts in which it is a lessee that include renewal option. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

6 REVENUES AND SEGMENT INFORMATION

Revenue recognised during the year are as follows:

	2025 HK\$m	2024 HK\$m
Revenues		
From continuing operations		
Property development	15,039.7	16,124.9
Property investment	5,055.3	5,197.2
Construction	3,506.9	9,388.7
Hotel operations	1,499.1	1,381.2
Others	2,579.5	3,690.2
Total from continuing operations	27,680.5	35,782.2
From discontinued operations		
Roads	—	1,108.9
Construction	—	7,043.5
Insurance	—	1,299.1
Others	—	1,163.7
Total from discontinued operations	—	10,615.2
Total	27,680.5	46,397.4

The Executive Committee of the Company, being the chief operating decision-maker, determines and reviews the Group's internal reporting in order to assess performance and allocate resources. The operating segments are determined based on the aforementioned internal reporting and are reviewed occasionally.

The Executive Committee considers the business from products and services perspectives, which comprises property development, property investment, construction, hotel operations and others (including facilities management, department store and other strategic businesses) segments.

The Executive Committee assesses the performance of the operating segments based on each segment's operating results. The measurement of segment results excludes the effects of unallocated items (including corporate expenses, corporate financing income and corporate financing costs). In addition, taxation is not allocated to segments.

Sales between segments are carried out in accordance with terms agreed by the parties involved.

6 REVENUES AND SEGMENT INFORMATION (CONTINUED)

	Property development HK\$m	Property investment HK\$m	Construction HK\$m	Hotel operations HK\$m	Others HK\$m	Consolidated HK\$m
For the year ended 30 June 2025						
Total revenues	15,039.7	5,167.8	3,579.7	1,499.1	2,873.6	28,159.9
Inter-segment	–	(112.5)	(72.8)	–	(294.1)	(479.4)
Revenues – external	15,039.7	5,055.3	3,506.9	1,499.1	2,579.5	27,680.5
Revenues from contracts with customers:						
– Recognised at a point in time	15,039.7	–	–	494.0	1,254.1	16,787.8
– Recognised over time	–	–	3,506.9	1,005.1	1,325.4	5,837.4
	15,039.7	–	3,506.9	1,499.1	2,579.5	22,625.2
Revenues from other source:						
– Rental income	–	5,055.3	–	–	–	5,055.3
	15,039.7	5,055.3	3,506.9	1,499.1	2,579.5	27,680.5
Segment results	5,274.8	3,196.6	(180.2)	(203.7)	(1,207.1)	6,880.4
Other (losses)/gains, net (note (a))	(7,955.7)	(355.2)	(2,598.9)	21.9	(2,186.3)	(13,074.2)
Changes in fair value of investment properties	–	(1,128.6)	–	–	–	(1,128.6)
	(2,680.9)	1,712.8	(2,779.1)	(181.8)	(3,393.4)	(7,322.4)
Unallocated items						
Corporate expenses						(961.0)
Financing income						700.2
Financing costs						(5,420.5)
						(13,003.7)
Share of results						
Joint ventures (note (b))	(1,445.3)	777.0	–	(155.6)	(6.7)	(830.6)
Associated companies	6.5	(7.8)	–	–	0.2	(1.1)
Loss before taxation						(13,835.4)
Taxation						(2,521.2)
Loss for the year						(16,356.6)
As at 30 June 2025						
Segment assets	98,997.5	210,009.1	14,490.1	9,018.9	18,686.5	351,202.1
Interests in joint ventures	21,500.4	6,163.8	–	2,683.8	1,838.1	32,186.1
Interests in associated companies	6,910.8	221.9	41.8	–	2,025.0	9,199.5
Unallocated assets						27,677.3
Total assets						420,265.0
Segment liabilities	31,368.4	5,195.6	189.4	1,176.0	6,407.2	44,336.6
Unallocated liabilities						169,191.5
Total liabilities						213,528.1
For the year ended 30 June 2025						
Additions to non-current assets (note (c))	59.0	4,635.0	685.8	34.1	346.4	5,760.3
Depreciation and amortisation	77.8	77.0	–	444.2	646.0	1,245.0
Impairment charge and provision	8,334.6	17.4	2,726.9	200.2	693.2	11,972.3

6 REVENUES AND SEGMENT INFORMATION (CONTINUED)

	Continuing operations						Discontinued operations					
	Property development HK\$m	Property investment HK\$m	Construction HK\$m	Hotel operations HK\$m	Others HK\$m	Subtotal HK\$m	Roads HK\$m	Construction HK\$m	Insurance HK\$m	Others HK\$m	Subtotal HK\$m	Consolidated HK\$m
For the year ended 30 June 2024												
Total revenues	16,266.4	5,270.0	9,478.5	1,381.2	4,376.2	36,772.3	1,108.9	7,167.7	1,299.1	1,171.2	10,746.9	47,519.2
Inter-segment	(141.5)	(72.8)	(89.8)	—	(686.0)	(990.1)	—	(124.2)	—	(7.5)	(131.7)	(1,121.8)
Revenues – external	16,124.9	5,197.2	9,388.7	1,381.2	3,690.2	35,782.2	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	46,397.4
Revenues from contracts with customers:												
– Recognised at a point in time	16,124.9	—	—	459.5	1,879.8	18,464.2	1,108.9	—	—	1,163.7	2,272.6	20,736.8
– Recognised over time	—	—	9,388.7	921.7	1,810.4	12,120.8	—	7,043.5	82.0	—	7,125.5	19,246.3
	16,124.9	—	9,388.7	1,381.2	3,690.2	30,585.0	1,108.9	7,043.5	82.0	1,163.7	9,398.1	39,983.1
Revenues from other source:												
– Rental income	—	5,197.2	—	—	—	5,197.2	—	—	—	—	—	5,197.2
– Insurance revenue	—	—	—	—	—	—	—	—	1,217.1	—	1,217.1	1,217.1
	—	5,197.2	—	—	—	5,197.2	—	—	1,217.1	—	1,217.1	6,414.3
	16,124.9	5,197.2	9,388.7	1,381.2	3,690.2	35,782.2	1,108.9	7,043.5	1,299.1	1,163.7	10,615.2	46,397.4
Segment results	5,782.5	3,409.2	(239.0)	(162.7)	(1,302.2)	7,487.8	501.0	332.9	2,297.3	234.8	3,366.0	10,853.8
Other (losses)/gains, net (note (a))	(3,539.9)	20.3	—	(1,208.8)	(250.1)	(4,978.5)	—	—	(1,910.4)	(313.9)	(2,224.3)	(7,202.8)
Gain on transfer to investment properties	—	2,237.2	—	—	—	2,237.2	—	—	—	—	—	2,237.2
Changes in fair value of investment properties	—	(3,145.6)	—	—	—	(3,145.6)	—	—	—	(48.4)	(48.4)	(3,194.0)
	2,242.6	2,521.1	(239.0)	(1,371.5)	(1,552.3)	1,600.9	501.0	332.9	386.9	(127.5)	1,093.3	2,694.2
Unallocated items												
Corporate expenses						(1,112.3)					(133.6)	(1,245.9)
Financing income						1,233.3					189.8	1,423.1
Financing costs						(5,508.1)					(367.3)	(5,875.4)
						(3,786.2)					782.2	(3,004.0)
Share of results												
Joint ventures (note (b))	(1,029.6)	968.3	—	(222.7)	(11.6)	(295.6)	273.1	—	—	101.5	374.6	79.0
Associated companies	(239.6)	(406.8)	(9.5)	—	(10.7)	(666.6)	62.6	21.0	—	(44.8)	38.8	(627.8)
(Loss)/profit before taxation						(4,748.4)					1,195.6	(3,552.8)
Taxation						(5,062.4)					(253.6)	(5,316.0)
(Loss)/profit before loss on disposal of discontinued operations						(9,810.8)					942.0	(8,868.8)
Loss on disposal of discontinued operations						—					(8,257.1)	(8,257.1)
Loss for the year						(9,810.8)					(7,315.1)	(17,125.9)
As at 30 June 2024												
Segment assets	109,601.7	212,195.5	20,344.4	8,048.6	18,109.5	368,299.7	—	—	—	—	—	368,299.7
Interests in joint ventures	25,748.3	6,601.5	—	3,018.5	2,135.6	37,503.9	—	—	—	—	—	37,503.9
Interests in associated companies	7,115.4	11.7	—	—	1,451.0	8,578.1	—	—	—	—	—	8,578.1
Unallocated assets						30,775.9					—	30,775.9
Total assets						445,157.6					—	445,157.6
Segment liabilities	31,557.7	4,610.5	1,513.7	719.4	6,450.4	44,851.7	—	—	—	—	—	44,851.7
Unallocated liabilities						175,417.1					—	175,417.1
Total liabilities						220,268.8					—	220,268.8
For the year ended 30 June 2024												
Additions to non-current assets (note (c))	41.0	7,142.2	1,350.8	239.8	481.8	9,255.6	98.6	29.4	75.0	36.0	239.0	9,494.6
Depreciation and amortisation	81.4	72.2	0.1	349.0	725.9	1,228.6	453.4	—	30.5	241.5	725.4	1,954.0
Impairment charge and provision	3,709.9	—	—	1,208.8	1,002.0	5,920.7	61.0	—	—	149.6	210.6	6,131.3



6 REVENUES AND SEGMENT INFORMATION (CONTINUED)

	Hong Kong HK\$m	Mainland China HK\$m	Others HK\$m	Total HK\$m
For the year ended 30 June 2025				
Revenues				
Property development	2,696.1	12,343.6	—	15,039.7
Property investment	3,234.4	1,820.9	—	5,055.3
Construction	3,400.4	106.5	—	3,506.9
Hotel operations	391.9	719.2	388.0	1,499.1
Others	463.3	2,116.2	—	2,579.5
Consolidated total	10,186.1	17,106.4	388.0	27,680.5
As at 30 June 2025				
Non-current assets (note (c))	157,223.3	97,420.2	1,065.0	255,708.5
	Hong Kong HK\$m	Mainland China HK\$m	Others HK\$m	Total HK\$m
For the year ended 30 June 2024				
Revenues				
From continuing operations				
Property development	2,411.9	13,713.0	—	16,124.9
Property investment	3,356.3	1,840.9	—	5,197.2
Construction	8,966.9	421.8	—	9,388.7
Hotel operations	411.0	570.7	399.5	1,381.2
Others	1,420.3	2,269.9	—	3,690.2
	16,566.4	18,816.3	399.5	35,782.2
From discontinued operations				
Roads	—	1,108.9	—	1,108.9
Construction	7,043.5	—	—	7,043.5
Insurance	1,299.1	—	—	1,299.1
Others	1,099.7	64.0	—	1,163.7
	9,442.3	1,172.9	—	10,615.2
Consolidated total	26,008.7	19,989.2	399.5	46,397.4
As at 30 June 2024				
Non-current assets (note (c))	159,184.2	97,686.2	1,097.1	257,967.5

Notes:

- (a) For the year ended 30 June 2025, property development segment includes impairment loss on properties held for sale, properties under development and joint controlled property development projects of HK\$7,972.0 million (2024: HK\$3,709.9 million); construction segment includes impairment loss on other non-current assets of HK\$2,700 million (2024: Nil) (note 24(b)) and other segment includes impairment loss on other investments loss on disposal of financial assets through profit or loss and mortgage loan receivables of HK\$1,059.8 million (2024: HK\$211.3 million).
- (b) For the year ended 30 June 2025, share of results of joint ventures includes share of impairment in properties held for sale and properties under development of HK\$530.0 million (2024: HK\$680.7 million).
- (c) Non-current assets represent non-current assets other than financial instruments, interests in joint ventures, interests in associated companies, deferred tax assets, and long-term loans and receivables and long-term prepayments and deposits within other non-current assets.

7 OTHER INCOME

	2025 HK\$m	2024 HK\$m
Dividend income from financial assets at FVOCI and financial assets at FVPL	32.1	43.8

8 OTHER LOSSES, NET

	2025 HK\$m	2024 HK\$m
Net loss on fair value of financial assets at FVPL	(87.6)	(344.2)
Gain on redemption of fixed rate bonds	14.3	726.2
Net gain on fair value of derivative financial instruments	440.4	491.4
(Provision for)/reversal of provision for other payables	(230.0)	107.4
Write back of loss allowance/impairment on		
Properties for development	—	169.0
Loans and other receivables	112.7	1.1
Inventories	26.9	7.5
Property, plant, and equipment	4.6	—
Net (loss)/gain on disposal of		
Financial assets at FVPL	(926.3)	(211.3)
Investment properties, property, plant and equipment, right-of-use assets and intangible assets	158.9	212.8
Long-term loans receivables	(133.5)	—
Subsidiaries	123.9	22.8
Joint ventures	(709.6)	26.9
Associated companies	114.8	—
Impairment loss/loss allowance/provision on		
Non-current assets (note 24(b))	(2,700.0)	—
Loans, debtors and other receivables	(486.0)	(335.7)
Interests in associated companies	(274.8)	(39.3)
Interests in joint ventures and related receivables	(3,017.7)	(43.5)
Goodwill	(338.3)	(414.5)
Intangible assets	—	(38.0)
Properties held for sale	(1,126.9)	(3,060.0)
Properties under development	(3,979.1)	(649.9)
Property, plant and equipment	(17.7)	(990.9)
Right-of-use assets	(31.8)	(348.9)
Loss on measurement of the disposal group	—	(284.9)
Rent concession, government grants and subsidies	6.4	11.9
Net exchange (losses)/gains	(17.8)	5.6
	(13,074.2)	(4,978.5)

9 OPERATING (LOSS)/PROFIT

Operating (loss)/profit of the Group from continuing operations is arrived at after crediting/(charging) the following:

	2025 HK\$m	2024 HK\$m
Gross rental income from investment properties	5,055.3	5,197.2
Outgoings	(1,299.0)	(1,395.5)
	3,756.3	3,801.7
Cost of inventories sold	(9,607.1)	(9,970.5)
Cost of services rendered	(5,148.6)	(11,567.0)
Depreciation		
Property, plant and equipment	(793.7)	(725.7)
Right-of-use assets	(397.7)	(453.8)
Amortisation		
Intangible assets	(53.6)	(49.1)
Other lease expenses		
Short-term lease expense	(103.0)	(70.6)
Variable lease expenses not included in lease liabilities	(46.7)	(79.2)
Staff costs (note 14(a))	(3,393.2)	(4,218.1)
Auditors' remuneration		
Audit services	(46.1)	(40.1)
Non-audit services	(16.5)	(24.9)

10 FINANCING COSTS

	2025 HK\$m	2024 HK\$m
Interest on bank loans and overdrafts	5,791.9	6,953.9
Interest on fixed rate bonds and notes payable	1,322.4	1,428.4
Interest on loans from non-controlling shareholders	74.4	94.5
Interest on lease liabilities	237.6	219.8
	7,426.3	8,696.6
Capitalised as (note):		
Cost of properties under development	(1,422.1)	(2,115.0)
Cost of assets under construction and investment properties under development	(583.7)	(1,073.5)
	5,420.5	5,508.1

Note:

To the extent funds are borrowed generally and used for the purpose of financing certain properties under development, assets under construction and investment properties under development, the capitalisation rate used to determine the amounts of borrowing costs eligible for the capitalisation is 5.0% per annum (2024: 6% per annum).

11 TAXATION

	2025 HK\$m	2024 HK\$m
Current taxation		
Hong Kong profits tax	286.1	264.7
Mainland China and overseas taxation	404.9	1,656.4
Mainland China land appreciation tax	1,119.9	2,889.4
Deferred taxation (note 23)		
Valuation of investment properties	(14.5)	533.7
Other temporary differences	(249.3)	(707.7)
Mainland China land appreciation tax	974.1	425.9
	2,521.2	5,062.4

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year.

Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profit for the year at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 12% to 28% (2024: 12% to 28%).

Withholding tax on dividends is mainly provided at the rate of 5% or 10% (2024: 5% or 10%).

Mainland China land appreciation tax is provided at progressive rates ranging from 30% to 60% (2024: 30% to 60%) on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

11 TAXATION (CONTINUED)

The taxation on the Group's loss before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2025 HK\$m	2024 HK\$m
Loss before taxation and share of results of joint ventures and associated companies	(13,003.7)	(3,786.2)
Calculated at a taxation rate of 16.5% (2024: 16.5%)	(2,145.6)	(624.7)
Effect of different taxation rates in other countries	117.6	380.8
Income not subject to taxation	(532.7)	(104.2)
Expenses not deductible for taxation purposes	1,942.7	2,604.4
Tax losses not recognised	826.2	422.9
Temporary differences not recognised	419.5	(13.0)
Utilisation of previously unrecognised tax losses	(52.9)	(144.0)
Deferred taxation on undistributed profits	16.8	(12.6)
Recognition/(reversal) of previously unrecognised temporary differences	76.3	(14.7)
Under/(over) provision in prior years	39.3	(25.4)
Land appreciation tax deductible for calculation of income tax purpose	(280.0)	(722.4)
	427.2	1,747.1
Mainland China land appreciation tax	2,094.0	3,315.3
Taxation charge	2,521.2	5,062.4

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. The Pillar Two legislation in Hong Kong was gazetted on 6 June 2025 and came into effect retrospectively from 1 January 2025, which is applicable to the Group from the financial year ending 30 June 2026 onwards.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion effective tax rate for each jurisdiction and the 15% minimum rate. An assessment conducted using the financials for the year ended 30 June 2025 indicates that the Group's potential top-up tax exposure, if applicable, will be insignificant.

In addition, the Group applies the temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 Income Taxes issued by HKICPA in July 2023.

12 BASIC AND DILUTED LOSSES PER SHARE

The calculation of basic and diluted losses per share for the year is based on the following:

	2025 HK\$m	2024 HK\$m
Loss attributable to shareholders of the Company for calculating basic and diluted earnings per share	(16,301.5)	(11,806.5)
From continuing operations		
Adjust for accrual of distribution to perpetual capital securities holders	(871.4)	—
Adjust for gain from redemption of perpetual capital securities	—	220.7
	(17,172.9)	(11,585.8)
From discontinued operations	—	(7,876.4)
	Number of shares (million)	
	2025	2024
Weighted average number of shares for calculating basic and diluted losses per share	2,516.6	2,516.6

13 DIVIDENDS

	2025 HK\$m	2024 HK\$m
No interim dividend declared (2024: HK\$0.20 per share)	—	503.3

The directors have resolved not to recommend a final dividend for the year ended 30 June 2025 and 30 June 2024.

14 STAFF COSTS

(a) Staff costs

	2025 HK\$m	2024 HK\$m
Wages, salaries and other benefits	3,444.6	4,351.7
Pension costs – defined contribution plans	131.0	146.9
	3,575.6	4,498.6
Less: Amounts capitalised as costs of investment properties under development and properties for/under development	(182.4)	(280.5)
	3,393.2	4,218.1

Staff costs include directors' remuneration.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 5 directors (2024: 5 directors) whose emoluments are reflected in the analysis shown in note 15(a).

15 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Name of Directors	As Director (note (i))		As management (note (ii))		Total HK\$m
	Fees HK\$m	Allowances and other benefits (note (iii)) HK\$m	Basic salaries, allowances and other benefits HK\$m	Employer's contribution to a retirement benefit scheme HK\$m	
For the year ended 30 June 2025					
Dr. Cheng Kar-Shun, Henry	1.0	—	28.6	0.9	30.5
Mr. Doo Wai-Hoi, William	0.4	—	—	—	0.4
Dr. Cheng Chi-Kong, Adrian*	0.4	—	19.2	0.5	20.1
Paid by the Company and its unlisted subsidiaries	0.4	—	19.2	0.5	20.1
Paid by NWDS	0.0	—	—	—	0.0
Mr. Ma Siu-Cheung*	0.2	—	35.6	0.6	36.4
Paid by the Company and its unlisted subsidiaries	0.2	—	35.6	0.6	36.4
Paid by NWDS	0.0	—	—	—	0.0
Mr. Cheng Kar-Shing, Peter	0.4	—	7.1	0.7	8.2
Mr. Lee Luen-Wai, John	1.0	—	—	—	1.0
Mr. Ip Yuk-Keung, Albert	0.8	—	—	—	0.8
Mr. Cheng Chi-Heng	0.4	—	1.5	0.1	2.0
Ms. Cheng Chi-Man, Sonia	0.4	—	12.7	1.3	14.4
Mr. Sitt Nam-Hoi	0.6	—	15.2	1.3	17.1
Ms. Huang Shaomei, Echo	0.4	—	16.8	0.9	18.1
Ms. Chiu Wai-Han, Jenny	0.6	—	5.9	0.5	7.0
Paid by the Company and its unlisted subsidiaries	0.5	—	5.9	0.5	6.9
Paid by NWDS	0.1	—	—	—	0.1
Mr. Chan Johnson Ow	0.9	—	—	—	0.9
Mr. Cheng Chi-Ming, Brian	0.4	—	—	—	0.4
Mrs. Law Fan Chiu-Fun, Fanny	0.7	—	—	—	0.7
Ms. Lo Wing-Sze, Anthea	0.7	—	—	—	0.7
Ms. Wong Yeung-Fong, Fonia	0.6	—	—	—	0.6
Mr. Ho Gilbert Chi-Hang**	0.3	—	—	0.0	0.3
Mr. Lau Fu-Keung**	0.3	—	9.4	0.4	10.1
Paid by the Company and its unlisted subsidiaries	0.3	—	9.4	0.4	10.1
Paid by NWDS	0.0	—	—	—	0.0
Total	10.5	—	152.0	7.2	169.7

* resigned during the year

** appointed during the year



15 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' emoluments (continued)

Name of Directors	As Director (note (ii))		As management (note (iii))		Total HK\$m
	Fees HK\$m	Allowances and other benefits (note (iii)) HK\$m	Basic salaries, allowances and other benefits HK\$m	Employer's contribution to a retirement benefit scheme HK\$m	
For the year ended 30 June 2024					
Dr. Cheng Kar-Shun, Henry	1.3	5.9	39.2	1.4	47.8
Paid by the Company and its unlisted subsidiaries	1.0	—	33.7	1.1	35.8
Paid by CTFS (formerly known as “NWSH”)	0.3	5.9	5.5	0.3	12.0
Mr. Doo Wai-Hoi, William	0.4	—	—	—	0.4
Dr. Cheng Chi-Kong, Adrian	0.8	2.9	37.0	2.3	43.0
Paid by the Company and its unlisted subsidiaries	0.6	—	34.2	2.0	36.8
Paid by CTFS	0.1	2.9	2.8	0.3	6.1
Paid by NWDS	0.1	—	—	—	0.1
Mr. Ma Siu-Cheung	0.9	4.1	18.1	0.9	24.0
Paid by the Company and its unlisted subsidiaries	0.5	—	12.8	0.7	14.0
Paid by CTFS	0.4	4.1	5.3	0.2	10.0
Mr. Cheng Kar-Shing, Peter	0.4	—	8.7	0.8	9.9
Mr. Lee Luen-Wai, John	1.0	—	—	—	1.0
Mr. Ip Yuk-Keung, Albert	0.8	—	—	—	0.8
Mr. Cheng Chi-Heng	0.4	—	1.9	0.2	2.5
Ms. Cheng Chi-Man, Sonia	0.4	—	16.1	1.5	18.0
Mr. Sitt Nam-Hoi	0.5	—	16.8	1.3	18.6
Ms. Huang Shaomei, Echo	0.4	—	22.6	0.9	23.9
Ms. Chiu Wai-Han, Jenny	0.6	—	6.5	0.5	7.6
Paid by the Company and its unlisted subsidiaries	0.5	—	6.5	0.5	7.5
Paid by NWDS	0.1	—	—	—	0.1
Mr. Chan Johnson Ow	0.8	—	—	—	0.8
Mr. Cheng Chi-Ming, Brian	0.7	3.7	4.1	0.2	8.7
Paid by the Company and its unlisted subsidiaries	0.4	—	—	—	0.4
Paid by CTFS	0.3	3.7	4.1	0.2	8.3
Mrs. Law Fan Chiu-Fun, Fanny	0.6	—	—	—	0.6
Ms. Lo Wing-Sze, Anthea	0.7	—	—	—	0.7
Ms. Wong Yeung-Fong, Fonia	0.7	—	—	—	0.7
Total	11.4	16.6	171.0	10.0	209.0

Notes:

- (i) The amounts represented emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary.
- (ii) The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company or its subsidiary and included salaries, discretionary bonuses, employer's contributions to retirement benefit schemes and housing allowance.
- (iii) Other benefits represented share options. The value of the share options granted to the directors of the Company under the share option schemes of the Company and its subsidiaries represents the fair value of these options charged to the consolidated income statement for the year in accordance with HKFRS 2 "Share-based Payment".
- (iv) No director waived or agreed to waive any emoluments during the year.

15 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' material interests in transactions, arrangements or contracts

On 28 April 2023, a master services agreement (the "Mr. Doo MSA") was entered into between the Company and Mr. Doo Wai-Hoi, William, Non-executive Vice-chairman ("Mr. Doo") for a term of three years commencing from 1 July 2023 up to and including 30 June 2026 in respect of the provision of the contracting services, cleaning and landscaping services, facility management services, insurance, medical and health care services, property management services, security, guarding and event servicing services, rental and procurement services by companies owned by Mr. Doo to the Group, and vice versa. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the Mr. Doo MSA will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules). The Mr. Doo MSA and the annual caps set for each of the three financial years ending 30 June 2026 were approved by the independent shareholders of the Company on 27 June 2023. For the year ended 30 June 2025, the aggregate amount of the transactions amounted to approximately HK\$475.1 million (2024: HK\$1,319.6 million).

On 26 September 2024, an agreement (the "SPAs") was entered into between the Company, K11 Group Limited ("Vendor A") and K11 Professional Company Limited ("Vendor B", together with Vendor A, the "Vendors", both wholly owned subsidiaries of the Company) as vendors and AC Group Limited (the "Purchaser", wholly owned by Dr. Cheng Chi-Kong, Adrian, a former director of the Company who resigned on 1 July 2025) together with its affiliates (the "Purchaser Group") as purchaser, in respect of the sale of all the issued shares in, and the assignment of shareholders loans (if any) of K11 Commercial Management Group Company Limited, K11 Gentry Club Limited, Share of Good Company Limited, K11 Loyalty Program Limited and Globo Travel Agency Limited (collectively the "Target Companies") at the consideration of HK\$26.3 million, HK\$27,211,000, HK\$489,000, HK\$4.0 million and HK\$1.0 million respectively.

Also, on 26 September 2024, an agreement (the "Rights Agreement") was entered into between the Company and the Purchaser pursuant to which the Company agreed to grant or procure to grant to the Purchaser Group the exclusive right (the "Rights") to enter into definitive agreements in respect of the provision of project management and consultancy services for certain property projects as set out in the Rights Agreement at a consideration of HK\$150.0 million.

In light of the aforesaid disposal of the Target Companies and the grant of Rights, on 26 September 2024, a master services agreement (the "ACG MSA") was entered into between the Company and the Purchaser for a term of three years commencing from 1 October 2024 up to and including 30 September 2027 in respect of the provision of the administrative services, general and rental services, general management and advisory services, project management and consultancy services, and such other types of services by the Purchaser Group to the Group, and vice versa. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the ACG MSA will be renewed for successive period of three years thereafter (or such other period permitted under the Listing Rules). Details of the ACG MSA and the annual caps set for the 9 months ending 30 June 2025, two financial years ending 30 June 2026 and 2027 and 3 months ending 30 September 2027 were disclosed in the announcement of the Company dated 26 September 2024. For the 9 months ending 30 June 2025, the aggregate amount of the transactions amounted to approximately HK\$180.3 million.

Same as mentioned above, no other significant transactions, arrangements or contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16 INVESTMENT PROPERTIES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Completed investment properties	193,310.2	177,725.2
Investment properties under development	11,574.8	29,986.6
	204,885.0	207,711.8

	Completed investment properties HK\$m	Investment properties under development HK\$m	Total HK\$m
At 1 July 2024	177,725.2	29,986.6	207,711.8
Translation differences	821.9	329.0	1,150.9
Disposal of subsidiaries	(496.6)	—	(496.6)
Additions	1,007.6	3,571.7	4,579.3
Transfer between investment properties, property, plant and equipment and right-of-use assets	(3,710.4)	—	(3,710.4)
Reclassification to finance lease receivables	(8.2)	—	(8.2)
Transfer to asset of disposal groups held for sale (note 32)	(1,554.9)	—	(1,554.9)
Disposals	(1,658.3)	—	(1,658.3)
Changes in fair value	(1,520.0)	391.4	(1,128.6)
Transfer upon completion	22,703.9	(22,703.9)	—
At 30 June 2025	193,310.2	11,574.8	204,885.0

	Completed investment properties HK\$m	Investment properties under development HK\$m	Total HK\$m
At 1 July 2023	167,120.2	42,358.6	209,478.8
Translation differences	(50.5)	(2.2)	(52.7)
Disposal of subsidiaries	(5,988.4)	—	(5,988.4)
Additions	1,529.4	3,605.1	5,134.5
Transfer between investment properties, property, plant and equipment and right-of-use assets	3,618.2	—	3,618.2
Transfer between investment properties and properties held for development	956.8	—	956.8
Reclassification to finance lease receivables	(5.8)	—	(5.8)
Disposals	(4,471.6)	(1.2)	(4,472.8)
Gain on transfer to investment properties	2,237.2	—	2,237.2
Changes in fair value	(1,989.7)	(1,204.3)	(3,194.0)
Transfer upon completion	14,769.4	(14,769.4)	—
At 30 June 2024	177,725.2	29,986.6	207,711.8

16 INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were revalued by Savills Valuation and Professional Services Limited, Knight Frank Petty Limited and Vincorn Consulting and Appraisal Limited, independent qualified valuers, who hold recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued, at 30 June 2025 on an open market value basis. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuation performed by the independent valuers for financial reporting purposes. This team reports directly to the senior management and the Audit Committee. Discussions of valuation processes and results are held between the management and valuers at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial period end, the finance department verifies all major inputs to the independent valuation reports; assesses property valuation movements when compared to the prior year valuation reports; and holds discussions with the independent valuers.

Valuation techniques

Fair value of completed investment properties in Hong Kong and Mainland China is generally derived by income capitalisation method, direct comparison method and discounted cash flow method. Income capitalisation method is based on capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration. The discounted cash flow analysis requires periodic net cash flows to be forecasted over the life of the investment property and discounted at a risk-adjusted opportunity cost of capital to arrive at a present value. The discounted cash flow analysis takes into consideration the yearly net cash flows after deductions for expenditure, and having regard to the assumptions made relating to rental growth rate and occupancy rate. The discounted cash flow analysis incorporates reversionary value discounted by an appropriate discount rate to derive at a net present value. The valuation techniques of certain completed investment properties are changed after taken into account its highest and best use as at 30 June 2025.

Fair value of investment properties under development is generally derived using the residual method and wherever appropriate, by direct comparison method. Residual method is essentially a means of valuing the completed properties by reference to its development potential by deducting development costs together with developer's profit and risk margin from the estimated capital value of the proposed development assuming completed as at the date of valuation.

At 30 June 2025 and 2024, all investment properties were included in level 3 in the fair value hierarchy. There were no changes to the valuation techniques during the year and there were no transfers among the fair value hierarchy during the year.

16 INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques (continued)

Information about fair value measurements using significant unobservable inputs:

	As at 30 June 2025 Fair value HK\$m	Valuation techniques	Range of significant unobservable inputs			
			Prevailing market rent per month	Unit price	Discount rate	Capitalisation rate
Completed investment properties						
Hong Kong						
Commercial	81,142.8	Income capitalisation	HK\$5-HK\$320 per square feet	N/A	N/A	2.5%-6.7%
	26,000.0	Discount cash flow	HK\$20-HK\$30 per square feet or HK\$4,000-HK\$6,900 per room per night	N/A	6.5%	N/A
	17,001.1	Direct Comparison	N/A	HK\$300-HK\$19,200 per square feet	N/A	N/A
Carparks	2,430.0	Direct Comparison	N/A	HK\$1,914,000- HK\$4,500,000 per carpark space	N/A	N/A
	270.0	Income capitalisation	HK\$7,500 per carpark space	N/A	N/A	3.8%
Mainland China and others						
Commercial	36,693.4	Income capitalisation	HK\$11-HK\$1,023 per square metre	N/A	N/A	3.0%-6.8%
	19,144.6	Direct comparison	N/A	HK\$3,726-HK\$84,151 per square metre	N/A	N/A
Serviced apartment	3,235.2	Direct comparison	N/A	HK\$18,877-HK\$115,874 per square metre	N/A	N/A
Carparks	7,393.1	Direct comparison	N/A	HK\$132,000- HK\$999,000 per carpark space	N/A	N/A
Total	193,310.2					

	As at 30 June 2025 Fair value HK\$m	Valuation techniques	Range of significant unobservable inputs		
			Prevailing market rent per month	Unit price	Estimated developer's profit and risk margins
Investment properties under development					
Commercial and serviced apartment	11,245.1	Residual	HK\$313-HK\$1,367 per square metre	HK\$21,215-HK\$53,708 per square metre	1.0%-13.0%
Carparks	329.7	Residual	N/A	HK\$129,670 per carpark space	N/A
Total	11,574.8				



16 INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques (continued)

Information about fair value measurements using significant unobservable inputs: (continued)

			Range of significant unobservable inputs			
	As at 30 June 2024 Fair value HK\$m	Valuation techniques	Prevailing market rent per month	Unit price	Discount rate	Capitalisation rate
Completed investment properties						
Hong Kong						
Commercial	80,943.6	Income capitalisation	HK\$11-HK\$320 per square feet	N/A	N/A	2.5%-6.0%
	26,300.0	Discount cash flow	HK\$20-HK\$35 per square feet or HK\$3,700-HK\$6,500 per room per night	N/A	6%	N/A
	17,662.1	Direct Comparison	N/A	HK\$300-HK\$20,000 per square feet	N/A	N/A
Carparks	2,050.0	Direct Comparison	N/A	HK\$1,900,000 to HK\$2,700,000 per carpark space	N/A	N/A
	301.4	Income capitalisation	HK\$3,800-HK\$7,100 per carpark space	N/A	N/A	2.8%-3.75%
Mainland China and others						
Commercial	27,024.6	Income capitalisation	HK\$11-HK\$553 per square metre	N/A	N/A	3.0%-6.8%
	13,916.2	Direct comparison	N/A	HK\$3,849-HK\$95,157 per square metre	N/A	N/A
Serviced apartment	3,629.2	Direct comparison	N/A	HK\$18,715-HK\$115,254 per square metre	N/A	N/A
Carparks	5,898.1	Direct comparison	N/A	HK\$130,434-HK\$988,142 per carpark space	N/A	N/A
Total	177,725.2					

	As at 30 June 2024 Fair value HK\$m	Valuation techniques	Range of significant unobservable inputs		
			Prevailing market rent per month	Unit price	Estimated developer's profit and risk margins
Investment properties under development					
Commercial and Carparks	29,986.6	Residual	HK\$148-HK\$407 per square metre	HK\$25,263-HK\$68,377 per square metre HK\$141,304-HK\$206,522 per carpark space	0%-15.0%
Total	29,986.6				

Prevailing market rents are estimated based on independent valuers' view of recent lettings, within the subject properties and other comparable properties. The higher the rents, the higher the fair value.

Capitalisation rates and developer's profit and risk margins are estimated by independent valuers based on the risk profile of the properties being valued and the market conditions. The lower the rates and the margins, the higher the fair value.

16 INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques (continued)

Discount rates are estimated by independent valuers based on the risk-adjusted opportunity cost of capital. The lower the rates, the higher the fair value.

The valuations of investment properties were based on the economic, market and other conditions as they exist on, and with information available to management as of 30 June 2025.

The sensitivity of the fair value change in office under investment properties based on significant unobservable inputs are as below.

At 30 June 2025, if market value had increased/decreased by 1% with all other variables unchanged, the valuation of commercial investment properties in Hong Kong would have been HK\$145.1 million higher or HK\$135.1 million lower respectively. If market value had increased/decreased by 2.5% with all other variables unchanged, the valuation of commercial investment properties in Mainland China would have been HK\$508.1 million higher or HK\$519.0 million lower respectively. If prevailing rent per month had increased/decreased by 1% with all other variables unchanged, the valuation of commercial investment properties in Hong Kong would have been HK\$615.2 million higher or HK\$835.4 million lower respectively. If prevailing rent per month had increased/decreased by 2.5% with all other variables unchanged, the valuation of commercial investment properties in Mainland China would have been HK\$87.0 million higher or HK\$89.6 million lower respectively. If capitalisation rate had increased/decreased by 0.1% with all other variables unchanged, the valuation of commercial investment properties in Hong Kong and Mainland China would have been HK\$3,034.0 million lower or HK\$3,222.9 million higher respectively.

The impact of possible change in the assumptions for other investment properties would not be material.

At 30 June 2025, the aggregate fair value of completed investment properties and investment properties under development pledged as securities for the Group's borrowings amounted to HK\$111,690.0 million (2024: HK\$63,223.3 million) and HK\$5,109.9 million (2024: HK\$16,490.0 million) respectively.

17 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land HK\$m	Buildings HK\$m	Others (note (b)) HK\$m	Assets under construction HK\$m	Total HK\$m
Cost					
At 1 July 2024	288.3	13,848.7	4,828.6	1,961.9	20,927.5
Translation differences	—	292.4	65.1	37.0	394.5
Additions	31.1	30.7	148.6	5.0	215.4
Transfer between property, plant and equipment, right-of-use assets and investment properties	—	3,452.2	(14.6)	8.4	3,446.0
Disposal of subsidiaries	(54.4)	(94.0)	(267.4)	—	(415.8)
Disposals	—	(516.5)	(398.2)	(40.6)	(955.3)
At 30 June 2025	265.0	17,013.5	4,362.1	1,971.7	23,612.3
Accumulated depreciation and impairment					
At 1 July 2024	—	4,336.9	3,117.9	265.3	7,720.1
Translation differences	—	70.0	45.8	4.1	119.9
Transfer between property, plant and equipment, right-of-use assets and investment properties	—	2.2	(8.3)	—	(6.1)
Depreciation	—	517.0	276.7	—	793.7
Impairment	—	—	17.7	—	17.7
Disposal of subsidiaries	—	(12.8)	(266.1)	—	(278.9)
Disposals	—	(420.3)	(368.1)	—	(788.4)
At 30 June 2025	—	4,493.0	2,815.6	269.4	7,578.0
Net book value (note (c))					
At 30 June 2025	265.0	12,520.5	1,546.5	1,702.3	16,034.3

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold Land HK\$m	Buildings HK\$m	Others (note (b)) HK\$m	Assets under construction HK\$m	Total HK\$m
Cost					
At 1 July 2023	265.7	12,706.1	7,899.5	3,260.2	24,131.5
Translation differences	—	(68.1)	(9.9)	(2.0)	(80.0)
Additions	23.3	120.3	368.4	78.1	590.1
Transfer between property, plant and equipment, right-of-use assets and investment properties	—	217.2	4.3	14.8	236.3
Transfer between property, plant and equipment, properties held for sale and properties under development	—	7.9	—	—	7.9
Transfer upon completion	—	1,032.9	351.3	(1,384.2)	—
Deconsolidation of a subsidiary	—	—	(59.6)	—	(59.6)
Disposal of subsidiaries	(0.7)	(164.3)	(3,349.6)	(5.0)	(3,519.6)
Disposals	—	(3.3)	(375.8)	—	(379.1)
At 30 June 2024	288.3	13,848.7	4,828.6	1,961.9	20,927.5
Accumulated depreciation and impairment					
At 1 July 2023	—	3,141.7	5,178.7	244.8	8,565.2
Translation differences	—	(28.0)	19.2	(0.1)	(8.9)
Transfer between property, plant and equipment, right-of-use assets and investment properties	—	(35.1)	—	—	(35.1)
Depreciation (note (a))	—	373.5	477.0	—	850.5
Impairment	—	967.5	136.3	20.6	1,124.4
Deconsolidation of a subsidiary	—	—	(52.2)	—	(52.2)
Disposal of subsidiaries	—	(61.5)	(2,332.9)	—	(2,394.4)
Disposals	—	(21.2)	(308.2)	—	(329.4)
At 30 June 2024	—	4,336.9	3,117.9	265.3	7,720.1
Net book value (note (c))					
At 30 June 2024	288.3	9,511.8	1,710.7	1,696.6	13,207.4

Notes:

- (a) For the year ended 30 June 2024, depreciation charge of HK\$850.5 million which included HK\$725.7 million arising from continuing operations and HK\$124.8 million arising from discontinuing operations.
- (b) Others mainly represented leasehold improvements, plant and machinery, motor vehicles, furniture and fixtures, office equipment and computer.
- (c) At 30 June 2025, the aggregate net book value of property, plant and equipment pledged as securities for the Group's borrowings amounted to HK\$11,273.4 million (2024: HK\$976.1 million).

18 RIGHT-OF-USE ASSETS

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Leasehold land	436.3	162.1
Land use rights	958.7	1,176.6
Buildings, plant and equipment	2,503.8	2,521.7
	3,898.8	3,860.4

Notes:

- (a) As at 30 June 2025, the aggregate net book value of right-of-use assets pledged as securities for the Group's borrowings amounted to HK\$1,906.7 million (2024: HK\$951.7 million) respectively.
- (b) For the year ended 30 June 2025, additions to the right-of-use assets were HK\$310.9 million (2024: HK\$2,439.4 million) and total cash outflows for leases was HK\$784.6 million (2024: HK\$1,010.1 million).
- (c) Depreciation of right-of-use assets

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Leasehold land	3.2	3.2
Land use rights	21.4	33.0
Buildings, plant and equipment	373.1	417.6
	397.7	453.8

Rental contracts are typically made for fixed periods range from 12 months to 30 years (2024: 13 months to 19 years) for buildings, plant and equipment and others, but may have extension options which majority of these options are exercisable only by the Group and not by the respective lessors. Lease term for leasehold land ranges from 3 years to 979 years (2024: 3 years to 980 years).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Some property leases contain variable payment terms that are linked to revenue generated from leased assets, or the higher of a guaranteed rent or revenue rent throughout the lease terms. Revenue rent represents a percentage of gross revenue derived from the leased properties ranging from 3% to 34% (2024: ranging from 3% to 34%).

19 INTANGIBLE ASSETS

	Goodwill HK\$m	Trademarks HK\$m	Operating right and others HK\$m	Total HK\$m
Cost				
At 1 July 2024	2,912.7	82.8	301.4	3,296.9
Translation differences	42.3	—	—	42.3
Additions	—	—	1.4	1.4
Disposal	—	—	(11.9)	(11.9)
At 30 June 2025	2,955.0	82.8	290.9	3,328.7
Accumulated amortisation and impairment				
At 1 July 2024	1,892.5	82.3	147.5	2,122.3
Translation differences	24.6	0.5	—	25.1
Amortisation	—	—	53.6	53.6
Disposal	—	—	(2.1)	(2.1)
Impairment	338.3	—	—	338.3
At 30 June 2025	2,255.4	82.8	199.0	2,537.2
Net book value				
At 30 June 2025	699.6	—	91.9	791.5
	Goodwill HK\$m	Trademarks HK\$m	Operating right and others HK\$m	Total HK\$m
Cost				
At 1 July 2023	9,693.9	124.9	1,184.6	11,003.4
Translation differences	(10.3)	—	1.1	(9.2)
Additions	—	0.4	85.4	85.8
Disposal of subsidiaries	(6,770.9)	—	(969.7)	(7,740.6)
Reclassified to assets of disposal groups held for sale (note (a))	—	(42.5)	—	(42.5)
At 30 June 2024	2,912.7	82.8	301.4	3,296.9
Accumulated amortisation and impairment				
At 1 July 2023	1,867.1	38.4	722.7	2,628.2
Translation differences	(2.8)	—	2.3	(0.5)
Amortisation	—	5.9	86.7	92.6
Disposal of subsidiaries	(386.3)	—	(664.2)	(1,050.5)
Impairment	414.5	38.0	—	452.5
At 30 June 2024	1,892.5	82.3	147.5	2,122.3
Net book value				
At 30 June 2024	1,020.2	0.5	153.9	1,174.6

Note:

(a) Trademark of HK\$42.5 million was subsequently impaired and included in the loss on remeasurement loss of the disposal group.

19 INTANGIBLE ASSETS (CONTINUED)**Impairment test for goodwill**

A summary of the goodwill allocation is presented below:

	Hong Kong HK\$m	Mainland China HK\$m	Total HK\$m
As at 30 June 2025			
Property development	2.5	—	2.5
Property investment	—	236.2	236.2
Others	1.5	459.4	460.9
	4.0	695.6	699.6
	Hong Kong HK\$m	Mainland China HK\$m	Total HK\$m
As at 30 June 2024			
Property development	2.5	227.0	229.5
Property investment	—	225.3	225.3
Others	3.1	562.3	565.4
	5.6	1,014.6	1,020.2

Goodwill is allocated to the Group's cash generating units identified according to country of operation and business segment. For the purpose of impairment test for goodwill, the recoverable amount of the business unit is determined based on either fair value less costs of disposal or value in use calculations whichever is higher. The key assumptions adopted on growth rates and discount rates used in the value in use calculations are based on management best estimates and past experience.

For the segment of property development, the recoverable amount of the business unit is determined based on value-in-use calculations, which use cash flow projections based on financial budgets and a pre-tax discount rate.

Included in others segment is an amount of HK\$459.4 million (2024: HK\$558.3 million) relating to department stores operation. The key assumptions used in the cash flow projections (where applicable), namely average annual gross revenue growth rate ranging from 3% to 15% for the year ended 30 June 2025 (2024: 3% to 26%); average gross margin ratios ranging from 12% to 15% (2024: from 13% to 15%), are determined by considering both internal and external factors relating to department stores operation of each CGU; the long term growth rate of 3% (2024: 3%) is consistent with the forecast of the businesses and the discount rate of 13.5% (2024: 14.5%) is post-tax and reflects specific risks relating to the relevant businesses. If the annual gross revenue had been 20% (2024: 15%) or gross margin ratios had been 1% (2024: 1%) lower than management's current estimates, the profit before taxation for the year would have been approximately HK\$431.8 million and HK\$28.3 million lower (2024: HK\$240.0 million and HK\$29.1 million lower) respectively. If the discount rate had been 0.5% (2024: 0.5%) higher than management's current estimates, the profit before taxation for the year would have been approximate HK\$6.8 million lower (2024: HK\$2.1 million lower).

20 INTERESTS IN JOINT VENTURES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Group's share of net assets	7,809.2	12,413.1
Goodwill on acquisition	178.0	178.0
Amounts receivable less provision (note (a))	24,198.9	24,912.8
	32,186.1	37,503.9

Notes:

- (a) Amounts receivable less provisions are analysed as follows:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Interest bearing		
Fixed rates (note (i))	3,813.6	4,088.4
Floating rates (note (ii))	9,652.3	6,011.3
Non-interest bearing	10,733.0	14,813.1
	24,198.9	24,912.8

note (i) Carry interest rates ranging from 3.45% to 10.0% (2024: 3.45% to 10.0%) per annum.

note (ii) Carry interest rates ranging from 1.5% below Hong Kong Prime rate to 0.725% over HIBOR (2024: 1.5% below Hong Kong Prime rate to 0.725% over HIBOR) per annum.

As at 30 June 2025, the net carrying value of amounts receivable included provision of HK\$3,881.6 million (2024: HK\$1,266.7 million).

The amounts were unsecured and not repayable within 12 months from the end of the reporting period. As at 30 June 2025, the carrying amounts are not materially different from their fair values.

The amounts receivable form part of the Group's net interests in joint ventures.

- (b) The directors of the Company were of the view that as at 30 June 2025, there is no individual joint venture that was material to the Group. The Group's share of results of the joint ventures are summarised below:

	2025 HK\$m	2024 HK\$m
For the year ended 30 June		
Loss for the year	(830.6)	(295.6)
Other comprehensive income/(loss) for the year	37.0	(124.9)
Total comprehensive loss for the year	(793.6)	(420.5)

- (c) Management regularly reviews whether there are any indications of impairments of the Group's interests in joint ventures based on value in use calculations, as detailed in note 5(c).
- (d) Details of principal joint ventures are stated in note 48.

21 INTERESTS IN ASSOCIATED COMPANIES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Group's share of net assets		
Hong Kong listed shares	—	158.3
Unlisted shares	7,329.6	7,185.2
	7,329.6	7,343.5
Amounts receivable less provision (note (a))	1,869.9	1,234.6
	9,199.5	8,578.1
Market value of listed shares	—	24.5

Notes:

- (a) Amounts receivable less provision are analysed as follows:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Non-interest bearing	1,869.9	1,234.6

As at 30 June 2025, the net carrying value of amounts receivable included provision of HK\$32.7 million (2024: HK\$32.5 million).

The amounts were unsecured and not repayable within 12 months from the end of the reporting period. As at 30 June 2025, the carrying amounts were not materially different from their fair values.

The amounts receivable form part of the Group's net interests in associated companies.

- (b) During the year ended 30 June 2024, the Group reclassified the interest in an associated company to disposal groups held for sale (note 32).
- (c) Management regularly reviews whether there are any relevant indications of impairments of the Group's interests in associated companies based on value in use calculations, as detailed in note 5(c).
- (d) Other than below, the directors of the Company were of the view that as at 30 June 2025, there is no other individual associated company that was material to the Group. The Group's share of results of the associated companies are summarised below:

	2025 HK\$m	2024 HK\$m
For the year ended 30 June		
Loss for the year	(1.1)	(666.6)
Other comprehensive income for the year	0.6	33.0
Total comprehensive loss for the year	(0.5)	(633.6)

- (e) Details of principal associated companies are stated in note 49.

22 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Non-current assets		
Foreign currency and interest rate swaps – cash flow hedges (note)	—	402.6
Current assets		
Foreign currency forward contracts, foreign currency, interest rate swaps – cash flow hedges (note)	106.0	178.3
	106.0	580.9
Non-current liabilities		
Interest rate swaps		
– cash flow hedges (note)	(568.5)	(251.9)
– others	(97.6)	(65.1)
	(666.1)	(317.0)
Current liabilities		
Foreign currency swaps – cash flow hedges (note)	(67.5)	(0.3)
	(733.6)	(317.3)

The total notional principal amounts of the outstanding derivative financial instruments as at 30 June 2025 was HK\$36,214.1 million (2024: HK\$42,316.7 million).

Note:

The total notional principal amount of the outstanding financial instruments designated as cash flow hedges as at 30 June 2025 was US\$1,994.8 million (2024: US\$600.0 million), HK\$19,000.0 million (2024: HK\$24,511.7 million) and RMB9,030.0 million (2024: Nil).

The Group enters into the hedging instruments that have similar critical terms as the hedged item.

The Group does not hedge all of its loans, therefore the hedged item is identified as a proportion of the outstanding hedged items up to the notional amount of the hedging instruments with one-to-one hedge ratio. As all critical terms matched substantially, the economic relationship exists, and the cash flow hedges was assessed to be highly effective during the year.

During the years ended 30 June 2025 and 2024, there were insignificant ineffectiveness in relation to these hedging instruments.

23 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when taxes relate to the same taxation authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the consolidated statement of financial position.

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Deferred tax assets	1,714.5	2,204.9
Deferred tax liabilities	(7,766.9)	(7,762.2)
	(6,052.4)	(5,557.3)
	2025 HK\$m	2024 HK\$m
At beginning of the year	(5,557.3)	(6,928.3)
Translation differences	220.9	361.9
Disposal of subsidiaries	—	1,248.4
Charged to consolidated income statement	(710.3)	(228.8)
Charged to reserves	(5.7)	—
Transfer to disposal groups held for sale	—	(10.5)
At end of the year	(6,052.4)	(5,557.3)

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same taxation jurisdiction) during the year was as follows:

Deferred tax assets

	Provisions		Accelerated accounting depreciation		Tax losses		Unrealised intra-group profit		Lease liabilities		Other items		Total	
	2025 HK\$m	2024 HK\$m	2025 HK\$m	2024 HK\$m	2025 HK\$m	2024 HK\$m	2025 HK\$m	2024 HK\$m	2025 HK\$m	2024 HK\$m	2025 HK\$m	2024 HK\$m	2025 HK\$m	2024 HK\$m
At beginning of the year	2,831.2	2,435.6	87.7	78.2	998.0	1,227.4	125.1	125.1	480.1	527.6	6.0	37.9	4,528.1	4,431.8
Translation differences	59.7	(18.4)	—	10.4	0.6	12.3	—	—	11.9	(2.4)	—	(10.5)	72.2	(8.6)
Disposal of subsidiaries	—	—	—	—	—	(82.7)	—	—	—	—	—	(18.8)	—	(101.5)
Credited/(charged) to consolidated income statement	(937.5)	424.0	—	(0.9)	(12.9)	(158.5)	—	—	(74.7)	(45.1)	63.9	(2.6)	(961.2)	216.9
Transfer to disposal groups held for sale	—	(10.0)	—	—	—	(0.5)	—	—	—	—	—	—	—	(10.5)
At end of the year	1,953.4	2,831.2	87.7	87.7	985.7	998.0	125.1	125.1	417.3	480.1	69.9	6.0	3,639.1	4,528.1

23 DEFERRED TAXATION (CONTINUED)

Deferred tax liabilities

	Accelerated tax depreciation		Valuation of properties		Fair value adjustments of properties on acquisitions		Amortisation of intangible concession rights		Undistributed profits of subsidiaries, joint ventures and associated companies		Right-of-use assets		Other items		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
At beginning of the year	(2,384.5)	(2,401.0)	(4,657.2)	(4,114.2)	(1,758.5)	(1,949.9)	—	(1,209.3)	(643.8)	(933.2)	(480.2)	(527.6)	(161.2)	(224.9)	(10,085.4)	(11,360.1)
Translation differences	42.9	240.9	3.2	(9.3)	120.0	2.5	—	(2.3)	(7.2)	100.0	(9.7)	2.3	(0.5)	36.4	148.7	370.5
Disposal of subsidiaries	—	7.7	—	—	—	—	—	1,149.6	—	170.2	—	—	—	22.4	—	1,349.9
Credited/(charged) to consolidated income statement	(241.3)	(232.1)	14.5	(533.7)	423.1	188.9	—	62.0	(19.6)	19.2	75.0	45.1	(0.8)	4.9	250.9	(445.7)
Charged to reserves	—	—	(5.7)	—	—	—	—	—	—	—	—	—	—	—	(5.7)	—
At end of the year	(2,582.9)	(2,384.5)	(4,645.2)	(4,657.2)	(1,215.4)	(1,758.5)	—	—	(670.6)	(643.8)	(414.9)	(480.2)	(162.5)	(161.2)	(9,691.5)	(10,085.4)

Deferred tax assets are recognised for tax loss carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK\$20,800.6 million (2024: HK\$16,056.8 million) to carry forward for offsetting against future taxable income. These tax losses have no expiry dates except for the tax losses of HK\$7,892.4 million (2024: HK\$6,849.3 million) which will expire at various dates up to and including 2030 (2024: 2029).

For the investment properties that are located outside Hong Kong, they are held by certain subsidiaries with a business model to consume substantially all the economic benefits embodied in the investment properties over time, rather than through sale, the presumption is rebutted and related deferred tax continues to be determined based on recovery of use. For the remaining investment properties, the tax consequence is on the presumption that they are recovered entirely by sale.

As at 30 June 2025, the aggregate amount of temporary differences associated with investments in subsidiaries and joint ventures for which deferred tax liabilities have not been recognised totalled approximately HK\$8.6 billion, as the directors consider that the timing of reversal of the related temporary differences can be controlled and the temporary differences will not be reversed in the foreseeable future.

24 OTHER NON-CURRENT ASSETS

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Long-term loans and receivables (note (a))	5,923.2	9,995.5
Long-term prepayments and deposits	2,093.2	1,771.3
Deposits and other prepayments for development projects	1,904.6	1,864.4
Contract assets related to construction services (notes (b) and 27(d))	12,816.8	14,862.1
	22,737.8	28,493.3

24 OTHER NON-CURRENT ASSETS (CONTINUED)

Notes:

(a) Long-term loans and receivables

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Mortgage loans receivables (i)	1,223.2	2,093.6
Mortgage loans receivables within one year included in debtors, prepayments and contract assets	(47.5)	(4.1)
Other receivables	4,747.5	7,906.0
	5,923.2	9,995.5

- (i) Mortgage loans receivables are advances to purchasers of development projects of the Group in Hong Kong and are secured by first or second mortgages on the related properties. The balance included first mortgage loans of HK\$1,028.9 million (2024: HK\$1,823.6 million).

The mortgage loans receivables are repayable by monthly with various tenors not more than 29 years (2024: not more than 30 years) at the year end date and carrying interest at floating rates.

During the year ended 30 June 2025, the cash inflow in relation to the repayment and disposal of mortgage loans receivables amounted to HK\$865.1 million (2024: HK\$513.9 million) and there was no addition to mortgage loans receivables for both 2025 and 2024.

Management assessed the expected credit loss allowance of mortgage loans receivables, with reference to both historical loss experience and forward-looking information. The Group had not provided any loss allowance for its mortgage loans receivables during the year (2024: Nil).

- (b) In May 2018, the Group was awarded by Airport Authority Hong Kong ("AAHK") the contract for the design, construction, financing and management of 11 SKIES project located in SkyCity of the Hong Kong International Airport. As of 30 June 2025, certain construction work for 11 SKIES remains outstanding and will be completed by phases in 2026 and 2027. Following the completion of the whole development of 11 SKIES, subject to the approvals from AAHK, the Group will be granted a long lease ("Long Lease") for the 11 SKIES project for a term up to September 2066. Under the term of the Long Lease, the Group will pay the higher of a guarantee rent or revenue rent which represents 20% of the gross revenue derived from the 11 SKIES project (subject to subsequent adjustment to 30%) throughout the lease term from June 2027 pursuant to the terms and conditions of the Long Lease, and performance deposits have been issued by licensed banks in Hong Kong to AAHK. As at 30 June 2025, the Group's investment in 11 SKIES project included (i) investment properties for office portion of HK\$1,900.0 million (2024: HK\$2,200.0 million) and prepayment and contract assets related to construction services of HK\$14,616.8 million (2024: HK\$16,662.0 million).

Given the general downturn of retail and office market in Hong Kong, coupled with uncertainties over such a long-term contract period, management assessed the expected credit loss of contract assets, with reference to the counterparty risk and external valuation of underlying Long Lease by independent valuer based on discounted cash flow method. The discounted cash flow analysis requires periodic net cash flows to be forecasted over the life of the underlying Long Lease and discounted at a risk-adjusted opportunity cost of capital to arrive at a present value.

In arriving the aforementioned present value using discounted cash flow analysis, management takes into consideration the yearly net cash flows after deductions for expenditure, having regard to the key assumptions made relating to prevailing market rent and discount rate, and compared with the relevant prepayment, contract assets and net present value of lease payments upon commencement of the Long Lease with AAHK. As at 30 June 2025, a discount rate of 6.5% (2024: 6%) are estimated by independent valuer based on the risk profile of the underlying Long Lease. To the extent that the actual results differ from these estimates, the amount of impairment provision will be differed and will affect the consolidated income statement. The evaluation of the impairment provision, including the estimates and assumptions contained therein, was reviewed by management. Based on the assessment performed by management, an impairment provision of HK\$2,700.0 million including the loss allowance on the prepayment and contract assets was recognised (2024: Nil).

At 30 June 2025, if discount rate had increased/decreased by 0.25% with all other variables unchanged, the impairment provision made to the prepayment and contract assets would have been HK\$1,800.0 million higher or HK\$2,000.0 million lower respectively. The sensitivity analysis has been determined based on reasonably possible changes in the respective key assumptions occurring at the end of the reporting period, while holding all the other assumptions constant.

Subsequent to the year end, the Group has been in discussions with the AAHK to revisit and/or explore any possibility for changes in the contractual arrangements between the Group and AAHK. Should there be any agreement reached between the Group and AAHK, there might have a significant financial impact to the consolidated financial statements, including but not limited to any potential reduction in carrying amount of the 11 SKIES project.

25 PROPERTIES FOR/UNDER DEVELOPMENT/PROPERTIES HELD FOR SALE

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Properties for development	15,377.5	15,286.8
Properties under development		
Expected to be completed after 12 months	18,568.1	32,482.4
Expected to be completed within 12 months	18,760.3	11,001.0
	37,328.4	43,483.4
Properties held for sale	28,773.9	28,346.1

At 30 June 2025, the aggregate carrying value of properties projects pledged as securities for the Group's borrowings amounted to HK\$29,785.2 million (2024: HK\$6,857.0 million).

26 INVENTORIES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Raw materials	16.3	18.4
Finished goods	137.0	120.6
	153.3	139.0

27 DEBTORS, PREPAYMENTS AND CONTRACT ASSETS

	Note	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Trade debtors	(a)	985.6	1,573.4
Retention receivables for contract works		0.2	216.4
Contract assets	(d)	698.1	2,888.8
Prepayment for purchase of land and land preparatory costs		828.2	1,225.6
Deposits, prepayments and other debtors		8,433.9	8,439.4
Amounts due from joint ventures		299.2	299.2
Amounts due from non-controlling shareholders	(f)	1,021.0	633.3
	(b), (c), (e)	12,266.2	15,276.1

27 DEBTORS, PREPAYMENTS AND CONTRACT ASSETS (CONTINUED)

Notes:

- (a) The Group has various credit policies for different business operations depending on the requirements of the markets and businesses in which the subsidiaries operate. Retention receivables for contract works are settled in accordance with the terms of respective contracts.

Aging analysis of trade debtors based on invoice date is as follows:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Less than 30 days	230.2	807.4
31 to 60 days	15.4	30.7
Over 60 days	740.0	735.3
	985.6	1,573.4

There is no concentration of credit risk with respect to trade debtors as the customer bases are widely dispersed in different sectors and industries.

- (b) The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected credit loss allowance for trade debtors, retention receivables for contract works and contract assets. In relation to deposits, other debtors and amounts due from joint ventures, the expected credit loss allowances are measured as either 12 month or lifetime expected credit loss. The carrying value is net of loss allowance HK\$2,240.8 million (2024: HK\$1,866.2 million). The movement of loss allowance is as follows:

2025	Note	Trade debtors HK\$m	Deposits and other debtors HK\$m	Total HK\$m
As at 1 July 2024		209.9	1,656.3	1,866.2
Translation differences		0.1	2.9	3.0
Increase in loss allowance recognised in consolidated income statement	8	44.1	441.9	486.0
Amounts recovered	8	(3.2)	(109.5)	(112.7)
Amounts written off		(1.7)	—	(1.7)
As at 30 June 2025		249.2	1,991.6	2,240.8

2024	Note	Trade debtors HK\$m	Retention receivables for contract works HK\$m	Deposits and other debtors HK\$m	Contract assets HK\$m	Amounts due from joint ventures HK\$m	Total HK\$m
As at 1 July 2023		231.3	136.8	1,597.0	22.8	8.0	1,995.9
Translation differences		(0.2)	—	—	—	—	(0.2)
Increase in loss allowance recognised in consolidated income statement	8	20.1	—	315.6	—	—	335.7
Amounts recovered	8	—	—	(1.1)	—	—	(1.1)
Amounts written off		(0.9)	—	—	—	—	(0.9)
Disposals of subsidiaries		(40.4)	(136.8)	(255.2)	(22.8)	(8.0)	(463.2)
As at 30 June 2024		209.9	—	1,656.3	—	—	1,866.2

During the current year, management has assessed the expected credit loss on performing financial assets based on methodology set out in note 4(b) and HK\$13.3 million (2024: HK\$18.8 million) expected credit loss provision has been made. For non-performing assets including trade debtors, retention receivables for contract works, deposits and other debtors, management has assessed the expected credit loss based on lifetime expected credit loss approach with reference to the creditability of the specific counterparties and HK\$472.7 million (2024: HK\$316.9 million) expected credit loss provision has been made.

27 DEBTORS, PREPAYMENTS AND CONTRACT ASSETS (CONTINUED)

Notes: (continued)

- (c) The carrying amounts of the debtors, prepayments and contract assets, which approximate their fair values, are denominated in the following currencies:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Renminbi	6,769.5	7,086.3
Hong Kong dollar	5,409.4	8,048.7
United States dollar	55.4	66.8
Others	31.9	74.3
	12,266.2	15,276.1

- (d) The Group has recognised the following revenue-related contract assets:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Current portion:		
Contract acquisition cost related to property sales (note (i))	522.7	683.7
Contract assets related to construction services (note (iii))	175.4	2,205.1
	698.1	2,888.8
Non-current portion:		
Contract assets related to construction services (note 24)	12,816.8	14,862.1
	13,514.9	17,750.9

note (i) Contract acquisition cost related to property sales consists of sales commissions incurred directly attributable to obtaining contract.

note (iii) Contract assets related to construction services consist of unbilled amount resulting from construction when the cost-to-cost method of revenue recognised exceeds the amount billed to the customer.

- (e) Except for certain collaterals held as securities for other debtors, the Group does not hold other collateral as securities for the debtors and prepayments. The maximum exposure to credit risk at the end of the reporting period is the carrying value mentioned above.

- (f) The balances are interest-free, unsecured and repayable on demand.

28 FINANCIAL ASSETS AT AMORTISED COST

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Debt securities		
Unlisted	111.9	129.7

The carrying amounts of financial assets at amortised cost are denominated in the following currencies:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
United States dollar	111.9	129.7

29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Equity instruments		
Unlisted (note (a))	550.5	596.6
Listed		
Hong Kong	31.3	20.2
Overseas	137.6	243.1
	719.4	859.9
Debt instruments		
Unlisted (note (a))	1,250.4	1,416.4
Listed		
Hong Kong	39.9	58.2
Overseas	3.3	302.1
	1,293.6	1,776.7
Investment funds (note (b))		
Unlisted (note (a))	2,944.1	4,490.1
Total	4,957.1	7,126.7
Expected to recover after 12 months	4,420.4	6,285.7
Expected to recover within 12 months	536.7	841.0
	4,957.1	7,126.7

Notes:

- (a) Unlisted investments are stated at fair values which are estimated using a variety of valuation methods or assessed the reasonableness with reference to market comparables, with the assistance of independent external valuers, when necessary.
- (b) As at 30 June 2025, the Group holds certain investment funds with fair value of HK\$701.3 million (2024: HK\$2,248.5 million) which are managed by the general partner while the Group participated in the funds as a limited partner. Management considered that the Group has neither significant influence nor joint control over the fund and therefore it is classified as financial assets at FVPL.
- (c) The carrying amounts of financial assets at FVPL are denominated in the following currencies:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
United States dollar	2,765.0	5,134.5
Hong Kong dollar	1,351.4	1,429.0
Renminbi	659.1	339.6
Others	181.6	223.6
	4,957.1	7,126.7

30 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Equity instruments		
Unlisted (note)	2,068.2	2,011.3
Listed		
Hong Kong	263.3	292.3
	2,331.5	2,303.6
Expected to recover after 12 months	2,331.5	2,303.6

Note: Unlisted investments are stated at fair values which are determined by the recent transaction price or estimated using a variety of valuation methods or assessed the reasonableness with reference to market comparables, with the assistance of independent external valuer when necessary.

The carrying amounts of financial assets at FVOCI are denominated in the following currencies:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Hong Kong dollar	1,987.1	2,053.2
United States dollar	278.4	185.9
Others	66.0	64.5
	2,331.5	2,303.6

31 CASH AND BANK BALANCES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Cash at banks and on hand	18,137.5	17,065.3
Bank deposits – unrestricted and maturing within three months	6,152.7	8,801.3
	24,290.2	25,866.6
Bank deposits – unrestricted and maturing after more than three months	1,166.2	1,533.0
Cash and bank balances	25,456.4	27,399.6
Bank deposits – restricted	400.4	590.5
	25,856.8	27,990.1

The cash and bank balances included unreleased guarantee deposits for construction of pre-sale properties of HK\$101.1 million (2024: HK\$625.5 million) placed in designated bank accounts as at 30 June 2025, and will be released in accordance with certain construction progress milestones.

The effective interest rates on bank deposits range from 0.35% to 6.03% (2024: 0.20% to 5.20%) per annum and these deposits have maturities ranging from 7 to 365 days (2024: 4 to 365 days).

31 CASH AND BANK BALANCES (CONTINUED)

The carrying amounts of cash and bank balances and restricted bank balances are denominated in the following currencies:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Renminbi	12,221.3	14,704.0
Hong Kong dollar	13,136.0	12,140.1
United States dollar	343.7	995.0
Others	155.8	151.0
	25,856.8	27,990.1

The conversion of Renminbi denominated balances into foreign currencies and the remittance of foreign currencies denominated bank balances and cash out of Mainland China are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

The cash and bank balances included unreleased guarantee deposits for construction of pre-sale properties of HK\$101.1 million (2024: HK\$625.5 million) placed in designated bank accounts as at 30 June 2025, and will be released in accordance with certain construction progress milestones.

Bank balances with aggregate carrying value of HK\$22.0 million (2024: Nil) were pledged as securities for the Group's long-term borrowings.

32 DISPOSAL GROUPS HELD FOR SALE

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Assets of disposal groups held for sale		
Investment properties	1,554.9	—
Interests in joint ventures	—	18.6
Interests in an associated company	—	1,367.9
Debtors and prepayments	—	100.1
Deferred tax assets	—	10.5
Cash and bank balances	—	85.0
Financial assets at FVOCI	—	18.0
Other non-current assets	—	160.7
	1,554.9	1,760.8

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Liabilities of disposal groups held for sale	—	698.1

33 SHARE CAPITAL

	2025		2024	
	Number of shares (million)	HK\$m	Number of shares (million)	HK\$m
Issued and fully paid (note):				
At beginning and end of the year	2,516.6	78,382.1	2,516.6	78,382.1

Note: The shares have no par value.

34 PERPETUAL CAPITAL SECURITIES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Issued by a wholly owned subsidiary of the Company (the "NWD Issuer")		
US\$1,300.0 million 6.25% guaranteed senior perpetual securities issued in 2019	10,223.4	10,427.6
US\$1,000.0 million 5.25% guaranteed senior perpetual securities issued in 2020	7,868.5	7,876.5
US\$700.0 million 4.80% guaranteed senior perpetual securities issued in 2020	5,461.5	5,476.0
US\$1,200.0 million 4.125% guaranteed senior perpetual securities issued in 2021	8,929.7	8,950.1
US\$500.0 million 6.15% guaranteed senior perpetual securities issued in 2022	2,694.9	3,550.3
	35,178.0	36,280.5

In May and June 2025, the NWD Issuer has announced to defer distribution for the US\$1,000.0 million 5.25% guaranteed senior perpetual securities issued in 2020, US\$700.0 million 4.80% guaranteed senior perpetual securities issued in 2020, US\$1,200.0 million 4.125% guaranteed senior perpetual securities issued in 2021, US\$500.0 million 6.15% guaranteed senior perpetual securities issued in 2022 with relevant distribution payment date scheduled to be paid in June 2025 (the "Deferred Perpetual Securities").

In June 2022, the NWD Issuer issued US\$500.0 million 6.15% guaranteed senior perpetual capital securities with the aggregate net proceeds after transaction cost of HK\$3,876.6 million.

In June 2021, the NWD Issuer issued US\$1,200.0 million 4.125% guaranteed senior perpetual capital securities with the aggregate net proceeds after transaction cost of HK\$9,295.5 million.

In December 2020, the NWD Issuer issued US\$700.0 million 4.80% guaranteed senior perpetual capital securities with the aggregate net proceeds after transaction cost of HK\$5,418.7 million.

In June 2020, the NWD Issuer issued US\$850.0 million 5.25% guaranteed senior perpetual capital securities with the aggregate net proceeds after transaction cost of HK\$6,597.2 million. In September 2021, the NWD Issuer further issued US\$150.0 million 5.25% guaranteed senior perpetual capital securities at 106.06% with the aggregate net proceeds after transaction cost of HK\$1,237.9 million, which was consolidated and formed a single series with the original issue in June 2020.

In March 2019, the NWD Issuer issued US\$500.0 million 6.25% guaranteed senior perpetual capital securities with the aggregate net proceeds after transaction cost of HK\$3,857.5 million. In July and November 2019, the NWD Issuer further issued US\$400.0 million and US\$400.0 million 6.25% guaranteed senior perpetual capital securities respectively, with the aggregate net proceeds after transaction cost of HK\$6,271.2 million, which were consolidated and formed a single series with the original issue in March 2019.

The perpetual capital securities issued by the NWD Issuer are listed on the Stock Exchange and guaranteed by the Company. There is no maturity of the securities and the payments of distribution can be deferred at the discretion of the Issuers, and there is no limit as to the number of times of deferral of distribution. The perpetual capital securities are callable. When the Company elects to declare dividends to their respective ordinary shareholders, the NWD Issuer shall make distribution to the holders of perpetual capital securities at the distribution rate as defined in the subscription agreements.

Up to the date of the consolidated financial statements, the Group has elected to defer distributions for all of its perpetual securities. The Group will continue to manage the timing for declaration of dividends and distribution on its perpetual securities so as to manage its liquidity.

Distributions to perpetual capital securities holders are recognised directly in equity in accordance with HKAS 32. A liability is assumed when the NWD Issuer formally acts to make a distribution. The NWD Issuer has the sole discretion to indefinitely defer the schedule distributions. As such, no accruals of distributions in accordance with HKAS 32 for the Deferred Perpetual Securities are required as the NWD Issuer does not have a present contractual obligation to pay the schedule distributions after delivering notice to the securities holders.

35 RESERVES

	Property revaluation reserve HK\$m	Financial assets at FVOCI reserve (non-recycling) HK\$m	General reserve HK\$m	Exchange reserve HK\$m	Retained profits HK\$m	Total HK\$m
At 1 July 2024	12,446.4	(321.1)	180.3	(6,183.2)	95,327.4	101,449.8
Loss attributable to shareholders	—	—	—	—	(16,301.5)	(16,301.5)
Net fair value changes on equity instruments as financial assets at FVOCI	—	(49.9)	—	—	—	(49.9)
Release of reserve and reclassification of reserve upon disposal of interests in joint ventures and associated companies	—	—	—	85.5	—	85.5
Acquisition of additional interests in subsidiaries	—	—	(139.4)	—	—	(139.4)
Deregistration of a subsidiary	—	—	—	6.2	—	6.2
Release of reserves and reclassification of reserves upon disposal of subsidiaries	—	—	(870.4)	14.3	—	(856.1)
Deemed disposal of interests in a subsidiary	—	—	—	—	—	—
Share of other comprehensive income of joint ventures and associated companies	—	—	—	37.6	—	37.6
Cash flow hedges	—	—	(313.0)	—	—	(313.0)
Transfer of reserves	—	—	1.7	—	(1.7)	—
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	105.8	—	—	—	—	105.8
Translation differences	—	—	—	1,308.7	—	1,308.7
At 30 June 2025	12,552.2	(371.0)	(1,140.8)	(4,730.9)	79,024.2	85,333.7

35 RESERVES (CONTINUED)

	Property revaluation reserve HK\$m	Movement of Insurance Finance Reserves HK\$m	Financial assets at FVOCI reserve (non-recycling) HK\$m	Financial assets at FVOCI reserve (recycling) HK\$m	General reserve HK\$m	Employees' share-based compensation reserve HK\$m	Exchange reserve HK\$m	Retained profits HK\$m	Total HK\$m
At 1 July 2023	13,292.6	(70.6)	757.1	(1,377.8)	1,175.2	31.6	(7,486.3)	114,927.9	121,249.7
Loss attributable to shareholders	—	—	—	—	—	—	—	(19,682.9)	(19,682.9)
Net fair value changes on equity instruments as financial assets at FVOCI	—	—	(388.9)	—	—	—	—	—	(388.9)
Net fair value changes and other net movements of debt instruments as financial assets at FVOCI	—	—	—	(178.9)	—	—	—	—	(178.9)
Net insurance contracts finance expenses	—	(28.4)	—	—	—	—	—	—	(28.4)
Share options lapsed	—	—	—	—	—	(31.6)	—	—	(31.6)
Release of reserves and reclassification of reserves upon disposal of subsidiaries	(3,856.3)	99.0	(740.7)	1,558.5	(171.9)	—	2,240.0	5,210.9	4,339.5
Disposal/partial disposal of subsidiaries	—	—	—	—	—	—	—	(145.1)	(145.1)
Share of other comprehensive (loss)/income of joint ventures and associated companies	—	—	38.0	—	(22.0)	—	(93.7)	—	(77.7)
Cash flow/fair value hedges	—	—	—	—	(745.1)	—	—	—	(745.1)
Redemption of perpetual capital securities	—	—	—	—	—	—	—	220.7	220.7
Transfer of reserves	—	—	—	—	(55.9)	—	0.3	55.6	—
Revaluation of investment properties upon reclassification from property, plant and equipment and right-of-use assets, net of taxation	3,010.1	—	—	—	—	—	—	—	3,010.1
Release of reserve upon disposal of equity instruments as financial assets at FVOCI	—	—	13.4	—	—	—	—	—	13.4
Release of reserve upon disposal of debt instruments as financial assets at FVOCI	—	—	—	(1.8)	—	—	—	—	(1.8)
Translation differences	—	—	—	—	—	—	(843.5)	—	(843.5)
2023 final dividend paid	—	—	—	—	—	—	—	(4,756.4)	(4,756.4)
2024 interim dividend paid	—	—	—	—	—	—	—	(503.3)	(503.3)
At 30 June 2024	12,446.4	—	(321.1)	—	180.3	—	(6,183.2)	95,327.4	101,449.8

36 BORROWINGS AND OTHER INTEREST-BEARING LIABILITIES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Long-term borrowings and other interest-bearing liabilities		
Secured bank loans	118,319.1	33,346.3
Unsecured bank loans	873.0	82,854.8
Fixed rate bonds and notes payable	26,694.8	24,931.0
Loans from non-controlling shareholders (note (b))	4,575.2	4,504.0
	150,462.1	145,636.1
Current portion of long-term borrowings and other interest-bearing liabilities	(6,520.0)	(31,198.3)
	143,942.1	114,437.8
Short-term borrowings and other interest-bearing liabilities		
Secured bank loans	—	425.0
Unsecured bank loans	78.1	10,085.0
Other unsecured loans	5.1	5.1
Loans from non-controlling shareholders (note (b))	390.8	398.7
	474.0	10,913.8
Current portion of long-term borrowings and other interest-bearing liabilities	6,520.0	31,198.3
	6,994.0	42,112.1
Total borrowings and other interest-bearing liabilities	150,936.1	156,549.9

Notes:

(a) Bank loans, other loans and fixed rate bonds and notes payable are repayable as follows:

	Bank loans		Other loans		Fixed rate bonds and notes payable	
	2025 HK\$m	2024 HK\$m	2025 HK\$m	2024 HK\$m	2025 HK\$m	2024 HK\$m
Within one year	5,282.2	41,594.4	5.1	5.1	1,282.5	32.4
In the second year	17,587.7	30,798.5	—	—	4,860.1	1,359.2
In the third year	36,666.6	27,692.7	—	—	3,630.1	5,296.2
In the fourth year	40,512.4	14,229.2	—	—	1,572.6	602.5
In the fifth year	13,352.0	7,930.3	—	—	9,341.0	1,658.8
After the fifth year	5,869.3	4,466.0	—	—	6,008.5	15,981.9
	119,270.2	126,711.1	5.1	5.1	26,694.8	24,931.0

(b) Loans from non-controlling shareholders

Except for the loans of HK\$2,642.9 million (2024: HK\$2,427.8 million) that are interest bearing at 3.95% to 6% per annum (2024: 4.3% to 6.5% per annum), the remaining loans are interest free. All the loans from non-controlling shareholders are unsecured. An amount of HK\$2,293.4 million (2024: HK\$2,346.2 million) is not repayable within the next 12 months and the remaining balances have no specific repayment term.

36 BORROWINGS AND OTHER INTEREST-BEARING LIABILITIES (CONTINUED)

Notes: (continued)

(c) Effective interest rates

	As at 30 June 2025				As at 30 June 2024			
	Hong Kong dollar	Renminbi	United States dollar	Others	Hong Kong dollar	Renminbi	United States dollar	Others
Bank loans	4.9%	3.4%	6.0%	2.9%	5.3%	3.7%	6.6%	4.3%
Fixed rate bonds and notes payable	4.2%	—	5.2%	—	4.3%	3.5%	4.5%	—
Loans from non-controlling shareholders	—	4.2%	—	—	—	5.8%	—	—
Other unsecured loans	3.0%	—	—	—	3.0%	—	—	—

(d) Carrying amounts and fair values of the borrowings and other interest-bearing liabilities

The fair value of the fixed rate bonds and notes payable at the end of the reporting period is HK\$17,274.2 million (2024: HK\$23,172.1 million). The carrying amounts of other borrowings approximate their fair values.

(e) Currencies

The carrying amounts of the borrowings and other interest-bearing liabilities are denominated in the following currencies:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Hong Kong dollar	108,878.7	117,767.1
United States dollar	20,740.0	17,977.7
Renminbi	19,346.1	18,838.2
Others	1,971.3	1,966.9
	150,936.1	156,549.9

(f) The agreements governing the bank loans of the Group contain conditions and events of default customary for such financings. Majority of the Group's borrowings of an aggregate amount of HK\$104,871.6 million also contains key financial covenants including net gearing ratio and other relevant requirements with respective applicable test dates on 31 December and 30 June of each year until maturity. In addition to those disclosed in note 2(c), the Group has complied with the covenants under the relevant facility agreements as at 30 June 2025 and 2024. The Group is in the view that we will comply the covenants when they will be tested on 31 December 2025 and 30 June 2026.

37 LEASE LIABILITIES

The maturity of lease liabilities is as follows:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Current		
Within 1 year	655.8	701.1
Non-current		
In the second to fifth year	1,311.2	1,592.2
After the fifth year	2,103.9	2,109.2
	3,415.1	3,701.4
	4,070.9	4,402.5

As at 30 June 2025, the weighted average lessee's incremental borrowing rates applied was 5.7% (2024: 3.61%).

As at 30 June 2025, the balance included the lease liabilities payable to joint ventures and related companies of HK\$248.7 million (2024: HK\$13.5 million).

38 OTHER NON-CURRENT LIABILITIES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Deferred income	0.3	0.3
Provision for long service payments	1.0	1.4
Long-term accounts payable	90.5	90.5
	91.8	92.2

39 CREDITORS, ACCRUED CHARGES AND CONTRACT LIABILITIES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Trade creditors (note (a))	8,540.2	9,102.5
Contract liabilities (note (b))	7,013.1	8,600.0
Amounts due to joint ventures (note (e))	2,199.1	2,486.3
Amounts due to associated companies (note (e))	5,232.2	5,173.0
Other creditors and accrued charges	17,189.3	14,297.1
	40,173.9	39,658.9

Notes:

(a) Aging analysis of trade creditors based on invoice date is as follows:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Less than 30 days	2,387.3	3,788.2
31 to 60 days	70.5	127.6
Over 60 days	6,082.4	5,186.7
	8,540.2	9,102.5

(b) The Group has recognised the following revenue-related contract liabilities:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Contract liabilities related to property sales (note)	6,837.7	8,428.9
Contract liabilities related to construction services (note)	5.6	4.3
Contract liabilities related to other operations	169.8	166.8
	7,013.1	8,600.0

Note:

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties and construction services.

39 CREDITORS, ACCRUED CHARGES AND CONTRACT LIABILITIES (CONTINUED)

Notes: (continued)

- (c) The following table shows the amount of the revenue recognised in the current reporting period relates to contract liabilities at the beginning of the year and the amount relates to performance obligations that were satisfied in prior year.

	2025 HK\$m	2024 HK\$m
Revenue recognised that was included in contract liabilities at the beginning of the year		
– Property sales	7,981.4	10,913.6
– Other operations	60.6	80.8
	8,042.0	10,994.4

- (d) The following table shows the amount of unsatisfied performance obligations resulting from property sales, construction services and other operations for contracts with an original expected duration of one year or more:

	2025 HK\$m	2024 HK\$m
Expected to be recognised within one year	11,101.9	14,675.1
Expected to be recognised after one year	316.6	593.6
	11,418.5	15,268.7

For all other contracts with an original expected duration of one year or less or are billed based on time incurred, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

- (e) The amounts payable are interest free, unsecured and have no fixed terms of repayment.
- (f) The carrying amounts of creditors, accrued charges and contract liabilities, which approximate their fair values, are denominated in the following currencies:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Renminbi	21,007.0	25,203.7
Hong Kong dollar	18,991.4	14,319.3
United States dollar	62.8	56.5
Others	112.7	79.4
	40,173.9	39,658.9

40 FINANCIAL INSTRUMENTS BY CATEGORY

In accordance with HKFRS 7, the financial assets and financial liabilities of the Group as shown in the consolidated statements of financial position are classified as follows:

- (a) Financial assets measured at fair value are disclosed in note 4(e);
- (b) Amounts receivable included in interests in joint ventures and interests in associated companies; other receivables and long-term deposits included in other non-current assets; trade and other debtors; deposits and amounts due from associated companies, joint ventures and non-controlling shareholders included in debtors; prepayments; restricted bank balances and cash and bank balances are categorised as financial assets at amortised cost and carried at amortised cost using the effective interest method; and
- (c) Borrowings and other interest-bearing liabilities, lease liabilities, trade creditors and loan and other creditors are categorised as financial liabilities and carried at amortised cost using the effective interest method. Derivative financial instruments is carried at fair value.

41 COMMITMENTS

(a) Operating lease receivable

The future minimum rental receivable under non-cancellable operating leases are as follows:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
In the first year	3,099.1	2,910.6
In the second to fifth year	4,912.0	6,741.8
After the fifth year	864.5	891.6
	8,875.6	10,544.0

The Group's operating leases are for terms ranging from 1 to 15 years (2024: 1 to 15 years).

(b) Other commitments

The outstanding commitments for capital expenditure are as follows:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Contracted but not provided for		
Property, plant and equipment	40.3	40.3
Investment properties	3,578.6	6,582.6
Other investments	236.9	778.0
	3,855.8	7,400.9

The Group's share of capital commitments of the joint ventures not included above are as follows:

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Contracted but not provided for	90.1	75.3

42 FINANCIAL GUARANTEE AND CONTINGENT LIABILITIES

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Financial guarantee contracts:		
Mortgage facilities for certain purchasers of properties	2,490.1	2,910.7
Guarantees for credit facilities granted to Joint ventures	5,482.1	8,602.6
	7,972.2	11,513.3

43 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash generated from operations

	2025 HK\$m	2024 HK\$m
Operating loss from continuing and discontinued operations	(8,283.4)	(7,876.0)
Depreciation	1,191.4	1,408.0
Amortisation	53.6	546.0
Changes in fair value of investment properties	1,128.6	956.8
Write back the loss allowance/impairment on		
Properties held for sale	—	(169.0)
Loans and other receivables	(112.7)	(1.1)
Inventory	(26.9)	—
Property, Plant and Equipment	(4.6)	—
Net loss associated with investments related to unit-linked contracts	—	124.7
Net (gain)/loss on fair value of financial assets at FVPL and derivative financial instruments	(352.8)	2,706.1
Net (gain)/loss on disposal of		
Debt instruments as financial assets at FVOCI	—	(2.9)
Long-term loan receivables	133.5	—
Financial assets at FVPL	926.3	211.3
Investment properties, property, plant and equipment, right-of-use assets and intangible assets	(158.9)	(212.8)
Subsidiaries, joint ventures and associated companies	470.9	8,207.4
Impairment loss/loss allowance/provision on		
Loans, debtors and other receivables	486.0	337.4
Non-current assets	2,700.0	—
Debt instruments as financial assets at FVOCI	—	61.3
Interests in joint ventures	3,017.7	43.5
Interests in associated companies	274.8	186.8
Goodwill	338.3	414.5
Intangible assets	—	38.0
Properties held for sale	1,126.9	3,060.0
Properties under development	3,979.1	649.9
Property, plant and equipment	17.7	990.9
Right-of-use assets	31.8	348.9
Dividend income from financial assets at FVOCI and financial assets at FVPL	(32.1)	(158.3)
Share option expenses	—	44.0
Provision for/(reversal of provision on) other payables	230.0	(107.4)
Gain on redemption of fixed rate bonds	(14.3)	(726.2)
Net exchange loss	17.8	27.0
Net insurance contracts finance income	—	(1,885.6)
Net losses on remeasurement on assets classified as held for sale	—	284.9
Operating profit before working capital changes	7,138.7	9,508.1
(Increase)/decrease in inventories	(13.8)	86.4
Decrease in properties for/under development and properties held for sale	4,395.3	5,445.6
Decrease in debtors, prepayments and contract assets and other non-current assets	3,321.4	628.4
Increase/(decrease) in creditors, accrued charges and contract liabilities	884.0	(7,269.4)
Changes in insurance contracts	—	3,783.7
Changes in reinsurance contracts held	—	(107.4)
Dividends received from financial assets in relation to insurance business and investment related to unit-linked contracts	—	162.0
Decrease in liabilities related to unit-linked contracts	—	(227.2)
Additions of financial assets at FVPL associated with investments related to unit-linked contracts	—	(2,194.7)
Disposal of financial assets at FVPL associated with investments related to unit-linked contracts	—	2,268.2
Net cash generated from operations	15,725.6	12,083.7

43 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities:

	Borrowings and other interest-bearing liabilities		Lease liabilities	Total
	Long-term borrowings HK\$m	Short-term borrowings HK\$m	HK\$m	HK\$m
At 1 July 2024	145,636.1	10,913.8	4,402.5	160,952.4
Changes from cash flows				
Proceeds from new borrowings	15,644.8	64.7	—	15,709.5
Repayment of borrowings	(16,969.7)	(4,531.2)	—	(21,500.9)
Other changes				
Disposals of subsidiaries	(263.9)	—	(29.3)	(293.2)
Principal elements of lease liabilities payments	—	—	(395.8)	(395.8)
Disposal	—	—	(93.8)	(93.8)
Interest elements of lease liabilities payments	—	—	(237.6)	(237.6)
New leases entered/lease modified	—	—	109.4	109.4
Interest expenses (note 10)	—	—	237.6	237.6
Gain on redemption on fixed rate bonds	(14.3)	—	—	(14.3)
Reclassification	5,947.5	(5,985.0)	—	(37.5)
Translation differences	322.4	6.6	77.9	406.9
Amortisation of front-end fee	210.0	5.1	—	215.1
Other non-cash movement	(50.8)	—	—	(50.8)
At 30 June 2025	150,462.1	474.0	4,070.9	155,007.0
At 1 July 2023	175,013.2	15,388.5	5,174.2	195,575.9
Changes from cash flows				
Proceeds from new borrowings	23,944.4	7,014.4	—	30,958.8
Repayment of borrowings	(36,395.3)	(8,849.0)	—	(45,244.3)
Increase in cash collateral received from counterparties	—	21.2	—	21.2
Other changes				
Disposals of subsidiaries	(16,580.0)	(2,614.4)	(889.9)	(20,084.3)
Principal elements of lease liabilities payments	—	—	(679.7)	(679.7)
Interest elements of lease liabilities payments	—	—	(235.0)	(235.0)
New leases entered/lease modified	—	—	887.6	887.6
Interest expenses (note 10)	—	—	235.0	235.0
Gain on redemption on fixed rate bonds	(726.2)	—	—	(726.2)
Transfer to liabilities of disposal groups held for sale	—	—	(71.2)	(71.2)
Other non-cash movement	115.0	8.8	—	123.8
Translation differences	68.0	(70.5)	(18.5)	(21.0)
Amortisation of front-end fee	197.0	14.8	—	211.8
At 30 June 2024	145,636.1	10,913.8	4,402.5	160,952.4

43 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Disposal of subsidiaries

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Net assets disposed		
Investment properties	496.6	5,988.4
Property, plant and equipment	136.9	1,125.2
Right-of-use assets	25.2	1,005.4
Inventories	26.4	272.1
Intangible assets	—	305.5
Intangible concession rights	—	12,870.7
Investment in associated companies	—	4,451.0
Investment in joint ventures	—	17,259.3
Financial assets at amortised costs	—	1,355.5
Insurance contract assets	—	1,051.1
Reinsurance contract assets	—	123.7
Other non-current assets	—	698.3
Goodwill	—	6,384.6
Deferred tax assets	—	101.5
Properties held for sale	—	289.7
Debtors, prepayments and contract assets	2,497.5	7,884.3
Financial assets at fair value through profit or loss	269.6	56,448.0
Financial assets at fair value through other comprehensive income	318.6	8,265.5
Amounts due to related companies	39.8	—
Cash and bank balances	199.9	15,086.7
Short-term borrowings	—	(2,614.4)
Long-term borrowings	(263.9)	(16,580.0)
Creditors, accrued charges and contract liabilities	(1,600.5)	(10,573.9)
Other non-current liabilities	—	(331.8)
Derivative financial instruments	—	(60.1)
Current tax payable	(22.9)	(401.9)
Deferred tax liabilities	—	(1,349.9)
Lease liabilities	(29.3)	(889.9)
Investment related to unit-linked contracts	—	8,715.6
Liabilities related to unit-linked contracts	—	(4,173.3)
Insurance contract liabilities	—	(58,203.3)
	2,093.9	54,503.6
Release of reserves upon disposal of subsidiaries	(856.1)	4,339.5
Non-controlling interests	(131.0)	(18,002.6)
Perpetual securities	—	(10,394.3)
Net gain on disposal of subsidiaries	123.9	(8,234.3)
Consideration	1,230.7	22,211.9
Represented by		
Cash consideration	1,230.7	22,250.3
Other creditors and accrued charges	—	(38.4)
	1,230.7	22,211.9

43 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(d) Analysis of net inflow of cash and cash equivalents in respect of disposal of subsidiaries

	As at 30 June 2025 HK\$m	As at 30 June 2024 HK\$m
Cash consideration	1,230.7	22,250.3
Cash and cash equivalents disposed	(199.9)	(15,086.7)
	1,030.8	7,163.6

44 RELATED PARTY TRANSACTIONS

In addition to those disclosed in other sections of the consolidated financial statements, the following significant related party transactions have been entered into by the Group during the year:

	2025 HK\$m	2024 HK\$m
Joint ventures and associated companies		
Interest income (note (a))	100.3	174.7
Interest expense on lease liabilities (note (a))	10.1	12.1
Rental expenses (note (b))	67.2	77.4
Management services fee income (note (c))	3.9	9.5
Project management fee income	4.1	6.4
Additions to right-of-use assets	61.8	158.5
Related companies (note (g))		
Rental income (note (b))	394.4	342.9
Rental expenses (note (b))	24.8	27.6
Management services fee income (note (c))	5.2	0.2
Management services fee expenses (note (c))	325.1	178.8
Concessionaires commissions (note (d))	22.2	30.4
Sales of goods, prepaid shopping cards and vouchers (note (e))	3.9	2.4
Engineering and mechanical services (note (f))	55.1	481.2
Security services expenses (note (f))	21.7	41.0
Cleaning and landscaping services (note (f))	47.7	81.4
Repair and maintenance expenses (note (f))	19.7	43.0
Insurance expenses (note (h))	47.8	42.0
Project management income	25.2	–

44 RELATED PARTY TRANSACTIONS (CONTINUED)

Notes:

- (a) Interest income is charged at interest rates as specified in notes 20(a) and 21(a) on the outstanding amounts. Interest expense on lease liabilities is charged at interest rates as specified in note 37.
- (b) Rental income and expenses are charged and additions to right-of-use assets are measured in accordance with respective tenancy agreements.
- (c) Management services fee income and expenses and project management fee income are charged in accordance with the terms of respective management service agreements and project management agreements.
- (d) The income is charged in accordance with concessionaire counter agreements with Chow Tai Fook Jewellery Group Limited ("CTFJ") and its subsidiaries (collectively "CTFJ Group"). The commission is mainly calculated by pre-determined percentages of gross sales value in accordance with respective agreements.
- (e) This represents the amounts received in respect of the sales of goods, prepaid shopping cards and vouchers to the Group as payment of purchase of goods and settlement of the relevant value from CTF and its subsidiaries (collectively "CTF Group"), CTFJ Group and companies owned by Mr. Doo.
- (f) Engineering and mechanical services, security services expenses, cleaning and landscaping expenses and repair and maintenance expenses are charged in accordance with relevant contracts.
- (g) Related companies refer to subsidiaries and joint ventures of CTF Group, CTFJ Group, companies owned by Mr. Doo and AC Group Limited ("AC Group"), a company wholly owned by Dr. Cheng Chi-Kong Adrian. Transactions with these parties constitute connected transactions and constitute continuing connected transactions for which the disclosure requirements under chapter 14A or the Listing Rules have been complied with.
- (h) Insurance expenses are charged in accordance with the terms of respective insurance agreements.
- (i) The balances with joint ventures and associated companies are disclosed in notes 20, 21, 27 and 39.
- (j) No significant transactions have been entered with the Directors of the Company (being the key management personnel) during the year other than the emoluments paid to them and the transactions entered with them as disclosed in note 15.

45 COMPANY STATEMENT OF FINANCIAL POSITION

	2025 HK\$m	2024 HK\$m
Assets		
Non-current assets		
Intangible assets	108.3	150.0
Investment property	107.0	102.0
Property, plant and equipment	4.9	7.9
Right-of-use assets	6.3	9.6
Interests in subsidiaries	60,308.2	60,509.2
Interests in joint ventures	261.8	183.4
Interests in associated companies	8.4	14.2
Amounts receivable from associated companies and joint ventures	9,579.8	7,969.5
Financial assets at FVPL	87.0	401.3
Financial assets at FVOCI	4.3	1.0
	70,476.0	69,348.1
Current assets		
Properties held for sale	34.5	29.7
Debtors, prepayments and contract assets	266.5	208.1
Amounts receivable from subsidiaries	125,554.9	137,877.3
Financial assets at FVPL	31.6	38.3
Cash and bank balances	5,035.0	351.5
	130,922.5	138,504.9
Total assets	201,398.5	207,853.0
Equity		
Share capital	78,382.1	78,382.1
Reserves (note)	4,789.9	15,348.0
Total equity	83,172.0	93,730.1
Liabilities		
Non-current liabilities		
Lease liabilities	–	0.5
Current liabilities		
Creditors, accrued charges and contract liabilities	1,534.8	1,295.0
Amounts payable to subsidiaries	116,683.4	112,816.3
Lease liabilities	8.3	11.1
	118,226.5	114,122.4
Total liabilities	118,226.5	114,122.9
Total equity and liabilities	201,398.5	207,853.0

Dr. Cheng Kar-Shun, Henry
Director

Ms. Huang Shaomei, Echo
Director

45 COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)

Note:

Reserves

	Financial assets at FVOCI reserve (non-recycling) HK\$m	Retained profits HK\$m	Total HK\$m
At 1 July 2024	(8.9)	15,356.9	15,348.0
Loss for the year	—	(10,558.1)	(10,558.1)
At 30 June 2025	(8.9)	4,798.8	4,789.9
	Financial assets at FVOCI reserve (non-recycling) HK\$m	Retained profits HK\$m	Total HK\$m
At 1 July 2023	(8.9)	23,234.1	23,225.2
Loss for the year	—	(2,617.5)	(2,617.5)
2023 final dividend paid	—	(755.0)	(755.0)
Conditional special dividend paid	—	(4,001.4)	(4,001.4)
2024 interim dividend paid	—	(503.3)	(503.3)
At 30 June 2024	(8.9)	15,356.9	15,348.0

46 EVENTS AFTER REPORTING PERIOD

Save as disclosed elsewhere in the consolidated financial statements, on 25 September 2025, a facility agreement (the “Facility Agreement”) was entered into by, among others, certain members of the Group (as borrower and/or obligor) and Deutsche Bank AG (as arranger, original lender and agent). Pursuant to the Facility Agreement, a term loan facility of up to HK\$5.9 billion with an initial tranche of up to HK\$3.95 billion will be made available to certain members of the Group for the Group’s ordinary course financing activities.

47 PRINCIPAL SUBSIDIARIES

As at 30 June 2025

	Share capital issued [#]		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK\$		
<i>Incorporated and operate in Hong Kong</i>				
Addlight Investments Limited	9,998	9,998	63	Property development
	2 ¹	2	63	
All Speed Investment Limited	2	2	100	Property investment
Asia Rich Incorporation Limited	1	1	100	Property investment
Billion Huge (International) Limited	950,001	950,001	100	Investment holding
Billion Park Investment Limited	1,000,000	1,000,000	88	Investment holding
Birkenhead Properties and Investments Limited	1,200,000	1,200,000	64	Property investment
Bremont Investments Limited	1	1	100	Property investment
Bright Moon Company, Limited	260,000	2,600,000	75	Property investment
Broad Park Limited	1	1	75	Investment holding and provision of management services
Cheer Best Enterprises Limited	2	2	100	Property investment
Cheong Sing Company Limited	10,000	10,000	100	Property investment
Chi Lam Investment Company Limited	7,000	700,000	100	Investment holding
CiF Solutions Limited	10	1,000	100	Provision of information technology solutions
	160,000 ¹	16,000,000	100	
Come City Limited	2	2	100	Property investment
Daily Land Limited	1	1	100	Property investment
Eminent Elite Limited	1	1	100	Investment holding
Fook Hong Enterprises Company, Limited	10,000	1,000,000	100	Property investment
Fortune Land Development Limited	1	1	62	Property development
Full Asset Enterprises Limited	1	1	100	Property investment
Full Sense Limited	1	1	100	Property development
Good Sense Development Limited	1	1	100	Property development
Guidetone Investments Limited	100,000	100,000	80	Property investment
Happy Champion Limited	2	2	100	Investment holding
Happy Growth Investment Limited	1	1	75	Investment holding and provision of management services
Hong Kong Golf & Tennis Academy Management Company Limited	1,000,000	1,000,000	100	Operator of golf and tennis academy
Hong Kong Island Development Limited	33,400,000	167,000,000	100	Property investment
Hong Kong Jing-Guang Development Limited	100,000	1,000,000	82	Investment holding
Hong Kong Multiple Intelligence Education Company Limited	1	1	100	Provision of training courses
Honour Shares Limited	100	100	100	Investment holding
Housing Finance Limited	2	2	100	Financial services
Istaron Limited	4	4	100	Investment holding
Join Base Development Limited	1	1	100	Property investment

47 PRINCIPAL SUBSIDIARIES (CONTINUED)

As at 30 June 2025

	Share capital issued [#]		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK\$		
Incorporated and operate in Hong Kong (continued)				
K11 Art Mall Properties Company Limited	1	1	100	Property investment
K11 (China) Limited	1	1	100	Investment holding
K11 Concepts Limited	1	1	100	Provision of property management consultancy services
K11 Cultural & Creation Company Limited	1	1	100	Culture and recreation
K11 Sales & E-Commerce Company Limited	1	1	100	Retail and corporate sales
Kin Kiu Enterprises, Limited	10,000	10,000,000	100	Investment holding
Land Chain Limited	2	2	100	Property investment
Lingal Limited	1,800	1,800	100	Investment holding
	200 ¹	200	—	
Legarleon Finance Limited	4,400,000	44,000,000	100	Financing
Lucrative Venture Limited	1,500,000	15,000,000	100	Property development
Million Noble Investments Limited	1	1	100	Investment holding
New World China Construction Limited	1	1	100	Investment holding
New World Corporate Services Limited	1	1	100	Provision of information technology service
New World Department Store (Investment) Limited	3	410,045,794	75	Investment holding
New World Department Stores Limited	2	2	75	Investment holding and provision of management services
New World Development (China) Limited	2	4	100	Investment holding
New World Finance Company Limited	200,000	20,000,000	100	Financial services
New World Hotels (Holdings) Limited	576,000,000	510,795,731	100	Investment holding
New World (Login) Company Limited	1	1	100	Supply chain management
New World Intelligent Centre Company Limited	2	2	100	Provision of accountancy and advisory services
New World Loyalty Programme Limited	1	1	100	Loyalty programme
New World Project Management (China) Limited	1	1	100	Project management
New World Property Management Company Limited	1	1	100	Property management
New World Real Estate Agency Limited	2	2	100	Estate agency
New World Strategic Partnerships Company Limited	200	200	100	Agency
New World Tower Company Limited	2	20	100	Property investment
NW Project Management (HK) Limited	1	1	100	Project management
NW Project Management Limited	2	2	100	Project management
Pacific Great Investment Limited	50,000,000	50,000,000	100	Investment holding
Pridemax Limited	2	2	100	Property investment

47 PRINCIPAL SUBSIDIARIES (CONTINUED)

As at 30 June 2025

	Share capital issued [#]		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK\$		
<i>Incorporated and operate in Hong Kong (continued)</i>				
Queen’s Land Investment Limited	1,000	1,000	100	Property development
Reach High Development Limited	1	1	62	Property development
Roxy Limited	1	1	100	Construction and operation of Skycity
Scienward Fashion and Luxury Limited	20,000	100,010,000	100	Investment holding and fashion trading
Scienward Sports and Casual Limited	100	100	100	Provision of management services
Silver Grow Investment Limited	1	1	75	Investment holding
Smart Surplus Mega Trade Limited	1	1	100	Property investment
Spotview Development Limited	10	10	100	Financial services
Super Record Limited	1	1	100	Property investment
The Town Club (HK) Limited	1	1	100	Operation of club house
Top Leader Creation Limited	1	1	100	Property development
Treasure Tower Holdings Limited	1,000,000	1,000,000	100	Property investment
Up Fair Limited	2	2	100	Property development
Winmark Properties Limited	1	1	100	Property investment
Winpo Development Limited	2	2	100	Property investment

	Share capital issued [#]		Attributable interest to the Group (%)	Principal activities
	Number of shares	Par value per share		
<i>Incorporated in the Cayman Islands and operate in Hong Kong</i>				
New World China Land Limited	8,702,292,242	HK\$0.1	100	Investment holding
New World Department Store China Limited	1,686,145,000	HK\$0.1	75	Investment holding

Incorporated and operates in the Philippines

New World International Development Philippines, Inc.	6,988,016	Peso100	62	Hotel operation
---	-----------	---------	----	-----------------

Incorporated and operates in Malaysia

Taipan Eagle Sdn. Bhd.	1,000,000	MYR1	71	Property development
------------------------	-----------	------	----	----------------------

[#] Represented ordinary share capital, unless otherwise stated¹ Non-voting deferred shares

47 PRINCIPAL SUBSIDIARIES (CONTINUED)

As at 30 June 2025

	Fully paid capital	Attributable interest* to the Group (%)	Principal activities
<i>Incorporated and operate in the PRC</i>			
Beijing Chong Yu Real Estate Development Co., Ltd.	US\$171,840,000 ^W	100	Property investment and development
Beijing Dongfang Huamei Real Estate Development Co., Ltd.	RMB200,000,000 ^E	75	Land development
Beijing New World Huamei Real Estate Development Co. Ltd.	RMB748,000,000 ^E	75	Property development
Beijing New World Liying Department Store Co., Ltd.	RMB18,000,000 ^W	75	Department store operation
Beijing New World Qianzi Department Store Co., Ltd.	HK\$60,000,000 ^W	75	Department store operation
Beijing New World Trendy Department Store Co., Ltd.	RMB25,000,000 ^W	75	Department store operation
Beijing Wanya Department Store Co., Ltd.	RMB100,000 ⁺	75 ^a	Department store operation
Beijing Yixi New World Department Store Co., Ltd.	RMB65,000,000 ^W	75	Department store operation
Changsha New World Trendy Plaza Co., Ltd.	RMB60,000,000 ^W	75	Department store operation
Chongqing New World Department Store Co., Ltd.	RMB100,000,000 ^W	75	Department store operation
Dalian New World Plaza International Co., Ltd.	RMB58,000,000 ^E	88	Property investment and development
Dalian New World Tower Co., Ltd.	US\$197,324,700 ^W	100	Property investment and development
Foshan Da Hao Hu Real Estate Development Co., Ltd.	RMB1,364,500,500 ^W	91	Property development
Foshan International Country Club Company Ltd.	US\$52,923,600 ^C	91	Golf club operation
Guangzhou Bright Way Enterprises Co., Ltd.	RMB1,100,000,000 ^W	100	Property investment
Guangzhou Fong Chuen-New World Property Development Ltd.	RMB330,000,000 ^C	100	Property development
Guangzhou Jixian Zhuang New World City Garden Development Limited	US\$24,000,000 ^C	100	Property development
Guangzhou New World Property Asset Business Management Co., Ltd.	RMB200,000,000 ^W	100	Investment holding
Guangzhou Xin Hua Chen Real Estate Co., Ltd.	RMB200,000,000 ^W	100	Property development
Guangzhou Xinsui Tourism Centre Ltd.	HK\$350,000,000 ^W	100	Property development
Guangzhou Xin Yi Development Limited	HK\$286,000,000 ^W	90	Property investment and development
Guangzhou Xinpei Enterprises Management Co., Ltd.	RMB550,000,000 ^W	100	Investment holding
Guangzhou Xinpei Investment Co. Ltd.	RMB200,000,000 ^W	100	Investment holding
Guangzhou Yao Ce Co. Ltd.	RMB1,710,000,000 ^W	100	Investment holding
Guangzhou Yao Sheng Real Estate Development Co., Ltd.	RMB2,692,100,000 ^E	65	Property development
Guangzhou Yibo Real Estate Development Co., Ltd.	RMB392,500,000 ^W	100	Property development
Guangzhou Yong Pei Hotel Co., Ltd.	RMB20,000,000 ^W	100	Hotel investment
Guangzhou Yong Pei Properties Development Co., Ltd.	RMB2,384,000,000 ^W	100	Property development
Guangzhou Zengpei Properties Development Co., Ltd.	RMB1,710,000,000 ^W	100	Property development
Hangzhou Xinyun Industrial Development Co. Ltd.	RMB10,500,000,000 ^W	100	Property development
Huamei Wealth (Beijing) Technology Co., Ltd.	RMB640,000,000 ^W	100	Property investment
Hunan Fortune Lake Property Development Co., Ltd.	RMB475,800,000 ^W	100	Property development
Jiangsu New World Department Store Co., Ltd.	RMB16,000,000 ^W	75	Department store operation
Jinan New World Sunshine Development Ltd.	US\$69,980,000 ^W	100	Property development
K11 Business Management (Wuhan) Co., Ltd	RMB2,500,000,000 ^W	100	Property investment
K11 Concepts (Beijing) Limited	RMB20,000,000 ^W	100	Business consultancy
K11 Concepts (Shanghai) Limited	RMB50,000,000 ^W	100	Business consultancy
Langfang New World Properties Development Co., Ltd.	US\$145,300,000 ^W	100	Property development

47 PRINCIPAL SUBSIDIARIES (CONTINUED)

As at 30 June 2025

	Fully paid capital	Attributable interest ^a to the Group (%)	Principal activities
<i>Incorporated and operate in the PRC (continued)</i>			
Langfang Xin Zhong Properties Development Co., Ltd.	US\$98,200,000 ^W	100	Property development
Lanzhou New World Department Store Co., Ltd.	RMB30,000,000 ^W	75	Department store operation
Mianyang New World Department Store Co., Ltd.	RMB14,000,000 ^W	75	Department store operation
Miaogou (Beijing) Department Store Co., Ltd.	RMB1,000,000 ⁺	75 ^a	Department store operation
Nanjing New World Real Estate Co., Ltd.	US\$45,339,518 ^W	100	Property investment
New World Anderson (Tianjin) Development Co., Ltd.	US\$5,500,000 ^W	100	Property investment
New World (Anshan) Property Development Co., Ltd.	RMB1,420,000,000 ^W	100	Property development
New World (China) Co., Ltd.	RMB50,513,400 ^W	100	Investment holding
New World China Land Investments Company Limited	US\$80,000,000 ^W	100	Investment holding
New World Department Store (China) Co., Ltd.	RMB50,000,000 ^W	75	Department store operation
New World Department Stores Investment (China) Co., Ltd.	US\$150,000,000 ^W	75	Investment holding
New World Development (Wuhan) Co., Ltd.	US\$128,500,000 ^W	100	Property investment and development
New World Goodtrade (Wuhan) Limited	US\$219,500,000 ^W	100	Property investment and development
New World HHC Construction Limited	RMB453,045,000 ^W	100	Construction
New World Langfang Hotel Management Co. Ltd.	RMB15,000,000 ^W	100	Hotel operation
New World Login (Guangzhou) Co., Ltd.	RMB50,000,000 ^W	100	Supply chain management
New World New Land Real Estate (Wuhan) Co., Ltd.	US\$590,900,000 ^W	100	Property development
New World Project Management (Shenzhen) Limited	RMB10,000,000 ^W	100	Project management
New World (Shenyang) Property Development Limited	RMB5,647,800,000 ^W	100	Property investment and development
New World Strategic (Beijing) Investment Consultancy Limited	US\$2,400,000 ^W	100	Investment consultancy
Ningbo Gong Tai Properties Co., Ltd.	RMB235,000,000 ^W	100	Property development
Ningbo Xin Li Real Estate Co., Ltd.	US\$861,000,000 ^W	100	Property investment and development
Peak Moral High Commercial Development (Shanghai) Co., Ltd.	US\$40,000,000 ^W	75	Property investment and shopping mall operation
Scienward Fashion and Luxury (Shanghai) Co., Ltd.	US\$31,700,000 ^W	100	Fashion retailing and trading
Shang Ji Properties (Shenzhen) Co. Ltd.	RMB1,478,000,000 ^W	51	Property development
Shang Shun Properties (Shenzhen) Co. Ltd.	RMB1,216,000,000 ^W	51	Property development
Shanghai Luxba Trading Ltd.	US\$7,150,000 ^W	100	Property investment and fashion trading
Shanghai New World Department Store Co., Ltd.	RMB18,000,000 ^W	75	Shopping mall operation
Shanghai New World Huiya Department Store Co., Ltd.	RMB240,000,000 ^W	75	Department store operation
Shanghai New World Huiyan Department Store Co., Ltd.	RMB85,000,000 ^W	75	Property investment and shopping mall operation
Shanghai New World Huiying Department Store Co., Ltd.	RMB93,970,000 ^W	75	Department store operation
Shanghai New World Xinying Department Store Co., Ltd.	HK\$100,000,000 ^W	75	Department store operation
Shenyang Expo Convention and Exhibition Co., Ltd.	RMB25,000,000 ^W	100	Expo operation
Shenyang New World Department Store Ltd.	RMB30,000,000 ^W	75	Property investment and shopping mall operation

47 PRINCIPAL SUBSIDIARIES (CONTINUED)

As at 30 June 2025

	Fully paid capital	Attributable interest ^a to the Group (%)	Principal activities
<i>Incorporated and operate in the PRC (continued)</i>			
Shenyang New World Xin Hui Properties Co., Ltd.	RMB501,520,000 ^W	100	Property development
Shenyang Sheng Xin Yi Le Property Co Ltd	RMB6,000,000,000 ^W	100	Property investment
Shenyang Trendy Property Company Limited	RMB27,880,000 ^W	75	Property investment
Shenyang Xincheng Hotel Limited	RMB70,000,000 ^W	100	Hotel operation
Shenzhen City Hengtai Property Development Co., Ltd.	RMB100,000,000 ⁺	90	Property development
Tang Shan New World Property Development Co., Ltd.	US\$161,500,000 ^W	100	Property development
Tianjin New World Department Store Co., Ltd.	US\$5,000,000 ^W	75	Shopping mall operation
Tianjin New World Properties Development Co., Ltd.	US\$91,000,000 ^W	100	Property development
Tianjin Xin Guang Development Co., Ltd.	US\$4,500,000 ^W	100	Property investment
Wuhan New Eagle Enterprises Co., Limited	US\$2,830,000 ^W	100	Property investment
Wuhan New World Department Store Co., Ltd.	US\$15,630,000 ^W	75	Property investment and department store operation
Wuhan New World Qianzi Department Store Co., Ltd.	RMB500,000 ⁺	75 ^a	Department store operation
Yantai New World Department Store Co., Ltd.	RMB80,000,000 ^W	75	Department store operation
Zhengzhou New World Department Store Co., Ltd.	RMB50,000,000 ^W	75	Shopping mall operation

^a The Group indirectly holds equity interest in these subsidiaries through non-wholly owned subsidiaries, and has control over each of these subsidiaries

^o Profit or cash sharing percentage was adopted for certain PRC entities

^W Registered as wholly foreign owned enterprises under PRC law

^E Registered as sino-foreign equity joint ventures under PRC law

^C Registered as sino-foreign co-operative joint ventures under PRC law

⁺ Registered as limited company under PRC law

47 PRINCIPAL SUBSIDIARIES (CONTINUED)

As at 30 June 2025

	Share capital issued [#]		Attributable interest to the Group (%)	Principal activities
	Number of shares	Par value per share		
<i>Incorporated in the British Virgin Islands</i>				
Crown Success Limited	100	US\$1	100	Investment holding
Eagle Eyes Developments Limited	1	US\$1	100	Investment holding
Fotoland Limited	1	US\$1	100	Investment holding
Gigantic Global Limited	2	US\$1	100	Investment holding
HH Holdings Corporation	600,000	HK\$1	61	Investment holding
K11 Group Limited	1	HK\$1	100	Investment holding
K11 Investment Company Limited	1	US\$1	100	Investment holding
Karnival Limited	1	US\$1	100	Investment holding
Kee Shing Investments Limited	1,000	US\$1	100	Investment holding
Lotsgain Limited	100	US\$1	100	Investment holding
New World Hotels Corporation Limited	1	US\$1	100	Investment holding
Penta Enterprises Limited	1	US\$1	100	Investment holding
Radiant Glow Limited	1	US\$1	100	Investment holding
Right Choice International Limited	200	US\$1	52	Property investment
Winner World Group Limited	10	US\$1	100	Investment holding
<i>Incorporated in the British Virgin Islands and operate in Hong Kong</i>				
Allied Win Investments Limited	1	US\$1	100	Investment holding
Citiplus Investment Limited	1	US\$1	100	Investment holding
Constar Investment Limited	1	US\$1	75	Financing
Esteemed Sino Limited	1	US\$1	100	Investment holding
Fine Reputation Incorporated	10,000	US\$1	100	Investment holding
Hing Loong Limited	20,010,000	US\$1	100	Investment holding
Magic Chance Limited	1	US\$1	100	Investment holding
New World Capital Finance Limited	1	US\$1	100	Bond issuer
New World Strategic Investment Limited	1	US\$1	100	Investment holding
NWD Finance (BVI) Limited	1	US\$1	100	Bond issuer
NWD (MTN) Limited	1	US\$1	100	Bond issuer
Silvery Yield Development Limited	100	US\$1	100	Investment holding
South Scarlet Limited	1	US\$1	100	Hotel operation
Summer Haze Holdings Limited	10,000	US\$1	63	Investment holding
Sweet Prospects Enterprises Limited	1	US\$1	100	Investment holding
True Blue Developments Limited	1	US\$1	100	Investment holding
Total Partner Holdings Limited	1	US\$1	100	Investment holding
Whitecroft Gate Limited	1	US\$1	100	Financing
<i>Incorporated and operates in Thailand</i>				
Emerald Bay Resort Co., Ltd.	7,380,000	THB100	100	Hotel operation

[#] Represented ordinary share capital, unless otherwise stated

48 PRINCIPAL JOINT VENTURES

As at 30 June 2025

	Fully paid capital	Attributable interest ^ⁿ to the Group (%)	Principal activities
Co-operative joint ventures			
<i>Incorporated and operate in the PRC</i>			
Beijing Chong Wen • New World Properties Development Ltd.	US\$225,400,000	70 ^s	Property investment, development and hotel operation
Beijing Xin Lian Hotel Co., Ltd.	US\$12,000,000	55 ^s	Hotel operation
China New World Electronics Ltd.	US\$57,200,000	70 ^s	Property investment and development
Huizhou New World Housing Development Limited	RMB80,000,000	62 ^s	Property development
Wuhan Wuxin Hotel Co., Ltd.	US\$49,750,000	60 ^s	Hotel operation
Wholly foreign owned enterprises			
<i>Incorporated and operate in the PRC</i>			
Guangzhou Bosson Real Estate Co., Ltd.	RMB50,003,000	62 ^s	Property development
Guangzhou Hemsell Real Estate Development Co., Ltd.	RMB79,597,000	62 ^s	Property development
Guangzhou Shengpei Enterprises Co. Ltd.	RMB35,000,000	40	Property development
Wuhan New World Hotel Properties Co., Ltd.	RMB83,507,110	60 ^s	Property investment

^ⁿ Percentage of equity interest, in the case of equity joint ventures or profit sharing percentage, in the case of co-operative joint ventures

^s The Group through its subsidiaries holds more than 50% interests in these joint ventures. Under the respective contractual agreements, the Group does not control these joint ventures as the decisions about relevant activities require the unanimous consent of the parties sharing the control.

48 PRINCIPAL JOINT VENTURES (CONTINUED)

As at 30 June 2025

	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK\$		
Companies limited by shares				
Incorporated and operate in Hong Kong				
Bonson Holdings Limited	1	1	49	Property development
Calpella Limited	2	20	50	Property investment
Chow Tai Fook Qianhai Investments Company Limited	700	700	29	Shopping mall operation
GH Hotel Company Limited	1,001	64,109,750	50	Hotel operation
Global Perfect Development Limited	1,000,000	1,000,000	50	Investment holding
Global Trinity China Limited	1	1	40	Financial services
Golden Kent International Limited	1	1	40	Property development
Great TST Limited	2	863,878,691	50	Hotel operation
Hotelier Finance Limited	1	1	50	Financing
Infinite Sun Limited	1	1	10	Property development
Kayson Limited	1	1	50	Property development
Loyalton Limited	2	20	50	Property investment
Marble Edge Investments Limited	1	1	18	Property development
New Synergy Limited	1	1	51	Property development
New World Harbourview Hotel Company Limited	1,001	109,109,750	50	Hotel operation
Rich Fast International Limited	2	5,697,223,960	50	Property development
Voyage Mile Limited	1	1	29	Property development
Wise Come Development Limited	30	30	50	Property investment
	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Par value per share US\$		
Incorporated in the British Virgin Islands				
Great Hotels Holdings Limited	6	1	50	Investment holding
Group Program Limited	140	1	60	Loyalty programme
Landso Investment Limited	100	–	35	Investment holding
Incorporated and operates in Singapore				
Cuscaden Homes Pte. Ltd.	2,000,000	–	45	Property development

[#] Represented ordinary share capital, unless otherwise stated

49 PRINCIPAL ASSOCIATED COMPANIES

As at 30 June 2025

	Share capital issued [#]		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK\$		
<i>Incorporated and operate in Hong Kong</i>				
Conduit Road Development Limited	100	10,000	30	Property development
Ever Light Limited	1,000	1,000	40	Property investment
Profit Point Enterprises Limited	1	1	25	Property development
Pure Jade Limited	1,000,000	1,000,000	27	Property investment
Ranex Investments Limited	100	100	10 [^]	Property investment
			Attributable interest [□] to the Group (%)	Principal activities
		Fully paid capital RMB		
<i>Incorporated and operate in the PRC</i>				
Shenzhen City Prince Bay Lewan Properties Co. Ltd.		2,147,876,079	49	Property development
Shenzhen City Prince Bay Shangding Properties Co. Ltd.		2,036,732,549	49	Property development
Shanghai Zhaoxin Jinshi Properties Co. Ltd.		1,710,000,000	20	Property development
[#]	Represented ordinary share capital, unless otherwise stated			
[□]	Percentage of equity interest, in the case of equity joint ventures or profit sharing percentage, in the case of co-operative joint ventures			
[^]	The directors of the Company considered the Group has significant influence over this company through its representatives on the board of directors or potential voting right of this company			

Five-year Financial Summary

CONSOLIDATED INCOME STATEMENT

For the years ended 30 June

	2025 HK\$m	2024 HK\$m	2023 HK\$m	2022 HK\$m	2021 HK\$m
Continuing operation					
Revenues	27,680.5	35,782.2	54,566.2	68,212.7	68,233.2
Operating (loss)/profit	(8,283.4)	488.6	10,008.6	8,133.0	8,450.5
Net financing (costs)/income	(4,720.3)	(4,274.8)	(3,229.9)	259.0	53.3
Share of results of joint ventures and associated companies	(831.7)	(962.2)	(248.5)	822.5	1,828.7
(Loss)/profit before taxation	(13,835.4)	(4,748.4)	6,530.2	9,214.5	10,332.5
Taxation	(2,521.2)	(5,062.4)	(5,258.1)	(4,912.7)	(5,661.6)
(Loss)/profit for the year from continuing operations	(16,356.6)	(9,810.8)	1,272.1	4,301.8	4,670.9
Discontinued operations					
(Loss)/profit for the year from discontinued operation	—	(7,315.1)	2,229.0	—	—
(Loss)/profit for the year	(16,356.6)	(17,125.9)	3,501.1	4,301.8	4,670.9
Profit attributable to holders of perpetual capital securities	(988.3)	(2,175.5)	(2,540.1)	(2,377.2)	(2,282.6)
Profit attributable to non-controlling interests	1,043.4	(381.5)	(413.0)	(675.4)	(1,236.8)
(Loss)/profit attributable to shareholders of the Company	(16,301.5)	(19,682.9)	548.0	1,249.2	1,151.5
Dividend per share (HK\$)					
Interim	—	0.20	0.46	0.56	0.56
Final	—	—	0.30	1.50	1.50
Conditional special dividend	—	—	1.59	—	—
Full year	—	0.20	2.35	2.06	2.06
Basic and diluted (losses)/earnings per share (HK\$)					
From continuing operations	(6.82)	(4.60)	(0.17)	0.50	0.46
From discontinued operations	—	(3.13)	0.41	—	—

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June

	2025 HK\$m	2024 HK\$m	2023 HK\$m	2022 HK\$m	2021 HK\$m
Assets					
Investment properties, property, plant and equipment and land use rights, right-of-use assets and intangible concession rights	224,818.1	224,779.6	243,405.6	250,214.6	240,582.4
Intangible assets	791.5	1,174.6	8,375.2	8,395.2	8,245.9
Value of business acquired and deferred acquisition costs	—	—	—	7,574.8	7,106.6
Interests in joint ventures, associated companies, other investments and other non-current assets	88,079.2	101,188.6	185,335.7	176,531.5	163,457.0
Current assets	106,576.2	118,014.8	171,897.5	193,167.8	207,685.5
Total assets	420,265.0	445,157.6	609,014.0	635,883.9	627,077.4
Equity					
Share capital	78,382.1	78,382.1	78,382.1	78,382.1	78,373.3
Reserves	85,333.7	101,449.8	121,079.9	134,978.0	144,955.5
Shareholders' funds	163,715.8	179,831.9	199,462.0	213,360.1	223,328.8
Perpetual capital securities	35,178.0	36,280.5	47,439.3	47,614.2	48,938.2
Non-controlling interests	7,843.1	8,776.4	27,191.5	27,124.5	31,925.4
Total equity	206,736.9	224,888.8	274,092.8	288,098.8	304,192.4
Current liabilities	57,646.1	93,958.2	176,984.3	172,812.8	149,561.3
Non-current liabilities	155,882.0	126,310.6	157,936.9	174,972.3	173,323.7
Total equity and liabilities	420,265.0	445,157.6	609,014.0	635,883.9	627,077.4

Project Summary

K11 PROJECTS

No.	Status	Site	Type
1	Current	Hong Kong K11 Art Mall	Retail
2	Current	Hong Kong (VD) K11 MUSEA	Retail
3	Current	Hong Kong (VD) K11 ATELIER	Office
4	Current	Hong Kong (VD) K11 ARTUS	Serviced Apartments
5	Current	Hong Kong King's Road K11 ATELIER	Office
6	Current	Hong Kong 11 SKIES K11 ATELIER	Office
7	Current	Wuhan (Guanggu) K11	Retail
8	Current	Wuhan (Hankou) K11 Art Mall	Retail
9	Current	Wuhan (Hankou) K11 ATELIER	Office
10	Current	Shanghai K11 Art Mall	Retail
11	Current	Shanghai K11 ATELIER NWT	Office
12	Current	Shenyang K11	Retail
13	Current	Guangzhou (CTF) K11 Art Mall ⁽¹⁾	Retail
14	Current	Guangzhou (CTF) K11 ATELIER ⁽¹⁾	Office
15	Current	Tianjin (CTF) K11 ⁽¹⁾	Retail
16	Current	Tianjin (CTF) K11 ATELIER ⁽¹⁾	Office
17	Current	Shenzhen (Prince Bay) K11 ECOAST	Retail
18	Current	Shenzhen (Prince Bay) K11 ATELIER	Office
19	Current	Ningbo K11	Retail
20	Pipeline	Guangzhou (Hanxi) K11	Retail
21	Pipeline	Hong Kong 11 SKIES	Retail
22	Pipeline	Hangzhou K11 Art Mall	Retail
23	Pipeline	Hangzhou K11 ATELIER	Office
24	Pipeline	Hangzhou K11 ARTUS	Serviced Apartments
25	Pipeline	Shanghai K11 ELYSEA	Retail
26	Pipeline	Shanghai K11 ATELIER Huaihai	Office

1. Asset owned by Chow Tai Fook Enterprises and managed by NWD

Project Summary

HOTEL

No.	Name Of Project	Total Number of Rooms
Hong Kong		
1	Grand Hyatt Hong Kong	542
2	Renaissance Harbour View Hotel	858
3	Hyatt Regency Hong Kong, Tsim Sha Tsui	381
4	Hyatt Regency Hong Kong, Sha Tin	562
Subtotal		2,343
Mainland China		
5	Rosewood Beijing	283
6	New World Beijing Hotel	309
7	Beijing Tongpai Hotel	307
8	New World Wuhan Hotel	327
9	New World Langfang Hotel	294
10	New World Shenyang Hotel	400
11	Guangzhou Zengcheng Tongpai Hotel	338
12	New World Guangzhou Hotel	283
13	New World Dalian Hotel	412
14	New World Qingyuan Hotel	217
Subtotal		3,170
Southeast Asia		
15	New World Saigon Hotel, Vietnam	533
16	Renaissance Riverside Hotel Saigon, Vietnam	336
17	Rosewood Phuket, Thailand	73
Subtotal		942
Grand Total		6,455

PROJECT SUMMARY – MAJOR PROPERTY DEVELOPMENT PROJECTS IN HONG KONG

No.	Name of Property Development Projects	Site Area (s.f.)	Total GFA (s.f.)	The Group (%)
1	STATE PAVILIA, 283 King's Road, North Point	35,812	440,338	63.52%
2	DEEP WATER PAVILIA, The Southside Package 5	95,563	636,152	50.00%
3	9-19 Lyndhurst Terrace	4,521	67,813	100.00%
Hong Kong Island total		135,896	1,144,303	
4	The Pavilia Forest, NKIL 6591, 4B4, Kai Tak	104,497	574,733	50.00%
5	530-538 Canton Road, Jordan	3,004	27,036	100.00%
6	52-56 Kwun Chung Street, Jordan	2,900	24,468	100.00%
7	NKIL 5205, 23-34 Rose Street, Kowloon Tong	38,960	116,880	100.00%
8	43-49A Hankow Road, Tsim Sha Tsui	11,565	138,786	100.00%
9	Yau Tong Redevelopment Project, Kowloon East	808,397	3,982,722	10.88%
10	House Muse, 3-13 Nga Tsin Long Road, Kowloon City	7,030	61,854	100.00%
Kowloon total		976,353	4,926,479	
11	Phase 3, The Pavilia Farm, Tai Wai Station Property Development ⁽²⁾	521,107	2,050,327	100.00%
12	Pak Shing Kok Ventilation Building Property Development	48,449	290,693	51.00%
13	Ma Sik Road, Fanling	155,346	1,118,492	30.00%
14	Lung Tin Tsuen (Phase 2), Yuen Long	88,642	443,208	62.00%
15	Lung Tin Tsuen (Phase 4), Yuen Long	55,908	279,541	62.00%
16	Lung Tin Tsuen (Phase 5), Yuen Long	61,037	396,741	100.00%
17	Sha Ha (Phase 1), Sai Kung	618,413	926,393	77.29%
18	Sha Ha (Phase 2), Sai Kung	81,957	122,936	59.88%
19	Lin Barn Tsuen, Yuen Long	1,485,238	2,227,857	63.67%
20	Wing Kei Tsuen, Yuen Long	700,962	1,051,444	100.00%
21	Ngau Tam Mei, Yuen Long	239,973	1,199,863	90.81%
22	Lau Fau Shan, Yuen Long	220,178	660,533	100.00%
23	Tong Yan San Tsuen (Phase 3), Yuen Long	101,833	101,833	100.00%
24	Tong Yan San Tsuen (Phase 4), Yuen Long	206,507	743,426	100.00%
25	Tong Yan San Tsuen (Mountain) (Site A), Yuen Long	443,498	1,596,594	100.00%
26	Tong Yan San Tsuen (Mountain) (Site B), Yuen Long	393,747	1,417,490	100.00%
27	Wing Ning Tsuen, Yuen Long	489,385	888,676	100.00%
28	Lam Hau Tsuen, Yuen Long	220,813	772,845	65.20%
29	Shap Pat Heung Road, Yuen Long	40,064	240,382	100.00%
30	Tai Shu Ha Road East, Yuen Long	27,341	117,198	20.97%
31	Sha Po North (Phase 2A), Yuen Long	451,012	550,600	14.76%
32	Sha Po North (Phase 2B), Yuen Long	315,880	528,848	34.81%
33	Sha Po North (Phase 3), Yuen Long	1,193,674	1,472,236	0.50%
New Territories total		8,160,964	19,198,156	
Grand Total		9,273,213	25,268,938	

Remarks:

- (1) P=Planning; D=Demolition; SP=Site Preparation; F=Site Formation/Foundation; S=Superstructure; C=Completed (OP Issued); LE=Land Exchange; TBD=To be determined
- (2) Property in which the Group is entitled to a share of development profits in accordance with the terms and conditions of the respective development agreement

Project Summary

Attributable GFA				Total Attributable GFA (s.f.)	Stage of Completion ⁽¹⁾
Residential (s.f.)	Retail (s.f.)	Office (s.f.)	Others (s.f.)		
132,731	53,275	76,864	16,833	279,703	S
318,076				318,076	S
		67,813		67,813	D
450,807	53,275	144,677	16,833	665,592	
287,367				287,367	S
22,530	4,506			27,036	SP
21,749	2,719			24,468	SP
116,880				116,880	SP
	39,647	99,139		138,786	SP
422,607	10,793			433,400	LE
49,807	12,047			61,854	F
920,940	69,712	99,139		1,089,791	
689,144				689,144	S
148,253				148,253	SP
279,623	55,925			335,548	F
274,789				274,789	LE
173,315				173,315	LE
366,222			30,519	396,741	LE
716,009				716,009	LE
73,614				73,614	P
1,418,477				1,418,477	P
1,051,444				1,051,444	P
1,089,596				1,089,596	P
660,533				660,533	P
101,833				101,833	P
743,426				743,426	P
1,596,594				1,596,594	P
1,417,490				1,417,490	P
888,676				888,676	P
503,895				503,895	LE
240,382				240,382	P
24,080	497			24,577	LE
74,297	2,860		4,112	81,269	LE
184,092				184,092	LE
7,162	199			7,361	TBD
12,722,946	59,481	–	34,631	12,817,058	
14,094,693	182,468	243,816	51,464	14,572,441	

PROJECT SUMMARY – MAJOR PROPERTY INVESTMENT AND OTHER PROJECTS IN HONG KONG

No.	Name of Project	Total GFA (sq ft)	Total Attributable GFA (sq ft)
COMPLETED			
Hong Kong Island			
1	Manning House, Central	110,040	110,040
2	New World Tower, Central	640,135	640,135
3	K11 ATELIER King's Road, 704-730 King's Road, North Point	487,504	487,504
4	Hong Kong Convention and Exhibition Centre, Shopping Arcade, Wan Chai	87,999	87,999
5	Grand Hyatt Hong Kong	524,928	262,464
6	Renaissance Harbour View Hotel	544,518	272,259
7	Pearl City, Causeway Bay – Ground Floor to 5th Floor	53,691	21,476
8	Methodist House, Wan Chai ⁽¹⁾	40,813	40,405
9	The Legacy, 8 Castle Road, Mid Levels	65,259	22,841
Subtotal		2,554,887	1,945,123
Kowloon			
10	K11 ATELIER of Victoria Dockside, Tsim Sha Tsui	435,307	435,307
	Rosewood Hotel & Residences of Victoria Dockside, Tsim Sha Tsui	1,106,055	1,106,055
	K11 MUSEA of Victoria Dockside, Tsim Sha Tsui	1,028,791	1,028,791
	K11 ARTUS of Victoria Dockside, Tsim Sha Tsui	379,862	379,862
11	K11 Art Mall, Tsim Sha Tsui	335,939	335,939
	Hyatt Regency Hong Kong, Tsim Sha Tsui	277,877	138,939
12	THE FOREST, Mong Kok ⁽¹⁾	53,337	26,669
13	TIMBER HOUSE, 74 Waterloo Road, Ho Man Tin	10,552	5,382
14	83 King Lam Street, Cheung Sha Wan	1,191,714	1,191,714
Subtotal		4,819,434	4,648,658
New Territories			
15	Hyatt Regency Hong Kong, Sha Tin ⁽¹⁾	538,000	538,000
Subtotal		538,000	538,000
Others		4,461,998	4,461,998
Grand Total		12,374,319	11,593,779
TO BE COMPLETED/UNDER CONSTRUCTION			
16	11 SKIES, SKYCITY Project ⁽¹⁾	3,767,400	3,767,400
Grand Total		3,767,400	3,767,400

Remarks:

- (1) Properties in which the Group has a development interests: other parties provide the land whilst the Group finances the construction costs and occasionally land costs, and is entitled to a share of the rental income or a share of the development profits in accordance with the terms and conditions of the respective joint development agreements after completion
- (2) Meeting rooms
- (3) Total number of carpark of Victoria Dockside
- (4) Residence or hotel leased out

Project Summary

	Retail (sq ft)	Office (sq ft)	Hotel (sq ft)	Others (sq ft)	Total Number of Carpark	Land Lease Expiry
	63,383	46,657				2843
	77,948	562,187			385	2863
	7,160	480,344			162	2083/2088/2090
	69,173			18,826 ⁽²⁾	1,070	2060
			262,464			2060
			272,259			2060
	21,476					2868
		40,405				2084
				22,841 ⁽⁴⁾		2857
	239,140	1,129,593	534,723	41,667	1,617	
		435,307				2052
				1,106,055 ⁽⁴⁾		2052
1,028,791					1,116 ⁽³⁾	2052
				379,862 ⁽⁴⁾		2052
335,939					240	2057
			138,939			2057
26,669					7	2062
5,382						2081
49,941		1,141,773			351	2067
	1,446,722	1,577,080	138,939	1,485,917	1,714	
			538,000		100	2047
	–	–	538,000	–	100	
				4,461,998		
	1,685,862	2,706,673	1,211,662	5,989,582	3,431	
	2,966,774	565,099		235,527		2066
	2,966,774	565,099	–	235,527	–	

MAJOR PROPERTY DEVELOPMENT PROJECTS IN MAINLAND CHINA

No.	Region	Name of Project	The Group's Accounting Classification	The Group's Interest
Southern Region (The Greater Bay Area)				
1	Guangzhou	Guangzhou Covent Garden Remaining Phases	Subsidiary	100%
2	Guangzhou	Zengcheng International Community Project	Subsidiary	100%
3	Foshan	Canton First Estate CF04	Subsidiary	90%
	Foshan	Canton First Estate CF05	Subsidiary	90%
	Foshan	Canton First Estate CF08	Subsidiary	90%
	Foshan	Canton First Estate CF14	Subsidiary	90%
	Foshan	Canton First Estate CF18	Subsidiary	90%
	Foshan	Canton First Estate CF22	Subsidiary	90%
	Foshan	Canton First Estate CF23	Subsidiary	90%
	Foshan	Canton First Estate CF24	Subsidiary	90%
	Foshan	Canton First Estate CF25	Subsidiary	90%
	Foshan	Canton First Estate CF26	Subsidiary	90%
	Foshan	Canton First Estate CF28	Subsidiary	90%
	Foshan	Canton First Estate CF33	Subsidiary	90%
	Foshan	Canton First Estate CF34	Subsidiary	90%
	Foshan	Canton First Estate CF36	Subsidiary	90%
	Foshan	Canton First Estate CF37	Subsidiary	90%
	Foshan	Canton First Estate CF39	Subsidiary	90%
	Foshan	Canton First Estate CF40	Subsidiary	90%
	Foshan	Canton First Estate Remaining Phases	Subsidiary	90%
4	Shenzhen	Shenzhen Longgang 188 Project	Subsidiary	65%
Subtotal				
Central Region				
5	Wuhan	Wuhan New World • Times Phase II	Subsidiary	100%
6	Yiyang	Yiyang New World Scenic Heights Phase II A	Subsidiary	100%
	Yiyang	Yiyang New World Scenic Heights Phase II B	Subsidiary	100%
	Yiyang	Yiyang New World Scenic Heights Phase II C	Subsidiary	100%
	Yiyang	Yiyang New World Scenic Heights South Area	Subsidiary	100%
Subtotal				
Eastern Region (The Yangtze River Delta)				
7	Hangzhou	Hangzhou Wangjiang New Town Project	Subsidiary	100%
8	Shanghai	SHHHL Project	Subsidiary	98%
9	Shanghai	Shanghai Putou Land B2-18	Associate	20%
Subtotal				

Project Summary

Total GFA (excl. carparks and others) (sq m)	Residential (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carparks and Others (sq m)	Development Status	Expected Completion Date
248,616	247,377	1,239	–	–	94,955	Under development	Jan 2026
1,916	–	1,916	–	–	–	Under development	Mar 2026
2,525	2,525	–	–	–	–	Under planning	TBC
78,864	78,864	–	–	–	28,391	Under planning	TBC
32,283	32,283	–	–	–	–	Under development	TBC
70,286	70,286	–	–	–	36,774	Under planning	TBC
41,144	41,144	–	–	–	–	Under planning	Nov 2027
15,123	15,123	–	–	–	–	Under planning	TBC
3,771	3,771	–	–	–	–	Under planning	TBC
16,563	16,563	–	–	–	–	Under planning	TBC
3,130	3,130	–	–	–	–	Under planning	TBC
20,134	20,134	–	–	–	11,506	Under planning	TBC
30,993	30,993	–	–	–	12,397	Under development	Dec 2026
53,213	53,213	–	–	–	21,285	Under planning	TBC
15,225	15,225	–	–	–	–	Under planning	TBC
23,814	23,814	–	–	–	9,526	Under planning	TBC
23,009	23,009	–	–	–	–	Under planning	TBC
27,143	27,143	–	–	–	10,857	Under planning	TBC
18,701	18,701	–	–	–	7,480	Under planning	TBC
84,891	–	–	–	84,891	49,254	Under planning	TBC
267,416	220,597	30,000	16,819	–	23,849	Under development	Apr 2028
1,078,760	943,895	33,155	16,819	84,891	306,274		
273,389	–	32,527	240,862	–	113,493	Under development	Jun 2033
115,529	115,529	–	–	–	38,137	Under planning	TBC
66,818	66,818	–	–	–	4,956	Under planning	TBC
121,451	117,018	4,433	–	–	60,137	Under planning	TBC
138,305	136,317	1,988	–	–	45,392	Under planning	TBC
715,492	435,682	38,948	240,862	–	262,115		
225,619	–	152,837	47,642	25,140	110,299	Under development	Dec 2025
91,000	–	52,000	39,000	–	39,000	Under development	Sep 2027
50,954	50,954	–	–	–	28,048	Under development	Sep 2025
367,573	50,954	204,837	86,642	25,140	177,347		

MAJOR PROPERTY DEVELOPMENT PROJECTS IN MAINLAND CHINA (CONTINUED)

No.	Region	Name of Project	The Group's Accounting Classification	The Group's Interest
Northern Region				
10	Beijing	Beijing New View Garden Commercial Centre Remaining Phases	Joint venture	70%
11	Beijing	Beijing Xin Yu Garden Commercial Centre	Joint venture	70%
12	Langfang	Langfang New World Garden District 2	Subsidiary	100%
Subtotal				
North-eastern Region				
13	Shenyang	Shenyang New World Garden Phase 2FG	Subsidiary	100%
14	Shenyang	Shenyang New World Centre SA3	Subsidiary	100%
	Shenyang	Shenyang New World Centre SA1	Subsidiary	100%
	Shenyang	Shenyang New World Centre SA2	Subsidiary	100%
	Shenyang	Shenyang New World Centre O1	Subsidiary	100%
	Shenyang	Shenyang New World Centre O2	Subsidiary	100%
15	Anshan	Anshan New World Garden Phase 1	Subsidiary	100%
	Anshan	Anshan New World Garden Phase 2	Subsidiary	100%
Subtotal				
Grand Total				

Note:

Some property developments will be classified as investment properties upon completion

Project Summary

Total GFA (excl. carparks and others) (sq m)	Residential (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carparks and Others (sq m)	Development Status	Expected Completion Date
16,400	–	1,960	14,440	–	5,420	Under planning	TBC
60,925	–	60,925	–	–	48,689	Under planning	TBC
17,860	17,860	–	–	–	23,378	Under development	Dec 2027
95,185	17,860	62,885	14,440	–	77,487		
40,802	–	40,802	–	–	59,388	Planning completed	Oct 2028
75,354	75,354	–	–	–	–	Under development	Jun 2027
107,589	107,589	–	–	–	–	Under development	Jun 2027
104,142	104,142	–	–	–	–	Under development	Jun 2027
94,616	–	–	94,616	–	–	Under planning	TBC
94,616	–	–	94,616	–	–	Under planning	TBC
80,667	78,617	2,050	–	–	17,648	Under planning	Sep 2027
65,780	64,890	890	–	–	20,150	Under planning	TBC
663,566	430,592	43,742	189,232	–	97,186		
2,920,576	1,878,983	383,567	547,995	110,031	920,409		

MAJOR PROPERTY INVESTMENT PROJECTS AND HOTELS IN MAINLAND CHINA

No.	Region	Name of Project	The Group's Accounting Classification	The Group's Interest
Southern Region (The Greater Bay Area)				
1	Guangzhou	Guangzhou Covent Garden	Subsidiary	100%
2	Guangzhou	Guangzhou Park Paradise	Subsidiary	100%
	Guangzhou	Guangzhou Park Paradise Area 6	Subsidiary	100%
3	Guangzhou	Guangzhou Xintang New World Garden	Joint venture	63%
4	Guangzhou	Guangzhou Central Park-view-L4	Subsidiary	91%
	Guangzhou	Guangzhou Central Park-view-L8	Subsidiary	91%
	Guangzhou	Guangzhou Central Park-view-L13	Subsidiary	91%
5	Guangzhou	Guangzhou New World Oriental Garden No 5	Subsidiary	100%
	Guangzhou	Guangzhou New World Oriental Garden Phase 1	Subsidiary	100%
6	Guangzhou	Guangzhou Dong Yi Garden Phase 2	Subsidiary	100%
	Guangzhou	Guangzhou Dong Yi Garden Phase 3	Subsidiary	100%
	Guangzhou	Guangzhou Dong Yi Garden Phase 4	Subsidiary	100%
	Guangzhou	Guangzhou Dong Yi Garden Phase 5	Subsidiary	100%
7	Foshan	Canton First Estate CF19A	Subsidiary	90%
	Foshan	Canton First Estate CF19A (T5, T6)	Subsidiary	90%
	Foshan	Canton First Estate CF19B	Subsidiary	90%
8	Huizhou	Huizhou Changhuyuan Phase 1	Joint venture	63%
	Huizhou	Huizhou Changhuyuan Phase 2B	Joint venture	63%
	Huizhou	Huizhou Changhuyuan Phase 3	Joint venture	63%
9	Qingyuan	New World Qingyuan	Subsidiary	100%
10	Guangzhou	Panyu International School Project	Subsidiary	100%
11	Guangzhou	New World Zhengcheng Comprehensive Development Project	Subsidiary	100%
12	Zhuhai	Zhuhai Winmost Factory	Subsidiary	100%
13	Guangzhou	Guangzhou New Metropolis	Subsidiary	65%
14	Shenzhen	K11 ECOAST Art And Cultural District by the Sea	Subsidiary	51%
Subtotal				
Central Region				
15	Wuhan	Wuhan Guanggu New World A	Subsidiary	100%
	Wuhan	Wuhan Guanggu New World B	Subsidiary	100%
16	Wuhan	Wuhan New World International Trade Tower I	Subsidiary	100%
	Wuhan	Wuhan New World International Trade Tower II	Subsidiary	100%
17	Wuhan	Wuhan New World Centre	Subsidiary	100%
18	Wuhan	Wuhan Hankou K11	Subsidiary	100%
19	Wuhan	Wuhan Guanggu K11	Subsidiary	100%
20	Wuhan	New World Wuhan Hotel	Joint venture	60%
Subtotal				

Project Summary

Total GFA (excl. carparks and others) (sq m)	Serviced Apartment (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carparks and Others (sq m)	Exhibition Centre (sq m)
23,751	—	23,751	—	—	6,646	—
127,692	—	80,790	—	46,902	46,071	—
—	—	—	—	—	278	—
27,463	—	27,463	—	—	8,721	—
—	—	—	—	—	3,148	—
50,762	26,118	24,644	—	—	5,157	—
—	—	—	—	—	4,755	—
—	—	—	—	—	3,141	—
3,391	—	3,391	—	—	—	—
—	—	—	—	—	494	—
—	—	—	—	—	1,992	—
—	—	—	—	—	1,429	—
—	—	—	—	—	35	—
—	—	—	—	—	2,259	—
11,043	11,043	—	—	—	—	—
—	—	—	—	—	3,120	—
303	—	303	—	—	6,952	—
—	—	—	—	—	150	—
51	—	51	—	—	10,208	—
47,681	—	—	—	47,681	3,766	—
—	—	—	—	—	149,966	—
125,183	—	5,850	94,996	24,337	—	—
16,868	—	—	16,868	—	—	—
134,904	—	86,530	48,374	—	—	—
227,709	—	202,890	24,819	—	128,402	—
796,801	37,161	455,663	185,057	118,920	386,690	—
58,714	—	—	—	58,714	6,775	—
2,159	—	2,159	—	—	—	—
104,556	—	—	104,556	—	17,237	—
10,005	—	—	10,005	—	—	—
2,449	—	2,449	—	—	—	—
146,305	—	94,974	51,331	—	64,875	—
57,155	—	56,354	801	—	55,437	—
29,974	—	—	563	29,411	5,639	—
411,317	—	155,936	167,256	88,125	149,963	—

MAJOR PROPERTY INVESTMENT PROJECTS AND HOTELS IN MAINLAND CHINA
(CONTINUED)

No.	Region	Name of Project	The Group's Accounting Classification	The Group's Interest
Eastern Region (The Yangtze River Delta)				
21	Shanghai	Shanghai Hong Kong New World Tower	Subsidiary	100%
22	Shanghai	Shanghai Regent Place carpark	Joint venture	30%
23	Ningbo	Ningbo New World Plaza (land no.5)	Subsidiary	100%
24	Ningbo	Ningbo New World Phase 3	Subsidiary	100%
25	Nanjing	Nanjing New World Centre	Subsidiary	100%
Subtotal				
Northern Region				
26	Beijing	Beijing New World Centre Phase I	Joint venture	70%
	Beijing	Beijing New World Centre Phase II	Subsidiary	100%
27	Beijing	Beijing Zhengren Building	Subsidiary	100%
28	Beijing	Beijing New World Garden	Subsidiary	100%
29	Beijing	Beijing Xin Yang Commercial Building	Subsidiary	100%
30	Beijing	Beijing Xin Cheng Commercial Building	Subsidiary	100%
31	Beijing	Beijing Xin Yi Garden	Subsidiary	70%
32	Beijing	Beijing New View Garden	Subsidiary	70%
33	Beijing	Beijing Xin Yu Garden	Subsidiary	70%
34	Beijing	Beijing Xin Kang Garden	Subsidiary	70%
35	Beijing	Beijing Baoding Building Shopping Arcade	Subsidiary	100%
36	Beijing	Beijing Chongwenmen Tongpai Hotel	Subsidiary	55%
37	Beijing	New World Beijing Hotel	Subsidiary	70%
38	Beijing	Rosewood Beijing	Subsidiary	82%
39	Tianjin	Tianjin Xin An New World Plaza	Subsidiary	100%
40	Tianjin	Tianjin Xin Hui Hua Ting	Subsidiary	100%
41	Langfang	Langfang New World Centre	Subsidiary	100%
42	Langfang	New World Langfang Hotel	Subsidiary	100%
43	Tangshan	Tangshan New World Centre Phase II	Subsidiary	100%
44	Jinan	Jinan New World Sunshine Garden – District East II	Subsidiary	100%
	Jinan	Jinan New World Sunshine Garden – District West	Subsidiary	100%
Subtotal				

Project Summary

Total GFA (excl. carparks and others) (sq m)	Serviced Apartment (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carparks and Others (sq m)	Exhibition Centre (sq m)
116,549	–	36,000	80,549	–	14,362	–
–	–	–	–	–	3,592	–
47,672	–	1,138	–	46,534	746	–
83,656	–	83,656	–	–	9,252	–
41,712	–	41,712	–	–	–	–
289,589	–	162,506	80,549	46,534	27,952	–
74,232	–	74,232	–	–	19,956	–
47,345	–	47,345	–	–	27,014	–
–	–	–	–	–	16,415	–
–	–	–	–	–	34,544	–
–	–	–	–	–	3,439	–
–	–	–	–	–	8,051	–
–	–	–	–	–	43,708	–
4,030	–	4,030	–	–	15,988	–
–	–	–	–	–	21,197	–
12,011	–	12,011	–	–	28,185	–
40,286	–	40,286	–	–	22,000	–
23,988	–	–	–	23,988	–	–
53,998	–	–	–	53,998	–	–
89,000	–	–	–	89,000	–	–
84,278	–	78,283	5,995	–	11,284	–
25,661	–	25,661	–	–	–	–
7,016	–	7,016	–	–	–	–
46,421	–	–	–	46,421	–	–
86,061	–	37,776	48,285	–	–	–
1,009	–	1,009	–	–	10,247	–
3,338	–	3,338	–	–	–	–
598,674	–	330,987	54,280	213,407	262,028	–

MAJOR PROPERTY INVESTMENT PROJECTS AND HOTELS IN MAINLAND CHINA
(CONTINUED)

No.	Region	Name of Project	The Group's Accounting Classification	The Group's Interest
North-eastern Region				
45	Shenyang	Shenyang New World Garden Phase 2 A	Subsidiary	100%
	Shenyang	Shenyang New World Garden Phase 1AB	Subsidiary	100%
	Shenyang	Shenyang New World Garden Phase 1 D	Subsidiary	100%
	Shenyang	Shenyang New World Garden Phase 1 E	Subsidiary	100%
	Shenyang	Shenyang New World Garden Commercial Building	Subsidiary	100%
	Shenyang	Shenyang New World Garden Phase 2 B	Subsidiary	100%
	Shenyang	Shenyang New World Garden Phase 2 E	Subsidiary	100%
	Shenyang	Shenyang New World Garden Phase 2 C1	Subsidiary	100%
	Shenyang	Shenyang New World Garden Phase 2 D1	Subsidiary	100%
	Shenyang	Shenyang New World Garden Phase 2 D2	Subsidiary	100%
46	Shenyang	Shenyang New World Commercial Centre Phase 1	Subsidiary	100%
	Shenyang	Shenyang New World Commercial Centre Phase 2	Subsidiary	100%
47	Shenyang	Shenyang New World Centre	Subsidiary	100%
48	Shenyang	New World Shenyang	Subsidiary	100%
49	Shenyang	Tongpai Shenyang Hotel	Subsidiary	100%
50	Shenyang	Shenyang K11	Subsidiary	100%
51	Anshan	Anshan New World Garden	Subsidiary	100%
52	Dalian	Dalian New World Plaza	Subsidiary	88%
53	Dalian	Dalian New World Tower	Subsidiary	100%
Subtotal				
Grand Total				

Project Summary

Total GFA (excl. carparks and others) (sq m)	Serviced Apartment (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carparks and Others (sq m)	Exhibition Centre (sq m)
4,601	—	4,601	—	—	123,003	—
—	—	—	—	—	5,500	—
—	—	—	—	—	10,372	—
5,039	—	5,039	—	—	22,517	—
—	—	—	—	—	753	—
—	—	—	—	—	45,168	—
—	—	—	—	—	10,627	—
11,639	—	11,639	—	—	69,398	—
—	—	—	—	—	41,053	—
5,180	—	5,180	—	—	43,556	—
—	—	—	—	—	8,710	—
—	—	—	—	—	15,112	—
99,916	—	—	—	—	138,018	99,916
69,751	—	—	—	69,751	—	—
29,924	—	—	—	29,924	—	—
257,037	—	257,037	—	—	38,900	—
2,109	—	2,109	—	—	138,091	—
49,413	—	49,413	—	—	19,783	—
52,835	—	—	—	52,835	21,915	—
587,444	—	335,018	—	152,510	752,476	99,916
2,683,825	37,161	1,440,110	487,142	619,496	1,579,109	99,916

Glossary of Terms

GENERAL TERMS

CEO	Chief Executive Officer
FY	Fiscal year, 1 July to 30 June
Group	NWD and its subsidiaries
HIBOR	Hong Kong Interbank Offered Rate
HK	Hong Kong
HK\$	Hong Kong dollar(s), the lawful currency of Hong Kong
m	million
HKEx or Stock Exchange	The Stock Exchange of Hong Kong Limited
LIBOR	London Interbank Offered Rate
Listing Rules	Rules Governing the Listing of Securities on the HKEx
Mainland China or the Mainland	The People's Republic of China excluding Hong Kong, Macau and Taiwan for the purposes of this annual report
MYR	Malaysian Ringgit, the official currency of Malaysia
N/A or n/a	not applicable
New World or NWD or New World Development or Company	New World Development Company Limited (新世界發展有限公司)
NWCL or New World China Land	New World China Land Limited
NWDS or New World Department Stores	New World Department Store China Limited
CTFS (formerly known as "NWSH or NWS Holdings")	CTF Services Limited (formerly known as "NWS Holdings Limited")
Peso	Philippine Peso, the official currency of the Philippines
PRC	The People's Republic of China
RMB	Renminbi, the lawful currency of PRC
SGD	Singapore dollar, the lawful currency of Singapore
TBC	To be confirmed
THB	Thailand Baht, the official currency of Thailand
US	The United States of America
US\$ or USD	United States dollar(s), the lawful currency of US

FINANCIAL TERMS

FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
Gearing Ratio	Net Debt divided by total equity
HKAS	Hong Kong Accounting Standards
HKFRS	Hong Kong Financial Reporting Standards
Net Debt	The aggregate of bank loans, other loans and fixed rate bonds and notes payable less cash and bank balances
Total Debt	Net Debt plus cash and bank balances

TECHNICAL TERMS

CJV	Co-operative joint venture
EJV	Equity joint venture
JV	Joint venture
WFOE	Wholly foreign owned enterprise

MEASUREMENTS

km	kilometre(s)
m ³	cubic metre
MW	megawatt(s), equal to 1,000kW
sq ft	square foot (feet)
sq m	square metre(s)





New World Development Company Limited

30/F, New World Tower, 18 Queen's Road Central, Hong Kong

Tel: (852) 2523 1056 Fax: (852) 2810 4673

www.nwd.com.hk

