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新鴻基地產發展有限公司
Sun Hung Kai Properties Limited

(Incorporated in Hong Kong with limited liability)
Stock Codes: 16 (HKD counter) and 80016 (RMB counter)

2024 / 25 Annual Results

CHAIRMAN'S STATEMENT

I am pleased to present my report to the shareholders.

RESULTS

The Group's underlying profit attributable to the Company's shareholders for the year ended 30 June 2025, excluding the effect of fair-value changes on investment properties, amounted to HK$21,855 million, compared to HK$21,739 million last year. Underlying earnings per share were HK$7.54, compared to HK$7.50 last year.

Reported profit and reported earnings per share attributable to the Company's shareholders were HK$19,277 million and HK$6.65 respectively, compared to HK$19,046 million and HK$6.57 last year. The reported profit included a decrease in fair value of investment properties net of deferred taxation and non-controlling interests of HK$742 million, compared to a decrease of HK$2,412 million last year.

DIVIDEND

The directors have recommended the payment of a final dividend of HK$2.80 per share for the year ended 30 June 2025. The dividend will be payable on 20 November 2025. Together with the interim dividend of HK$0.95 per share, the dividend for the full year will be HK$3.75 per share, the same as last year.

BUSINESS REVIEW

Development Profit and Rental Income

Development Profit

For the year under review, profit generated from property sales amounted to HK$8,290 million, compared to HK$7,850 million for the previous financial year. Contracted sales totalled about HK$46,600 million in attributable terms.

Rental Income

During the year, the Group's gross rental income, including contributions from joint ventures and associates, decreased by 2% year-on-year to HK$24,461 million. Net rental income declined by 3% year-on-year to HK$18,392 million.

Property Business – Hong Kong

Land Bank

As always, the Group adheres to its prudent financial discipline in the replenishment of its land bank. During the year under review, five residential sites with a total gross floor area of about 1.6 million square feet were added to the Group's land bank through public tenders and land exchanges. Among these additions, the Group reached an agreement in April 2025 for the settlement of a land premium related to the land exchange of a site adjacent to the future MTR Hung Shui Kiu Station. Spanning a total gross floor area of about one million square feet, the site will be developed into a residential-cum-retail project, of which the Group owns a 50% interest. Details of the additions are shown in the table below.

Location	**Usage**	**Group's Interest** (%)	**Attributable Gross Floor Area** (square feet)
Hung Shui Kiu Town Lot No. 5	Residential/ Shopping Centre	50	524,000
Tung Chung Town Lot No. 55	Residential	100	401,000
Fanling Sheung Shui Town Lot No. 307, Fanling North	Residential/Shops	100	308,000
Sha Tin Town Lot No. 651, Tai Wai	Residential	100	194,000
Sha Tin Town Lot No. 623, Siu Lek Yuen, Sha Tin	Residential	100	157,000
Total			**1,584,000**

As at 30 June 2025, the Group's attributable land bank in Hong Kong amounted to about 57.4 million square feet. Of these, about 13.3 million square feet were residential properties under development for sale. The project pipeline is sufficient for the Group's development needs over the next six to seven years. Of the remaining portions, about 37.7 million square feet were diversified completed properties, an overwhelming majority of which were for rental and long-term investment purposes, contributing to the Group's substantial recurring income. Adhering to its long-standing stringent financial practices, the Group will continue to replenish its land bank in Hong Kong to support its future business growth when appropriate opportunities arise.

Subsequent to the end of the financial year, the Group settled the land premium for the redevelopment of a warehouse in Cheung Sha Wan into a residential project, which will offer a total gross floor area of about 460,000 square feet. The Group owns a 50% interest in the project.

During the year under review, certain land lots held by the Group, including a total site area of around 2.5 million square feet from Hung Shui Kiu/Ha Tsuen New Development Area, were resumed by the HKSAR Government. The Group is expected to receive cash compensation of approximately HK$3,000 million, and the corresponding gains have been recognized in the financial year 2024/25. In addition, land lots with a total site area of about 1.1 million square feet, primarily in San Tin and along the Northern Link Main Line, will be resumed. The corresponding compensations of approximately HK$1,200 million will be recognized in the financial year 2025/26.

Property Development

For the year under review, Hong Kong's residential market showed further signs of stabilization on the back of relaxed mortgage restrictions and lower local mortgage rates. Amid the continued influx of talent and students, a steady rise in residential rents and rental yields has boosted confidence among both end-users and long-term investors. Sales in the primary market have been active, particularly for new large-scale developments featuring comprehensive amenities and convenient transport access.

During the year, the Group recorded contracted sales of about HK$42,300 million in attributable terms in Hong Kong, the highest level over the past five financial years. Major contributors included Cullinan Sky Phase 1 in Kai Tak, Sai Sha Residences Phases 1A(2) and 1B, namely Sierra Sea in Sai Sha, Victoria Harbour II in North Point, YOHO WEST PARKSIDE in Tin Shui Wai, NOVO LAND Phase 3B in Tuen Mun, and the remaining units from several completed projects, including The YOHO Hub II in Yuen Long and St Michel in Sha Tin. In addition, the sale of premium units at Dynasty Court in Mid-levels Central continued to receive a positive market response and contributed to the Group's contracted sales. In July 2025, NOVO LAND Phase 3A in Tuen Mun was launched, achieving encouraging sales performance.

Adhering to the spirit of Building Homes with Heart, the Group is committed to developing premium properties in Hong Kong that meet homebuyers' evolving requirements and expectations. The Group's customer-centric culture is well demonstrated by the SHKP Club, an exclusive platform for engaging directly with customers and staying closely attuned to the latest market trends and user preferences. Over the years, the Group has established a strong edge in delivering large-scale integrated projects, distinguished by innovative development concepts, comprehensive facilities and convenient connectivity. The Group's latest landmark, Sai Sha Residences, serves as a prime exemplar of this strength. Strategically planned for phased completion over multiple years, this project blends nature with modern convenience, delivering a coastal lifestyle well-received in the Hong Kong market. Its initial phases received an overwhelmingly positive market response, marked by the highest subscription rate in recent years, a testament to market confidence in the Group's premium brand.

A total of four projects in Hong Kong, comprising about 1.7 million square feet of attributable gross floor area, were ready for handover during the year under review. Of these projects, some 1.5 million square feet were residential properties for sale, with the remainder being retail space retained for long-term investment. Project details are shown in the table below.

Project	**Location**	**Usage**	**Group's Interest** (%)	**Attributable Gross Floor Area** (square feet)
YOHO WEST Phase 1	1 Tin Yan Road, Tin Shui Wai	Residential / Shops	JV	748,000
NOVO LAND Phases 3A & 3B	8 Yan Po Road, Tuen Mun	Residential	100	694,000
GO PARK Sai Sha	9 Hoi Ying Road, Sai Sha	Shopping Centre	100	108,000
Grand Jeté Phase 2	170 Castle Peak Road, Tai Lam	Residential	59.1	104,000
Total				**1,654,000**

As at 30 June 2025, the Group's contracted sales in Hong Kong yet to be recognized amounted to approximately HK$35,600 million, of which about HK$30,100 million is expected to be recognized in the financial year 2025/26.

Property Investment

During the year under review, the Group's leasing business in Hong Kong is inevitably affected by economic uncertainties. Gross rental income of the Group's property investment portfolio, inclusive of contributions from joint ventures and associates, dropped mildly by 2% year-on-year to HK$17,531 million. The Group's portfolio registered satisfactory overall occupancy during the year.

The retail sector in Hong Kong is undergoing a transformation in the face of evolving consumption patterns of both locals and tourists. Embracing changes in a challenging environment, the Group's shopping malls successfully maintained high foot traffic and popularity among consumers through innovation and prompt adaptation. During the year, the Group's diversified retail portfolio recorded relatively stable occupancy of about 95%, with the decline in tenant sales notably narrowing in the first half of 2025.

The Group is committed to exploring new opportunities with agility and pioneering retail formats. Sporting commercial complex GO PARK Sai Sha, as the first of its kind in Hong Kong, is distinguished by its sports-and-wellness focus and interconnected design seamlessly connecting indoor and outdoor spaces. Meticulously crafted to blend in with its natural surroundings, the complex presents a thoughtfully curated mix of restaurants, grab-and-go offerings, sports facilities and lifestyle retailers. Since its official opening in early 2025, this urban retreat encouraging sports-for-all has received over two million locals and tourists. Family- and pet-friendly amenities and services have been extended from the Group's flagship malls to GO PARK Sai Sha to cater to the needs of pet owners and multi-generational households, fostering a lively community in the neighbourhood. The adjacent GO PARK Aqua offers comprehensive coastal experiences, including water sports and diverse excursion tours, a testament of the Group's dedication to creating unique experiences for visitors exploring the beauty of Sai Sha from multiple perspectives.

The Group implemented a series of proactive initiatives to strengthen its market position. The Point, the loyalty programme of SHKP malls with over three million members, has recorded a steady increase in spending by active members and high-value customers during the year, highlighting resilience of these customer segments. Leveraging the Group's diverse business portfolio, an exclusive VIP programme, The Point Gold, was officially launched in July 2025 to provide loyal members with an array of unique privileges by integrating resources from the Group's malls, hotels, supermarkets, telecommunications services, and more. In addition to extra free parking hours and complimentary reservations for the EV Super Charging service, these VIP members enjoy exclusive privileges including priority queuing at both SHKP mall service counters and YATA supermarkets, extra reward points and access to a recently opened VIP lounge, further enhancing customer loyalty.

Riding on the Group's established presence and close relationships with tenants on the mainland, many of its major malls have become launch pads for popular mainland brands and food-and-beverage chains to make their debuts in Hong Kong. These new outlets add fresh appeal for customers and meet their rising demand for greater variety. In addition, the malls undergo asset enhancements, reconfigurations and trade-and-tenant-mix optimization. Large-sized shops at New Town Plaza in Sha Tin, Tai Po Mega Mall and V City in Tuen Mun were redesigned to welcome additional new tenants and debut stores. Tapping the rapidly growing "goods economy", or the market for collectables of intellectual properties (IP) such as animations and idols, multiple malls introduced shops selling trendy merchandise and hosted themed promotions and pop-up stores in their open spaces. Additional entertainment options were introduced to cultivate a dynamic atmosphere within the malls, catering to visitors seeking experiences beyond traditional retail.

Many of the Group's malls are located at the centres of residential districts, allowing them to tap the potential of the vast population. Echoing the policy of encouraging the use of public open space, the Group's malls, including East Point City in Tseung Kwan O, have effectively utilized indoor and outdoor spaces for live performances, promotions and activities year-round to enrich visitor experiences. Other notable events included performances at APM in Kwun Tong by AI humanoid robots, which also served as shopping ambassadors. The robots had previously attracted public attention nationwide at the Spring Festival Gala TV Show. The continued increase in tourist arrivals, coupled with a fascinating array of mega events in the city, has boosted the footfall at malls in tourist districts, such as MOKO in Mong Kok and IFC Mall in Central.

During the year, Hong Kong's grade-A office market remained in consolidation. The Group's office portfolio reported an average occupancy of about 90%, with negative rental reversions. Nevertheless, the Group managed to achieve a high tenant retention rate by leveraging its extensive and diverse portfolio with varying locations, sizes and rental levels. Attaching importance to both tenant retention and attracting new tenants, the Group will strive to proactively and regularly upgrade office facilities, enhance property management services, and continue to develop long-term relationships with tenants.

The Group remains focused on bolstering the strengths of its office portfolio, including excellent accessibility, meticulous property management, high green-building standards, and comprehensive commercial amenities offered by its malls and hotels. The landmark IFC and ICC are well-positioned to capitalize on the prevailing flight-to-quality trend, achieving an occupancy of about 92%. The Millennium City office cluster remains competitive through regular renovations and upgrades. In addition, the Government's suspension of commercial land sales is expected to alleviate the glut in the market.

To strengthen its recurring income, the Group has tapped the growing demand for premium accommodation from incoming talent and students. Offering flexible accommodation combos, TOWNPLACE WEST KOWLOON received a higher number of long-stay guests and registered an increase in occupancy during the year, contributing additional rental income. To support the development of the "Study in Hong Kong" brand and increase student accommodation, Vega Suites in Tseung Kwan O is undergoing a phased upgrade for part of its serviced suites, with anticipated full completion in early 2026. The first two phases of the upgrade, covering over 150 rooms, have been completed.

In the next two to three years, the completion of several projects under development will further expand the Group's recurring income base and gradually contribute incremental income to the Group. Riding on the success of the Group's iconic APM mall, a brand-new mall, Scramble Hill, is scheduled for phased opening from the second half of 2025, creating synergy with APM and the Group's office cluster in the vicinity. Inspired by iconic landmarks in Shibuya, Tokyo, the name Scramble Hill symbolizes the vibrant atmosphere created by bustling crowds. Integrating the geographical features of Kowloon East, the mall delivers a fresh perspective on lifestyle, emphasizing diversity and vitality. Spanning a gross floor area of about 500,000 square feet beneath The Millennity in Kwun Tong, the mall features a 15,000-square-foot pet-friendly sky garden along with popular dining, lifestyle, and entertainment options, including first-time city debuts. The mall is poised to become an innovative destination for young families, pet owners and the next generation. The planned construction of an all-weather pedestrian footbridge connecting the mall to MTR Ngau Tau Kok Station is expected to further enhance accessibility of the Group's properties in the area.

Cullinan Sky Mall, the podium mall of the Group's premium residential development Cullinan Sky in Kai Tak, is scheduled for a phased opening starting in the fourth quarter of 2025. Directly accessible from MTR Kai Tak Station, the 220,000-square-foot mall will offer a diverse mix of shops and restaurants, including al fresco dining selections and trendy grab-and-go food options. The mall stands to capitalize on opportunities arising from the rapid development of Kai Tak into a vibrant community, following an intake of residents at Cullinan Sky and a rise in sports and commercial activities.

The Group remains committed to strengthening and expanding the development of West Kowloon into another of Hong Kong's core business districts beyond Central by creating a strategic cluster that transcends the boundaries of the traditional workplace. Formed by the High Speed Rail West Kowloon Terminus Development, the Artist Square Towers Project in the West Kowloon Cultural District, and the Group's completed ICC and hotels atop MTR Kowloon Station, this commercial cluster with an aggregate gross floor area of over seven million square feet is set to become a multifaceted hub of commerce, tourism, retail, arts and culture, serving the diverse needs of businesses and visitors. Designed to foster an open and vibrant community, the hub will feature plenty of open space and elevated, covered walkways which seamlessly connect the various projects and the West Kowloon Waterfront Promenade. The mixed-use cluster also enjoys unrivalled transport connectivity to different parts of Hong Kong, the Greater Bay Area, other mainland cities and the rest of the world through easy access to the High Speed Rail, Airport Express and other MTR lines.

The Group's upcoming developments in West Kowloon are poised to redefine the standards of the modern workplace. Comprising premium offices and a mall, the integrated High Speed Rail West Kowloon Terminus Development features cutting-edge sustainable building specifications, biophilic designs, and wellness-focused elements such as social space and abundant greenery. Pre-leasing is underway for its office portion, the International Gateway Centre (IGC), with handover expected to begin in early 2026. Its retail portion, spanning approximately 603,000 square feet, will feature a diverse mix of lifestyle offerings and trendsetting food-and-beverage options. Adjacent to M+ museum at the harbourfront, the Artist Square Towers Project in the West Kowloon Cultural District will deliver premium office space with flexible layouts and balconies, complemented by panoramic views of Victoria Harbour. The completion of these two landmark projects will further enhance the diversity of the Group's portfolio in the district.

Property Business – Mainland

Land Bank

As at 30 June 2025, the Group held a total attributable land bank of about 65.3 million square feet on the mainland. Of this, about 44.2 million square feet were properties under development, with over 50% earmarked for development into quality residential and office units for sale. The remaining 21.1 million square feet were completed properties, mostly for rental and long-term investment purposes. A vast majority of these properties were iconic mixed-use developments strategically located in major business hubs in first-tier and leading second-tier cities.

The Group will continue to develop existing projects on the mainland, with a focus on delivering premium products and services that resonate with the dynamic needs of the Group's customers.

Property Development

Since the fourth quarter of 2024, robust policy measures, including reductions in the Loan Prime Rate and Reserve Requirement Ratio, as well as easing of home-purchase restrictions, have provided support to the residential markets in major mainland cities. In addition, the land markets in selected cities such as Shanghai and Hangzhou showed further signs of improvement.

During the year under review, the Group achieved attributable contracted sales of approximately RMB4,000 million on the mainland. Major contributors included Phase 2 of the joint-venture Lake Genève in Suzhou and new batches of residential units at Park Royale and Forest Park in Guangzhou. Phase 2 of Lake Genève includes a total of 74 detached houses on the southern bank of Jinji Lake in Suzhou, providing tranquil lake views and a serene lifestyle for residents. Among them, 50 premium houses put on the market during the year received an encouraging sales response and sold out quickly.

During the year, the Group completed approximately 1.5 million square feet of attributable gross floor area on the mainland. Project details are shown in the following table. The riverside residences at Phase 3 of Shanghai Arch in Shanghai were handed over to buyers in the first half of 2025 and received high acclaim for their stunning views of the Bund.

Project	**Location**	**Usage**	**Group's Interest** (%)	**Attributable Gross Floor Area** (square feet)
Park Royale Phase 3A	Huadu, Guangzhou	Residential	100	477,000
Shanghai Arch Phase 3	Lujiazui, Shanghai	Residential	100	465,000
Forest Park Phases 1A & 1B	Panyu, Guangzhou	Residential	100	347,000
Oriental Bund Phase 6B	Chancheng, Foshan	Residential	50	245,000
Total				**1,534,000**

As at 30 June 2025, the Group's contracted sales yet to be recognized on the mainland amounted to about RMB8,100 million, most of which are expected to be recognized in the financial year 2025/26.

Property Investment

During the year under review, gross rental income from the Group's rental portfolio on the mainland, including contributions from joint ventures and associates, recorded a decrease of 2% year-on-year to RMB5,713 million. While newly completed projects provided incremental contributions, a decline in turnover rents of the retail portfolio and downward pressure on office rents led to a mild decrease in overall rental income.

The retail market on the mainland has been transforming due to shifting consumer preferences and economic realignment. Embracing these changes, the Group has implemented proactive measures that integrate market trend analysis, collaboration with tenants, and incorporation of consumer insights to optimize offerings, services and tenant mix of its malls, effectively driving footfall and stimulating consumption. These efforts enabled the Group's major malls to maintain their competitive edge and high occupancy rates throughout the year. Favourable policies, including facilitation of departure tax refunds for shopping, have further driven the foot traffic of international visitors to the Group's malls, solidifying their positions as premier hubs of lifestyle and leisure.

Evolving in step with market changes, Shanghai IFC Mall moved beyond traditional retail offerings by creating immersive experiences through premium hospitality, art installations and diverse activities. Highlight activities included showcases of the latest digital technologies, as well as renowned artistic and music performances. Building on its comprehensive selection of top-tier global luxury flagship stores and high-end international and lifestyle brands, the mall further enhanced its appeal to shoppers through diversification of dining options and unique VIC services under its loyalty programme. IAPM in Shanghai, which boasts convenient access to multiple metro lines, elevated its status as a trendsetter by welcoming debut stores and a diverse selection of cafes and dining options.

The Group's joint-venture malls in Guangzhou exemplify the strategic focus of utilizing outdoor space and tapping the pet economy. The verdant outdoor plaza of Parc Central served as a vibrant venue for hosting art installations and experiential activities, notably the first exhibition of a globally recognized IP character in the southern part of the mainland, driving footfall and cementing the mall's status as an epicentre of popular culture. IGC catered to the growing demand for pet-friendly dining and services while organizing thematic activities for pet-owning families. In addition, Nanjing IFC Mall has firmly established itself as a popular destination in Nanjing through a meticulously curated retail selection and hosting of compelling events since its opening in July 2024. Occupancy of the mall increased during the year, contributing incremental income to the Group.

While uncertain global economic conditions and abundant new supply continued to pose challenges to the office market on the mainland, the Group's competitive edge has positioned it well to benefit from the flight-to-quality trend. Key strengths of the Group's office portfolio, including excellent building standards, easy accessibility, professional management services and comprehensive amenities offered by the Group's malls and hotels within the same integrated complexes, have enabled the Group to attract and retain tenants effectively and outperform its peers amid keen competition. The Group's Grade A offices with leading ESG credentials in Shanghai are able to capture opportunities arising from policies facilitating office relocations. Occupancy of Tower A of Three ITC has ramped up to nearly 80% and contributed to the Group's recurrent income stream.

Among the projects under development, the upcoming completion of the mega ITC project in Shanghai will mark a milestone for the Group's footprint on the mainland. Construction of the remaining portion of Three ITC, which comprises office building Tower B, flagship mall ITC Maison and hotel Andaz Shanghai ITC, is scheduled for completion by late 2025. Pre-leasing of Tower B is underway. The forthcoming opening of the premium hotel at ITC will further enhance the comprehensiveness of amenities available within the complex, which is expected to drive leasing momentum. The first phase of ITC Maison will open in the second half of 2025, introducing a mix of food-and-beverage choices, including eateries debuting in Xujiahui and all-day dining. Featuring pedestrian bridges and plazas that connect to the surrounding community, this final tranche will establish ITC as Shanghai's definitive commercial landmark.

Hangzhou IFC, the Group's joint venture project in Qianjiang New City CBD, Hangzhou, is undergoing phased development. Pre-leasing of One IFC River West, a Grade-A office tower spanning about 378,000 square feet in River West, is gaining momentum. Handover to tenants began in July 2025. Suzhou ICC, the Group's integrated project overlooking Jinji Lake in Suzhou, will feature premium office space, a podium mall, and the residential portion ICC Residence. The project has been topped out, with interior decoration underway.

Other Businesses

Hotels

During the year under review, the Group's hotel business in Hong Kong delivered satisfactory performance, underpinned by an increase in foreign and mainland visitors, the resurgence of mega events and business summits, and the emerging "concert economy". Four Seasons Hotel Hong Kong performed well, benefitting from the return of corporate travellers and stronger IPO activities. During the year, the Group's hotels in Hong Kong recorded an improvement in room revenue with occupancies remaining at high levels, although changing spending patterns weighed on the revenue from their food-and-beverage businesses.

To boost resource utilization, the Group's hotel management implemented measures to enhance efficiency among hotels sharing operational synergy. In addition, the loyalty programme Go Royal by SHKP saw continued expansion, with membership exceeding 230,000. Collaborating closely with The Point, the programme successfully drives repeat business and creates synergy among the Group's property and hospitality operations.

On the mainland, the occupancy at The Ritz-Carlton Shanghai, Pudong remained high, supported by a rise in international travellers amid expanded visa-free access. The business of Andaz Nanjing Hexi and Four Seasons Hotel Suzhou continued to ramp up steadily. Looking ahead, Andaz Shanghai ITC, a part of the Three ITC integrated project in Xujiahui, Shanghai, is expected to open by late 2025 and provide over 260 premium hotel rooms.

Telecommunications and Information Technology

SmarTone

During the year under review, SmarTone maintained a resilient performance and grew in profitability despite an increasingly competitive operating environment. SmarTone is committed to delivering a superior network and services that enhance customers' quality of life. Its network offers the most spectrum per subscriber in Hong Kong, positioning it as one of the best networks in the city. Third-party tests conducted by reputable organizations have shown that the network is especially strong within MTR stations. To further enhance network quality, the company has continued to invest in connectivity at country parks and outdoor venues, including those in Kai Tak. It has also recently utilized artificial intelligence (AI) tools to test for blind spots in connectivity, yielding good results.

SmarTone has launched several new services for its customers, including "WiFi 7" 5G Home Broadband with superior speed. The company also introduced support service for customers when they roam overseas, with a toll-free number for them to call for assistance, telecom-related or otherwise.

The Group remains confident about SmarTone's prospects and will continue to hold the company as a long-term investment of Hong Kong's critical digital infrastructure. The Group will also leverage the company as its telecommunications technology arm and utilize its technologies to further improve customer experience.

SUNeVision

During the year under review, SUNeVision showed strong growth in performance. The adoption of cloud and AI applications has particularly grown since the emergence of DeepSeek earlier this year. As a result, the company's data centres have seen healthy demand for their services. Phase 1 of MEGA IDC, a state-of-the-art data centre in Tseung Kwan O, opened in the second quarter of 2024, providing first-class infrastructure and abundant power supply that can meet the requirements of the most advanced cloud and AI applications. With MEGA IDC and other data centres in SUNeVision's portfolio, the company is equipped with the infrastructure and power to grow for the future.

While development of AI will continue to offer impetus to the data centre market, prevailing global economic uncertainties weigh on its near-term outlook. Given the challenging macro environment and geopolitical tensions, SUNeVision will continue to exercise the highest level of cost discipline towards all capital and operating expenditure to achieve the best return on capital deployed for shareholders.

Following SUNeVision's win of the judicial review case against the Hong Kong Science and Technology Parks Corporation (HKSTP) regarding unauthorized subletting activities among data centre operators in industrial estates in 2022, HKSTP, as a statutory body, has yet to publicly disclose any comprehensive measures against such unlawful activities. SUNeVision calls on the HKSTP to demonstrate a much higher degree of transparency for the long-term benefit of Hong Kong as an innovation centre.

Infrastructure and Other Businesses

During the year under review, the Group's infrastructure and transport businesses continued to show resilience. The parking and tunnel management business of Wilson Group has delivered stable results, notwithstanding the challenging economic environment. Business at the Hong Kong Business Aviation Centre (HKBAC) was steady and traffic was close to pre-pandemic levels. HKBAC is about to complete a major terminal revamp that will deliver a world-class experience to its customers in terms of efficiency, luxury and privacy. Business at the Airport Freight Forwarding Centre (AFFC) was volatile but resilient, further showing the strength of Hong Kong as an air cargo hub. With its franchise extended to 2043, AFFC is also undergoing a major revamp to upgrade its facilities to world-class levels, aiming for completion by the end of 2026. Results of the River Trade Terminal remained steady, and management has taken stringent cost-control measures to maintain operational efficiency and profitability. The franchise for Route 3 (CPS) ended in May 2025.

In response to changing spending patterns, YATA has revamped its business model to serve its customers better. YATA has undergone remodelling to focus on its supermarket business, which remained relatively resilient. The company refined its product mix to introduce new and specialty products, such as Japanese fresh fruits sourced directly. Adding to the excitement, a number of new eateries from Japan, the mainland and Hong Kong were introduced. A revamp of the flagship store in Sha Tin is nearing completion, bringing customers a new experience. YATA also collaborates closely with the Group's malls and The Point loyalty programme to elevate members' loyalty and drive shared benefits.

Corporate Finance

The Group's commitment to prudent financial practices lays the groundwork for sustainable growth, enabling it to navigate future challenges and opportunities. The Group maintains a strong financial position, characterized by low gearing, robust liquidity, disciplined debt repayment schedules, and high debt-servicing capacity. As at 30 June 2025, the Group recorded a net debt-to-shareholders' fund ratio of 15.1% and an interest coverage ratio of 6.0 times. These improvements in financial ratios were driven by decreases in net debt and borrowing costs.

The Group continued to be one of the highest-rated real estate companies in Hong Kong. Demonstrating its efforts in maintaining strong financial discipline, the Group has received an upgrade in outlook from Moody's, achieving A1 rating (stable outlook). S&P maintained an A+ rating (negative outlook) for the Group.

The Group successfully raised sufficient RMB-denominated funding to achieve its objectives of reducing costs and better aligning RMB assets with liabilities. During the year, the Group issued CNH700 million 3-year bonds. Capitalizing on the eased financing environment on the mainland, the Group issued the second series of RMB2,000 million commercial mortgage-backed securities (CMBS) in August 2024 at very competitive funding costs. Receiving strong support from the banking community, the Group secured substantial loan facilities for its mainland projects.

The Group has not engaged in any speculative derivative or structured product transactions. Most of the Group's debts are denominated in Hong Kong dollars and the remainder are in Renminbi and US dollars. All of the Group's US dollar debts have been fully hedged via cross-currency swaps, while its Renminbi debts act as a natural hedge against the Group's assets on the mainland.

CORPORATE GOVERNANCE

The Group is committed to maintaining high corporate governance standards to protect all stakeholders' interests and generate sustainable long-term value for them. The Board of Directors oversees the Group's overall strategies, including sustainable development. Comprising 18 members, seven of whom are Independent Non-Executive Directors (INEDs), the Board possesses a balanced mix of experience, expertise and diversity aligned with the Group's strategies, governance, and businesses. All INEDs meet the required stature, respect, qualifications, skills, and experience to fulfil their duties. Most have served the Company for substantial periods, resulting in a deep understanding of the Group's operations. Throughout their years of service, they have consistently shown strong independence by providing impartial perspectives and insights, making valuable contributions to the Group.

Furthermore, the Board has assigned specific roles to four committees, including the Executive, Remuneration, Nomination, and Audit and Risk Management Committees. Each committee operates under defined terms of reference outlining their powers and duties. The Executive Committee meets regularly to develop business policies, decide on key issues, and exercise Board-delegated authority. The Audit and Risk Management Committee, the Remuneration Committee, and the Nomination Committee are all chaired by INEDs. While INEDs form the majority on the Remuneration Committee and the Nomination Committee, the Audit and Risk Management Committee consists exclusively of INEDs.

The Group's experienced management team and its long-standing commitment to high governance standards have earned major awards from leading financial publications. During the year, *Euromoney* named it Best Overall Developer in Hong Kong, China, Asia Pacific, and globally, while *FinanceAsia* recognized it in Asia's Best Companies 2025 with awards including Best Managed Company and Best Real Estate Company in Hong Kong.

SUSTAINABLE DEVELOPMENT

The Group's ongoing commitment to sustainable development has been acknowledged by the industry. During the year, the Group's MSCI ESG rating was upgraded to AA, reflecting its strong performance in environmental, social and governance practices. The Group was also recognized by major global indices, such as the Dow Jones Best-in-Class Asia Pacific Index and the *S&P Global Sustainability Yearbook 2025*, including its China Edition. Additionally, the Group was named an ESG Regional Top Rated company by Morningstar Sustainalytics and ranked among the top three companies in the Hang Seng Corporate Sustainability Index, maintaining the highest AAA rating.

Environment

Prioritizing the development of sustainable buildings, the Group targets Leadership in Energy and Environmental Design (LEED) Gold or Platinum certification for all new core commercial projects. As of the end of June 2025, it secured about 150 green building certificates in Hong Kong. Notably, ICC became the first building in Asia to achieve LEED v5.0 Platinum certification for Operations and Maintenance: Existing Buildings, making it one of the few buildings worldwide that have attained the certification.

Progress was made towards achieving the Group's 10-year environmental targets, with an enhanced greenhouse gas emissions target set last year. The Group is dedicated to promoting the use of renewable energy. Boasting the largest solar panel network in Hong Kong by far, the Group facilitated the installation of about 20,000 solar panels at the Group's managed properties and construction sites. Additionally, solar panels were installed on the roofs of nearly half of KMB's buses. A joint venture of the Group has completed the construction of Hong Kong's first privately funded solar farm on a landfill, spanning around 100,000 square feet.

The adoption of electric vehicles in Hong Kong has been accelerating in a blistering pace, but the charging infrastructure has lagged behind. To support the further development of low-carbon transport in Hong Kong, the Group has built a network of nearly 100 super-fast EV chargers across all 18 districts, which have seen high utilization rates. Members of the malls' loyalty program, The Point, can enjoy the convenience of charging by redeeming the points they earned from spending. Looking ahead, the Group is committed to further expanding its super-fast EV charging network, extending its benefits to more drivers while advancing green commuting in Hong Kong.

Social

The Group is committed to good corporate citizenship, actively addressing the needs of society through various initiatives. Supporting government efforts to foster a caring community, the Group provides a rent-free venue for the establishment of Ko Shan Road Community Living Room. Launched in April 2025, this 4,600-square-foot shared space offers amenities and services for families living in subdivided units.

The Group continues to promote reading and STEM among young people through the SHKP Reading Club. In 2024, it partnered with the Patriotic Education Centre under the Hong Kong Federation of Education Workers to organize the Read to Dream programme, which provided book allowances to 1,000 underprivileged students to buy books at the Hong Kong Book Fair. Additionally, aerospace-themed activities were held in the 2024/25 academic term to deepen youth engagement with the country's aerospace advancements and strengthen their sense of identity.

During the year, the Group advanced its commitment to "sports for all" and "sports for charity". GO PARK Sai Sha, the Group's unique sports and commercial complex of about 1.3 million square feet, offers professional-grade facilities that meet international standards for over 10 popular and emerging sports, as well as other leisure and entertainment facilities for the whole family. Together with the adjacent water sports centre GO PARK Aqua, GO PARK Sai Sha has partnered with different sports associations and sports academies to host a wide range of sports and aquatic programmes. Since trial operations began in mid-2024, more than 160 sporting events have been held at this scenic venue. Designed not only for sports enjoyment but also as a community hub, GO PARK Sai Sha fosters quality time for families and their pets while promoting healthy lifestyles and community engagement.

The Group continued as the title and charity sponsor of the Sun Hung Kai Properties Hong Kong Cyclothon, the city's largest cycling event, and supported the Sun Hung Kai Properties Hong Kong 10K Championships, The Community Chest Corporate Challenge, and the Hong Chi Climbathon. Furthermore, the Group served as the venue sponsor for The Community Chest New Territories Walk for Millions – GO PARK Sai Sha.

The year also marked the official opening of the second phase of Ma Wan Park, now named Ma Wan 1868. Spanning nearly 500,000 square feet, this distinctive destination integrates conservation, nature, art, culture, and recreation. Through Ma Wan 1868, the Group fosters cultural exchange and offers a rich leisure and artistic experience for both locals and tourists. In line with this commitment, the Group supports young entrepreneurs through the Well-Being · Start-Up 2.0 Programme by providing two rent-free shop premises at the park, empowering them with valuable retail experience.

PROSPECTS

The global economic environment is expected to remain volatile and uncertain, arising from prevailing geopolitical tensions and international trade disputes. Nevertheless, monetary easing policies adopted by several major economies, together with the increased likelihood of US interest rate cut, are conducive to economic growth. The growing adoption of AI and robotics will boost productivity and create economic opportunities.

Building on the solid economic performance reflected in key indicators during the first half of 2025, the mainland economy is expected to maintain steady growth. The Central Government is set to implement more proactive fiscal measures alongside a moderately loose monetary policy, ensuring both flexibility and consistency in its approach. Continued efforts to drive the country's high-quality development through supporting industries such as AI and new energy, coupled with initiatives to advance high-level opening-up and strengthen the dual circulation of domestic and international markets, will enhance the overall business environment and bolster economic resilience. A series of policies aimed at improving livelihoods and nurturing new growth engines will help unlock domestic demand and drive consumption. The easing of home-purchase restrictions is anticipated to render support to housing demand for premium residential properties in top-tier cities.

In Hong Kong, the economy is going through a transformation amidst growing complexity in the global economic and political landscape. An active financial market and a growing tourism industry will continue to drive moderate economic growth over the near term. Dedicated efforts in developing the city as an international hub for high-calibre talent will boost socio-economic development, while initiatives to attract both mainland and international enterprises to Hong Kong have lifted the total number of registered companies to a record high, driving economic activities in the city and reinforcing the city's role as a springboard for mainland enterprises to go global. In light of these favourable conditions, along with rising home rents and expectations of lower interest rates, buyers' confidence and transaction volumes in the residential sector are expected to show continued improvement.

With the resolute support of the motherland and the principle of 'One Country, Two Systems', Hong Kong will strengthen its role as an international financial centre and a transportation, trade, and aviation hub, and further bolster its competitive edge as a leading global wealth management centre. At this defining juncture of economic transformation, Hong Kong will embrace changes with its longstanding strengths of agility and flexibility. The Group remains confident about the long-term prospects of the mainland and Hong Kong.

In addition to pursuing high asset turnover in its property development business amid improved residential market sentiment to sustain robust cash flow, the Group will strive to maintain sizeable recurring income from its diversified rental portfolio and non-property businesses, a notable competitive edge that contributes to its healthy financial position. With the gradual completion of major projects, the Group saw a meaningful reduction in capital expenditure during the year under review. The Group will continue to lower capital expenditure and control operating costs, while enhancing its operational efficiency through the use of innovative technologies.

Looking forward, the Group will continue to launch new residential projects for sale when ready and put up for sale its unsold completed residential units and other non-core properties. Over the next 10 months, the Group will put on the market the completed units from the second phases of Cullinan Sky and Cullinan Harbour in Kai Tak, Hong Kong. Other major residential developments to be offered for sale in Hong Kong will include Sai Sha Residences Phase 2A and 2B, a project near MTR Tsuen Wan West Station, and the first phase of a large-scale development adjacent to MTR Kwu Tung Station. On the mainland, the Group plans to launch the prestigious houses at Shanghai Arch in Shanghai, and new batches of joint-venture developments such as Lake Genève in Suzhou, Hangzhou IFC, and Oriental Bund in Foshan. The Group's sufficient saleable resources will support its future business growth. In addition, the Group will continue to regularly review its portfolio in order to enhance returns and asset turnover.

On the property investment front, the Group will continue to strengthen its diversified portfolio for a stable and substantial stream of recurrent income while striving for incremental contributions from newly completed projects. In addition to embracing innovation and implementing a multi-pronged leasing strategy, the Group will prioritize cultivating long-term relationships with tenants and customers to meet their evolving preferences. This approach will strategically position the Group to fully capitalize on the flight-to-quality trend and sustain high occupancies across its rental portfolio.

Over the next two to three years, the completion of new investment properties in Hong Kong and on the mainland will successively contribute to the Group's recurrent income. In Hong Kong, Scramble Hill, a brand-new shopping mall in Kwun Tong, is scheduled for opening in phases in the second half of 2025. With direct access to MTR Kai Tak Station, Cullinan Sky Mall in Kai Tak is slated to open from the fourth quarter of 2025. The IGC office towers atop the High Speed Rail West Kowloon Terminus will be ready for handover starting in 2026. For the remaining portion of the Three ITC integrated project in Xujiahui, Shanghai, office skyscraper Tower B and the hotel Andaz Shanghai ITC are slated to complete by late 2025, while the flagship mall ITC Maison is scheduled to open in phases starting from the second half of 2025.

Committed to moving with the times, the Group has proactively embraced changes and adapted to shifting market trends, navigating the city's highs and lows over the past half century with resilience and foresight. In navigating through the current economic transformation, the Group will build on its solid foundation and extensive experience while adhering to prudent financial discipline as always. With strong execution capabilities, the Group's management and teams will put into practice its long-standing principles and time-tested strategies to strive for sustainable growth, while exploring potential applications of AI to better understand market trends and further enhance both efficiency and service quality. Leveraging its strong financial position, the Group is able to make investments for its long-term development when opportunities arise. As in the past, the Group will continue to support the city's evolving needs and build properties that prioritize quality of life for all.

APPRECIATION

I would like to take this opportunity to convey my heartfelt appreciation to our staff, whose dedication and perseverance have been instrumental in underpinning the Group's resilience amid a continually evolving market landscape. I also express my gratitude to my fellow directors for their wise counsel, and to our shareholders and customers for their continued trust and support.

Kwok Ping-luen, Raymond
Chairman & Managing Director
Hong Kong, 4 September 2025

ANNOUNCEMENT

The Board of Directors of Sun Hung Kai Properties Limited announces the following audited consolidated figures for the Group for the year ended 30 June 2025 with comparative figures for 2024:

Consolidated Income Statement
For the year ended 30 June 2025
(Expressed in millions of Hong Kong dollars)

	Notes	2025	2024
Revenue	**2**	**79,721**	71,506
Direct costs		**(45,531)**	(39,292)
Other net income	**3**	**288**	1,766
Selling and marketing expenses		**(5,064)**	(3,906)
Administrative expenses		**(3,336)**	(3,322)
Operating profit	**2**	**26,078**	26,752
Change in fair value of investment properties		**(2,730)**	(1,481)
Finance costs		**(2,856)**	(4,046)
Finance income		**371**	479
Net finance costs	**4**	**(2,485)**	(3,567)
Share of results of:			
Associates		**194**	259
Joint ventures		**3,696**	1,620
	2	**3,890**	1,879
Profit before taxation	**5**	**24,753**	23,583
Taxation	**6**	**(4,869)**	(3,978)
Profit for the year		**19,884**	19,605
Profit for the year attributable to:			
Company's shareholders		**19,277**	19,046
Non-controlling interests		**607**	559
		19,884	19,605
(Expressed in Hong Kong dollars)			
Earnings per share based on profit attributable to the Company's shareholders (reported earnings per share)	**7(a)**		
Basic and diluted		**$6.65**	$6.57
Earnings per share excluding the effect of change in fair value of investment properties net of deferred tax (underlying earnings per share)	**7(b)**		
Basic and diluted		**$7.54**	$7.50

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2025
(Expressed in millions of Hong Kong dollars)

	2025		2024	
Profit for the year	**19,884**		19,605	
Items that may be reclassified subsequently to profit or loss:				
Exchange difference on translation of mainland subsidiaries		**1,810**		(355)
Cash flow hedge				
- fair value losses recognized directly through other comprehensive income	**(96)**		(236)	
- fair value gains transferred to consolidated income statement	**(32)**		(53)	
		(128)		(289)
Debt securities				
- fair value gains recognized directly through other comprehensive income	**2**		2	
- fair value losses transferred to consolidated income statement	**-**		1	
		2		3
Share of other comprehensive income/(losses) of associates and joint ventures		**1,019**		(62)
Items that will not be reclassified to profit or loss:				
Fair value losses of equity securities at fair value through other comprehensive income		**(110)**		(227)
Share of other comprehensive income/(losses) of an associate		**42**		(14)
Other comprehensive income/(losses) for the year		**2,635**		(944)
Total comprehensive income for the year		**22,519**		18,661
Total comprehensive income for the year attributable to:				
Company's shareholders		**21,889**		18,089
Non-controlling interests		**630**		572
		22,519		18,661

Consolidated Statement of Financial Position
As at 30 June 2025
(Expressed in millions of Hong Kong dollars)

	Notes	2025	2024
Non-current assets			
Investment properties	**9**	**417,045**	408,424
Property, plant and equipment		**50,689**	50,190
Associates		**8,136**	7,954
Joint ventures		**96,551**	93,101
Financial investments		**1,197**	1,681
Intangible assets		**3,839**	4,338
Other non-current assets		**3,724**	3,743
		581,181	569,431
Current assets			
Properties for sale		**197,452**	214,077
Inventories		**417**	502
Trade and other receivables	**10**	**20,060**	17,115
Financial investments		**864**	748
Bank deposits and cash		**16,919**	16,221
		235,712	248,663
Current liabilities			
Bank and other borrowings		**(14,384)**	(10,498)
Trade and other payables	**11**	**(32,412)**	(32,412)
Deposits received on sales of properties		**(14,300)**	(11,226)
Current tax payable		**(8,996)**	(7,876)
		(70,092)	(62,012)
Net current assets		**165,620**	186,651
Total assets less current liabilities		**746,801**	756,082
Non-current liabilities			
Bank and other borrowings		**(95,833)**	(116,589)
Deferred tax liabilities		**(24,031)**	(23,905)
Other non-current liabilities		**(4,563)**	(4,517)
		(124,427)	(145,011)
NET ASSETS		**622,374**	611,071
CAPITAL AND RESERVES			
Share capital		**70,703**	70,703
Reserves		**547,148**	536,014
Shareholders' equity		**617,851**	606,717
Non-controlling interests		**4,523**	4,354
TOTAL EQUITY		**622,374**	611,071

1. Basis of Preparation

The financial information relating to the years ended 30 June 2025 and 2024 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 30 June 2024 to the Registrar of Companies and will deliver the consolidated financial statements for the year ended 30 June 2025 in due course. The Company's auditor has reported on the consolidated financial statements for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance (Cap. 622) and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"). The consolidated financial statements are prepared under the historical cost convention except for investment properties and certain financial instruments, which are measured at fair value.

In the current year, the Group has adopted a number of amendments to HKFRS Accounting Standards issued by the HKICPA that are effective for the first time for the Group's financial year beginning 1 July 2024. None of these amendments had a material impact on the Group's financial statements.

The Group has not applied any new standard or amendment that is not effective for the current year.

(Expressed in millions of Hong Kong dollars)

2. Segment Information

Segment revenue and results are measured without allocation of central administration costs, other net income, net finance costs and change in fair value of investment properties, which are reported to the Group's management for the purposes of resource allocation and assessment of segment performance.

(a) Segment revenue and results

An analysis of the revenue and results for the year of the Group and its share of associates and joint ventures by reportable and operating segments is as follows:

For the year ended 30 June 2025

	The Company and its subsidiaries		Associates and joint ventures			
	Revenue	Results	Share of revenue	Share of results	Combined revenue	Consolidated results
Property development						
Hong Kong	26,139	3,200	-	-	26,139	3,200
Mainland	7,741	4,807	676	283	8,417	5,090
	33,880	8,007	676	283	34,556	8,290
Property rental						
Hong Kong	14,883	10,900	2,648	2,056	17,531	12,956
Mainland	4,972	3,992	1,201	872	6,173	4,864
Singapore	-	-	757	572	757	572
	19,855	14,892	4,606	3,500	24,461	18,392
Hotel operations	4,416	486	834	129	5,250	615
Telecommunications	6,253	752	-	-	6,253	752
Transport infrastructure and logistics	4,441	1,188	4,181	478	8,622	1,666
Data centre operations	2,938	1,489	-	-	2,938	1,489
Other businesses	7,938	959	101	25	8,039	984
Segment total	79,721	27,773	10,398	4,415	90,119	32,188
Other net income/(loss)		288		(192)		96
Unallocated administrative expenses		(1,983)		-		(1,983)
Operating profit		26,078		4,223		30,301
Change in fair value of investment properties						
Hong Kong		(1,790)		685		(1,105)
Mainland		(940)		(292)		(1,232)
Singapore		-		780		780
		(2,730)		1,173		(1,557)
Net finance costs		(2,485)		(678)		(3,163)
Profit before taxation		20,863		4,718		25,581
Taxation						
- Group		(4,869)		-		(4,869)
- Associates		-		(54)		(54)
- Joint ventures		-		(774)		(774)
Profit for the year		15,994		3,890		19,884

(Expressed in millions of Hong Kong dollars)

For the year ended 30 June 2024

	The Company and its subsidiaries		Associates and joint ventures			
	Revenue	Results	Share of revenue	Share of results	Combined revenue	Consolidated results
Property development						
Hong Kong	24,745	6,513	-	-	24,745	6,513
Mainland	361	50	2,316	1,287	2,677	1,337
	25,106	6,563	2,316	1,287	27,422	7,850
Property rental						
Hong Kong	15,212	11,293	2,730	2,130	17,942	13,423
Mainland	5,154	4,211	1,151	816	6,305	5,027
Singapore	-	-	744	550	744	550
	20,366	15,504	4,625	3,496	24,991	19,000
Hotel operations	4,421	521	840	129	5,261	650
Telecommunications	6,221	701	-	-	6,221	701
Transport infrastructure and logistics	4,571	1,294	4,041	418	8,612	1,712
Data centre operations	2,674	1,266	-	-	2,674	1,266
Other businesses	8,147	1,125	308	55	8,455	1,180
Segment total	71,506	26,974	12,130	5,385	83,636	32,359
Other net income/(loss)		1,766		(95)		1,671
Unallocated administrative expenses		(1,988)		-		(1,988)
Operating profit		26,752		5,290		32,042
Change in fair value of investment properties						
Hong Kong		(565)		(1,449)		(2,014)
Mainland		(916)		(114)		(1,030)
Singapore		-		264		264
		(1,481)		(1,299)		(2,780)
Net finance costs		(3,567)		(714)		(4,281)
Profit before taxation		21,704		3,277		24,981
Taxation						
- Group		(3,978)		-		(3,978)
- Associates		-		(36)		(36)
- Joint ventures		-		(1,362)		(1,362)
Profit for the year		17,726		1,879		19,605

Results from property development include selling and marketing expenses of HK$1,139 million (2024: HK$349 million) and HK$185 million (2024: HK$175 million) relating to the pre-sale of property projects under construction in Hong Kong and mainland, respectively.

Other businesses comprise revenue and profit derived from other activities including property management, department store operations and financial services.

(Expressed in millions of Hong Kong dollars)

(b) Geographical information

An analysis of the Group's revenue by geographical area of principal markets is as follows:

	2025	2024
Hong Kong	**66,165**	65,267
Mainland	**13,495**	6,187
Others	**61**	52
	79,721	71,506

3. Other Net Income

	2025	2024
Gain on land resumption[(a)]	**1,137**	1,095
Profit on sale of investment properties[(b)]	**390**	343
Impairment provisions for development properties[(c)]	**(1,384)**	-
Others	**145**	328
	288	1,766

(a) During the year, the Group recorded a HK$1,137 million gain from land resumption by the Government, resulting mainly from the resumption of certain land lots held by the Group in Hung Shui Kiu/Ha Tsuen New Development Area.

(b) Profit on sale of investment properties, mostly derived from the disposal of 51 units in Tower 2 and 3 of Dynasty Court, was calculated based on net sales proceeds over fair values. Underlying profit inclusive of HK$1,836 million fair value gains realized amounted to HK$2,226 million.

(c) The impairment provisions were mainly attributed to the Cullinan Sky residential project, calculated based on estimated sales proceeds, minus the costs required to complete and sell the project, excluding previously expensed selling and marketing costs.

4. Net Finance Costs

	2025	2024
Interest and other finance costs on bank and other borrowings	**4,604**	6,090
Notional non-cash interest accretion	**62**	65
Finance costs on lease liabilities	**85**	90
Less: Amount capitalized	**(1,895)**	(2,199)
	2,856	4,046
Interest income on bank deposits	**(371)**	(479)
	2,485	3,567

(Expressed in millions of Hong Kong dollars)

5. Profit before Taxation

	2025	2024
Profit before taxation is arrived at		
after charging:		
Cost of properties sold	**22,612**	16,480
Cost of other inventories sold	**2,822**	2,672
Depreciation of property, plant and equipment	**3,105**	3,088
Amortization of		
Intangible assets (included in direct costs)	**710**	735
Contract acquisition costs	**1,242**	982
Credit loss allowance on financial assets and contract assets	**212**	72
Lease expenses		
Short-term and low-value assets leases	**146**	142
Variable lease payments	**33**	35
Staff costs (including directors' emoluments and retirement schemes contributions)	**10,559**	10,605
Share-based payments	**9**	11
Auditors' remuneration	**31**	29
Loss on disposal of financial investments at fair value through profit or loss	**27**	26
Loss on disposal of property, plant and equipment	**59**	12
and crediting:		
Dividend income from investments	**67**	75
Interest income from investments	**32**	69
Fair value gains on financial investments at fair value through profit or loss	**63**	25

(Expressed in millions of Hong Kong dollars)

6. Taxation

	2025	2024
Current tax expenses		
Hong Kong profits tax	**2,439**	2,549
(Over)/under provision in prior years	**(16)**	14
	2,423	2,563
Tax outside Hong Kong	**3,372**	1,336
Total current tax	**5,795**	3,899
Deferred tax (credit)/expenses		
Change in fair value of investment properties	**(713)**	(353)
Other origination and reversal of temporary differences	**(213)**	432
Total deferred tax	**(926)**	79
Total income tax expenses	**4,869**	3,978

Hong Kong profits tax is provided at the rate of 16.5% (2024: 16.5%) based on the estimated assessable profits for the year. Tax outside Hong Kong, which includes mainland land appreciation tax and withholding tax on income distributions, is calculated at the rates applicable in the relevant jurisdictions.

7. Earnings per Share

(a) Reported earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to the Company's shareholders of HK$19,277 million (2024: HK$19,046 million).

The basic earnings per share is based on the weighted average number of shares in issue during the year of 2,897,780,274 (2024: 2,897,780,274) shares.

Diluted earnings per share were the same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the years.

(Expressed in millions of Hong Kong dollars)

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the underlying profit attributable to the Company's shareholders of HK$21,855 million (2024: HK$21,739 million), which excluded the fair value changes on investment properties, and included the fair value gains realized on sale of investment properties. A reconciliation of profit is as follows:

	2025	2024
Profit attributable to the Company's shareholders as shown in the consolidated income statement	**19,277**	19,046
Decrease/(increase) in fair value of investment properties		
Subsidiaries	**2,730**	1,481
Associates	**112**	(53)
Joint ventures	**(1,285)**	1,352
	1,557	2,780
Effect of corresponding deferred tax expenses		
Subsidiaries	**(713)**	(353)
Joint ventures	**(86)**	8
Non-controlling interests	**(16)**	(23)
Unrealized fair value losses of investment properties net of deferred tax	**742**	2,412
Fair value gains of investment properties net of deferred tax realized on disposal	**1,836**	281
Net effect of change in fair value of investment properties	**2,578**	2,693
Underlying profit attributable to the Company's shareholders	**21,855**	21,739

(Expressed in millions of Hong Kong dollars)

8. Dividends

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

	2025	2024
Interim dividend declared and paid of HK$0.95 (2024: HK$0.95) per share	**2,753**	2,753
Final dividend proposed after the end of the reporting period of HK$2.80 (2024: HK$2.80) per share	**8,114**	8,114
	10,867	10,867

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

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

	2025	2024
Final dividend in respect of the previous financial year, approved and paid during the year of HK$2.80 (2023: HK$3.70) per share	**8,114**	10,722

9. Investment Properties

(a) Movement during the year

	Completed	**Under development**	**Total**
Valuation			
At 1 July 2024	**349,214**	**59,210**	**408,424**
Additions	**1,213**	**7,015**	**8,228**
Transfer upon completion	**13**	**(13)**	**-**
Transfer from properties for sale	**2,836**	**-**	**2,836**
Transfer from property, plant and equipment	**63**	**-**	**63**
Disposals	**(2,335)**	**-**	**(2,335)**
Exchange difference	**1,744**	**815**	**2,559**
Decrease in fair value	**(1,354)**	**(1,376)**	**(2,730)**
At 30 June 2025	**351,394**	**65,651**	**417,045**

(Expressed in millions of Hong Kong dollars)

(b) Investment properties valuation

The Group's investment properties were valued at their fair values at 30 June 2025 and 30 June 2024 by Knight Frank Petty Limited, an independent firm of professional qualified valuers, on a market value basis, in accordance with Valuation Standards on Properties issued by Hong Kong Institute of Surveyors.

The Group's completed investment properties are valued using the income capitalization method by capitalizing the net income from the existing tenancies and reversionary income potential at appropriate capitalization rates for individual properties. The capitalization rate adopted is derived by making reference to the yields achieved from analysis of comparable property investment transactions and valuer's view of prevailing investor expectations regarding rental growth and perceived risks.

The Group's investment properties under development are valued using the residual method by estimating the value of the property when completed using income capitalization method with reference to comparable sales transactions assuming that the property had been completed in accordance with the current development plan on the valuation date less the costs that will be incurred to complete the development with appropriate allowance for profit and risk.

Set out below is the significant unobservable inputs used for fair value measurements:

	Fair value		**Weighted average capitalization rate**	
	2025	2024	**2025**	2024
Completed				
Hong Kong	**275,417**	274,585	**5.0%**	5.1%
Mainland	**75,977**	74,629	**6.6%**	6.6%
	351,394	349,214		

	Fair value (residual method)		**Capitalization rate**	
	2025	2024	**2025**	2024
Under development				
Hong Kong	**29,662**	25,578	**3.3% - 5.5%**	3.5% - 5.5%
Mainland	**35,989**	33,632	**5.0% - 8.8%**	5.0% - 8.8%
	65,651	59,210		

10. Trade and Other Receivables

Included in trade and other receivables of the Group are trade receivables of HK$3,252 million (2024: HK$3,645 million), of which 59% (2024: 63%) are aged less than 30 days, 13% (2024: 11%) between 31 to 60 days, 10% (2024: 7%) between 61 to 90 days and 18% (2024: 19%) more than 90 days.

11. Trade and Other Payables

Included in trade and other payables of the Group are trade payables of HK$2,476 million (2024: HK$3,070 million), of which 59% (2024: 57%) are aged less than 30 days, 7% (2024: 9%) between 31 to 60 days, 3% (2024: 5%) between 61 to 90 days and 31% (2024: 29%) more than 90 days.

FINANCIAL REVIEW

Review of Results for FY2024/25

Underlying profit attributable to the Company's shareholders, excluding fair value changes on investment properties and including fair value gains realized on sale of investment properties for the year ended 30 June 2025 was HK$21,855 million, increased by HK$116 million compared to HK$21,739 million for the previous year.

Reported profit attributable to Company's shareholders increased by HK$231 million to HK$19,277 million (2024: HK$19,046 million), after including the impact of revaluation of investment properties. The Group recorded a net decrease in fair value of investment properties (after deferred tax and non-controlling interests) of HK$742 million (2024: HK$2,412 million).

	2025	2024
	HK$ Million	*HK$ Million*
Reported profit attributable to Company's shareholders	**19,277**	19,046
Adjustments in respect of investment properties		
Decrease in fair value, net of tax and non-controlling interests	**742**	2,412
Fair value gains realized on disposal during the year	**1,836**	281
	2,578	2,693
Underlying profit attributable to Company's shareholders	**21,855**	21,739

The increase in underlying profit was primarily driven by higher underlying profits from sales of trading and investment properties, as well as lower finance costs. These gains were partially offset by impairment provisions for development properties. Despite a challenging and competitive operating environment, the Group's leasing and other recurring income remained resilient.

The Group's total revenue across business segments (including share of joint ventures and associates) increased by 8% year-on-year to HK$90,119 million, primarily driven by a 26% rise in revenue from property development to HK$34,556 million. Overall rental revenue decreased by 2% to HK$24,461 million.

Total segment operating profit was HK$32,188 million (2024: HK$32,359 million). Development profit increased by 6% to HK$8,290 million, mainly due to higher contribution from the mainland. Recurring profit amounted to HK$23,898 million (2024: HK$24,509 million), with net rental income contributing HK$18,392 million (2024: HK$19,000 million) of the total.

Revenue and Operating profit by segment for the year ended 30 June
(including share of joint ventures and associates)

	Revenue		Operating profit	
	2025	2024	**2025**	2024
	HK$ Million	*HK$ Million*	***HK$ Million***	*HK$ Million*
Property development				
Hong Kong	**26,139**	24,745	**3,200**	6,513
Mainland	**8,417**	2,677	**5,090**	1,337
	34,556	27,422	**8,290**	7,850
Property rental				
Hong Kong	**17,531**	17,942	**12,956**	13,423
Mainland	**6,173**	6,305	**4,864**	5,027
Singapore	**757**	744	**572**	550
	24,461	24,991	**18,392**	19,000
Hotel operations	**5,250**	5,261	**615**	650
Telecommunications	**6,253**	6,221	**752**	701
Transport infrastructure and logistics	**8,622**	8,612	**1,666**	1,712
Data centre operations	**2,938**	2,674	**1,489**	1,266
Other businesses	**8,039**	8,455	**984**	1,180
Segment total	**90,119**	83,636	**32,188**	32,359

Revenue from property development (including share of joint ventures) in Hong Kong increased by 6% to HK$26,139 million, and was mainly derived from sales of residential units in YOHO WEST Phase 1, The YOHO Hub II, NOVO LAND Phase 3B, St. Michel, St. Barths and Grand Jeté Phase 2. Development profit decreased by 51% to HK$3,200 million, mainly due to lower profit margin. Profit margin was 12% compared to 26% for the previous year. Additionally, the Group realized net proceeds of HK$2,844 million from the sales of 51 units in Dynasty Court, a residential investment property located in Old Peak Road. The disposal generated an underlying profit of HK$2,220 million, which includes the realization of prior fair value gains and represents a 78% profit margin. Including this disposal, the total underlying profit from residential property sales in Hong Kong for the year reached HK$5,420 million, representing an overall profit margin of 19%.

Revenue from property development (including share of joint ventures) in the mainland increased by 214% to HK$8,417 million, mainly due to higher sales volume of residential units. Development profit increased by HK$3,753 million or 281% to HK$5,090 million, mostly driven by profit from the sales of residential units in Shanghai Arch Phase 3. Other contributions included residential sales in Forest Park Phases 1A and 1B, Oriental Bund, Park Royale, The Woodland and Grand Waterfront.

As at 30 June 2025, contracted sales of properties (including investment properties) attributable to the Group (including share of joint ventures) not yet recognized amounted to HK$44.4 billion, comprising HK$35.6 billion in Hong Kong, of which about HK$30.1 billion is expected to be recognized in the next financial year, and HK$8.8 billion in the mainland, most of which will be booked in the next financial year.

Rental revenue of property investment in Hong Kong, including share of joint ventures and associates, decreased by 2% to HK$17,531 million. Net rental income decreased by 3% to HK$12,956 million. Revenue of the office portfolio decreased by 5% to HK$5,679 million (2024: HK$6,000 million) due to negative rental reversions. Revenue of the retail portfolio decreased by 2% to HK$9,085 million (2024: HK$9,283 million), as persistent economic challenges continued to weigh on consumer spending. Revenue from the Group's residential and serviced apartment portfolio rose by 12%, driven mostly by increase in rent rates and full year contribution from TOWNPLACE WEST KOWLOON.

Rental revenue and net rental income of the mainland portfolio, including share of joint ventures, decreased by 2% and 3% in Hong Kong dollar terms to HK$6,173 million and HK$4,864 million, respectively. In Renminbi ("RMB") terms, rental revenue decreased by 2% to RMB5,713 million (2024: RMB5,822 million). Revenue of the retail portfolio decreased by 3% to HK$4,079 million (2024: HK$4,199 million), mainly due to a decline in turnover rents. The office portfolio reported a decrease of 1% in revenue to HK$1,743 million (2024: HK$1,762 million), mainly due to negative rental reversions, though this was partially offset by increased contributions from Tower A of Three ITC, which has seen steadily rising occupancy since its completion last year.

Hotel segment (including share of joint ventures) generated stable revenue of HK$5,250 million (2024: HK$5,261 million). While shifting consumer patterns negatively impacted food and beverage revenue, room revenue improved with the return of foreign and mainland visitors, and occupancy remained high. The Group's hotels in Hong Kong achieved an average occupancy rate of 90% (2024: 84%) during the year. Operating profit declined by 5% to HK$615 million (after depreciation charge of HK$741 million).

SmarTone maintained steady revenue of HK$6,253 million (2024: HK$6,221 million), with operating profit increased by 7% to HK$752 million, primarily driven by a one-off gain from the disposal of its Macau business, along with margin improvements resulting from cost control and efficiency enhancement measures aimed at reducing service costs and operating expenses.

The Group's transport infrastructure and logistics segment (including share of joint ventures and associates) remained resilient, with revenue holding firm at HK$8,622 million (2024: HK$8,612 million). Operating profit decreased by 3% to HK$1,666 million, as the franchise of Route 3 (CPS) ended in May 2025. The business aviation centre operation, toll road, car parking and franchised bus businesses all showed stable performance.

SUNeVision's revenue grew 10% to HK$2,938 million, while operating profit rose 18% to HK$1,489 million. This performance was primarily driven by new customer move-ins at the new data centres, which boosted utilization rates, alongside steady growth from existing facilities due to positive rental reversions.

The Group's other businesses (including share of joint ventures and associates), which include mainly property management, department store operations and financial services, reported a 5% drop in revenue to HK$8,039 million and a 17% drop in operating profit to HK$984 million.

Other Net Income

Other net income (including share of joint ventures and associates) amounted to HK$96 million (2024: HK$1,671 million). This mainly included a HK$1,137 million gain from land resumption by the Government and a reported profit of HK$390 million from the sale of investment properties, partly offset by impairment provisions of HK$1,384 million related to development properties.

The land resumption included around 2.5 million square feet in Hung Shui Kiu/Ha Tsuen New Development Area owned by the Group, with a total cash compensation of approximately HK$3,000 million.

The reported profit of HK$390 million on sale of investment properties, calculated on the basis of net sales proceeds over fair value, was mostly derived from the disposal of 51 units in Tower 2 and 3 of Dynasty Court. Underlying profit inclusive of HK$1,836 million fair value gains realized amounted to HK$2,226 million.

The impairment provisions for development properties were mainly related to the Cullinan Sky residential project. The project consists of 1,490 units in two phases, with a total gross floor area of approximately 1.06 million square feet. 887 out of 906 units of the first phase were pre-sold with contracted sales of approximately HK$11,100 million, and was scheduled for handover in July 2025.

Fair Value Change of Investment Properties

Investment properties were carried at fair values based on independent valuation as at 30 June 2025. These consist of completed investment properties and investment properties under development.

The Group (including share of joint ventures and associates) recorded a net decrease of HK$1,557 million (2024: HK$2,780 million) in the fair value of investment properties, comprising a decrease of HK$1,105 million (2024: HK$2,014 million) in Hong Kong, a decrease of HK$1,232 million (2024: HK$1,030 million) in the mainland, and an increase of HK$780 million (2024: HK$264 million) in the fair value of ION Orchard mall in Singapore.

Net decrease in fair value attributable to the Company’s shareholders (after related deferred tax and non-controlling interests) of HK$742 million (2024: HK$2,412 million) was recorded in the consolidated income statement.

Finance Costs and Interest Cover

For the year ended 30 June 2025, the Group’s net finance costs including capitalized interest decreased by HK$1,386 million or 24% to HK$4,380 million (2024: HK$5,766 million), reflecting a reduction in net debt as well as lower average cost of borrowings, which went down to 3.7% (2024: 4.4%), primarily due to lower HIBOR. Net finance costs charged to the income statement (after interest capitalized) decreased by HK$1,082 million or 30% to HK$2,485 million (2024: HK$3,567 million).

Interest cover for the year was 6.0 times (2024: 4.6 times), measured by the ratio of operating profit to total net interest expenses including those capitalized.

The average effective interest rate of the Group's borrowings for the year ended 30 June 2025 is analyzed as follows:

	Year ended 30 June	
	2025	2024
Fixed rate	**2.8%**	2.7%
Floating rate	**4.2%**	5.1%
Weighted average interest rate	**3.7%**	4.4%

Financial Management

The Group continues to adopt a proactive and disciplined approach in financial management by maintaining a healthy balance sheet and a diversified base of funding sources with sufficient financial resources to support operations and business growth. The Group constantly reviews its capital structure and financial position to ensure that it remains financially sound, so that the Group can continue to provide returns to shareholders while keeping financial leverage at a prudent level.

The entire Group's financing risk management, financing and treasury activities are centrally managed and controlled at the corporate level.

Gearing Ratio

The Group's balance sheet remains strong. Shareholders' equity was HK$617.9 billion or HK$213.2 per share as at 30 June 2025 compared to HK$606.7 billion as at 30 June 2024. The increase was primarily attributable to profit attributable to the shareholders of HK$19.3 billion and foreign exchange gain of HK$2.7 billion on translation of financial statements of the mainland and overseas operations, offset by dividends of HK$10.9 billion paid during the year.

The Group's net debt amounted to HK$93,298 million as at 30 June 2025 (30 June 2024: HK$110,866 million), decreased by HK$17,568 million or 16%, primarily driven by cash flows from property sales and lower construction spending. Gearing ratio, calculated on the basis of net debt to shareholders' equity of the Company, was 15.1% (30 June 2024: 18.3%).

Debt Maturity Profile and Composition

The Group's gross borrowings as at 30 June 2025 amounted to HK$110,217 million, of which 63% were bank loans and 37% were notes and bonds, which are repayable on various dates up to June 2033. 68% of the Group's gross borrowings were raised through its wholly-owned finance subsidiaries and the remaining 32% through operating subsidiaries.

The Group's debt maturity profile was well-staggered with around 70% of the borrowings repayable after two years. The weighted average duration of the entire debt portfolio was approximately 3.1 years as of 30 June 2025 (30 June 2024: 3.3 years).

The maturity profile of the Group's gross borrowings is set out as follows:

	At 30 June 2025		At 30 June 2024	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Repayable:				
Within one year	**14,384**	**13%**	10,498	8%
After one year but within two years	**19,071**	**17%**	20,052	16%
After two years but within five years	**63,908**	**58%**	74,816	59%
After five years	**12,854**	**12%**	21,721	17%
Total bank and other borrowings	**110,217**	**100%**	127,087	100%
Bank deposits and cash	**16,919**		16,221	
Net debt	**93,298**		110,866	

Composition of the Group's debt portfolio is as follows:

(i) By currency (after currency swap)

	At 30 June 2025		At 30 June 2024	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Hong Kong dollar	**77,834**	**70%**	99,867	79%
RMB	**30,411**	**28%**	25,527	20%
British pound	**1,972**	**2%**	1,693	1%
Total borrowings	**110,217**	**100%**	127,087	100%

When financing operations outside Hong Kong, the Group will borrow in the same currency as the underlying assets or when feasible, hedge through cross currency swaps for exchange risk exposure. At 30 June 2025, about 28% of the Group's total borrowings were denominated in RMB to act as natural hedges of net investments in the mainland.

(ii) By fixed or floating interest (after interest rate swap)

	At 30 June 2025		At 30 June 2024	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Fixed	**42,151**	**38%**	39,660	31%
Floating				
- Hong Kong dollar	**47,324**	**43%**	67,007	53%
- RMB	**18,770**	**17%**	18,727	15%
- British pound	**1,972**	**2%**	1,693	1%
Total borrowings	**110,217**	**100%**	127,087	100%

Financial Resources

The Group's strong financial strength enables it to raise long-term financing from various sources at competitive rates. As part of its prudent debt management policy, the Group has always secured considerable amount of undrawn committed banking facilities, most of which are arranged on a medium to long term basis with a well-balanced maturity profile, to help minimize refinancing risk and attain financing flexibility, while optimizing financing cost. The Group closely monitors its liquidity and financing requirements to ensure that available financial resources are in place to cover its financing needs.

With substantial amount of standby banking facilities in place, continuous cash inflow from property sales and a solid base of recurring income, the Group has adequate financial resources for its funding requirements and is well positioned to take advantage of investment opportunities when they arise.

Foreign Exchange Rate Risk Management

The Group's foreign exchange exposure was small given both its large asset base and operational cash flow are primarily denominated in Hong Kong dollar, which is the Group's presentation currency.

The Group is exposed to currency translation risk mainly arising from translating the financial statements of subsidiaries and joint ventures operating in the mainland. The Group has not entered into foreign currency derivatives to hedge the translation risk exposure of its net investments in the mainland, and maintain an appropriate level of RMB-denominated financial resources for capital requirements. Land acquisition for the mainland projects are principally financed by capital injection funded by the Group's equity and internally generated funds. On-going business operations in the mainland are financed through internal resources and borrowings in RMB. As at 30 June 2025, approximately 17% of the Group's net assets were denominated in RMB. Compared with 30 June 2024, RMB appreciated against Hong Kong dollar by about 2.3%. The translation of these RMB assets into Hong Kong dollar at the exchange rate as of 30 June 2025 resulted in a translation gain of approximately HK$2.4 billion (2024: loss of HK$450 million), recognized in the exchange reserve.

The Group has insignificant currency risk exposure associated with certain monetary assets and liabilities denominated in foreign currencies. Where feasible and cost effective, the Group may enter into foreign exchange contracts to reduce the currency risk.

Derivative Instruments

As at 30 June 2025, the Group has entered into certain interest rate swaps, cross currency interest rate swaps and forward foreign exchange contracts in the aggregate notional amount of HK$16,389 million to manage its interest rate risk and currency risk exposures. The use of derivative instruments is strictly controlled and solely for hedging the Group's underlying financial exposures for its core business operations. It is the Group's policy not to enter into derivative and structured product transactions for speculative purposes.

Bank Deposits and Cash

As at 30 June 2025, the Group's bank deposits and cash amounted to HK$16,919 million, of which 61% were denominated in Hong Kong dollar, 28% in RMB, and the remaining 11% mostly in US dollar. The RMB deposits were mostly held by the mainland subsidiaries for meeting the funding needs of their mainland projects.

All deposits are placed with banks carrying strong credit ratings with appropriate credit limits assigned relative to their credit strength, and are regularly monitored for exposures to each financial counterparty.

Charges of Assets

As at 30 June 2025, certain bank deposits of the Group's subsidiaries in the aggregate amount of HK$45 million were pledged for securing guarantees issued by the banks. Additionally, certain assets of the Group's subsidiaries with an aggregate carrying value of HK$17,492 million have been charged as security for their bank borrowings. Except for the aforementioned charges, all the Group's assets are free from any encumbrances.

Contingent Liabilities

As at 30 June 2025, the Group had contingent liabilities in respect of guarantees for bank borrowings of certain joint ventures and other guarantees in the aggregate amount of HK$1,955 million (30 June 2024: HK$1,907 million).

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES OF THE GROUP

As at 30 June 2025, the Group employed more than 38,000 employees. The related employees' costs before reimbursements for the year amounted to approximately HK$15,122 million. Compensation for the Group is made with reference to the market as well as individual performance and contributions. Extensive use of bonuses to link performance with reward is adopted. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to individual needs. Share option and share award schemes have also been adopted by certain subsidiaries of the Company to provide appropriate long-term incentive to the key staff of the Group. Details of the share option and share award schemes of the Group are set out in the section headed "Share Option and Share Award Schemes" of the annual report of the Company.

BASIS OF DETERMINING EMOLUMENT TO DIRECTORS

The same remuneration philosophy also applies to the Directors of the Company. Apart from benchmarking against the market, the Company looks at individual competence and contributions and the affordability of the Company in determining the exact level of remuneration for each Director. Appropriate benefits schemes are also in place for the Executive Directors.

DIVIDEND

The Board of Directors of the Company (the "Board") has decided to recommend the payment of a final dividend of HK$2.80 per share (2024: HK$2.80 per share) for the year ended 30 June 2025. Including the interim dividend of HK$0.95 per share paid on 20 March 2025, the total dividend for the year ended 30 June 2025 amounts to HK$3.75 per share (2024: HK$3.75 per share).

The proposed final dividend, if approved at the forthcoming annual general meeting of the Company (the "2025 Annual General Meeting"), will be payable in cash on Thursday, 20 November 2025 to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Wednesday, 12 November 2025. Shares of the Company will be traded ex-dividend as from Monday, 10 November 2025.

ANNUAL GENERAL MEETING

The 2025 Annual General Meeting will be held on Thursday, 6 November 2025 and the Notice of the 2025 Annual General Meeting will be published and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

(1) The record date for ascertaining Shareholders' entitlement to attend and vote at the 2025 Annual General Meeting will be Thursday, 6 November 2025. The register of members of the Company will be closed from Monday, 3 November 2025 to Thursday, 6 November 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates (together the "Share Transfer Documents") for registration not later than 4:30 p.m. on Friday, 31 October 2025.

(2) The record date for ascertaining Shareholders' entitlement to the proposed final dividend will be Wednesday, 12 November 2025, during which the register of members of the Company will be closed and no transfer of shares will be registered. In order to establish entitlements to the proposed final dividend, Shareholders must lodge the Share Transfer Documents for registration not later than 4:30 p.m. on Tuesday, 11 November 2025.

(3) The Share Transfer Documents shall be lodged for registration with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the year ended 30 June 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE

The annual results for the year ended 30 June 2025 have been reviewed by the Audit and Risk Management Committee of the Company. The Group's consolidated financial statements have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, and it has issued an unmodified opinion.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 30 June 2025, the Company has complied with the applicable code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except that there is no separation of the roles of chairman and chief executive as required under Code Provision C.2.1. However, the powers and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management. In addition, there are two Non-Executive Directors and seven Independent Non-Executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place.

ANNUAL REPORT

The 2024/25 annual report containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.shkp.com, and will be sent to the Shareholders before the end of October 2025.

By order of the Board
YUNG Sheung-tat, Sandy
Company Secretary

Hong Kong, 4 September 2025

As at the date hereof, the Board comprises nine Executive Directors, being KWOK Ping-luen, Raymond (Chairman and Managing Director)(KWOK Ho-lai, Edward being his Alternate Director), WONG Chik-wing, Mike (Deputy Managing Director), LUI Ting, Victor (Deputy Managing Director), KWOK Kai-fai, Adam, KWOK Kai-wang, Christopher, TUNG Chi-ho, Eric, FUNG Yuk-lun, Allen, FUNG Sau-yim, Maureen and CHAN Hong-ki, Robert; two Non-Executive Directors, being KWAN Cheuk-yin, William and KWOK Kai-chun, Geoffrey; and seven Independent Non-Executive Directors, being YIP Dicky Peter, WONG Yue-chim, Richard, LI Ka-cheung, Eric, FUNG Kwok-lun, William, LEUNG Nai-pang, Norman, LEUNG KO May-yee, Margaret and FAN Hung-ling, Henry.