



STOCK CODE: 83

Silversands

2020-2021 INTERIM REPORT

二零二零至二零二一年 中期報告

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Shareholders who have chosen or are deemed to have consented to receive the Corporate Communications using electronic means through the Company’s website and who have difficulty in receiving or gaining access to the Interim Report posted on the Company’s website will upon request be sent the Interim Report in printed form free of charge.

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Board of Directors

Robert Ng Chee Siong, Chairman
 Daryl Ng Win Kong, JP, Deputy Chairman
 Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP#
 Allan Zeman, GBM, GBS, JP*
 Adrian David Li Man-kiu, JP*
 Steven Ong Kay Eng*
 Wong Cho Bau, JP*
 Ringo Chan Wing Kwong
 Gordon Lee Ching Keung
 Thomas Tang Wing Yung, Group Chief Financial Officer

(# Non-Executive Director)

(* Independent Non-Executive Directors)

Audit Committee

Adrian David Li Man-kiu, JP, Chairman
 Allan Zeman, GBM, GBS, JP
 Steven Ong Kay Eng

Nomination Committee

Robert Ng Chee Siong, Chairman
 Allan Zeman, GBM, GBS, JP
 Adrian David Li Man-kiu, JP

Remuneration Committee

Steven Ong Kay Eng, Chairman
 Allan Zeman, GBM, GBS, JP
 Adrian David Li Man-kiu, JP
 Daryl Ng Win Kong, JP

Authorized Representatives

Robert Ng Chee Siong
 Ringo Chan Wing Kwong

Company Secretary

Fanny Cheng Siu King

Auditor

Deloitte Touche Tohmatsu
 Registered Public Interest Entity Auditors

Solicitors

Woo, Kwan, Lee & Lo
 Clifford Chance

Share Registrar

Tricor Standard Limited
 Level 54, Hopewell Centre,
 183 Queen's Road East,
 Hong Kong
 Telephone : (852) 2980 1333
 Fax : (852) 2861 1465
 Email : sinoland83-ecom@hk.tricorglobal.com

Principal Bankers

Bank of China (Hong Kong) Limited
 Hang Seng Bank Limited
 The Hongkong and Shanghai Banking Corporation Limited
 DBS Bank Ltd., Hong Kong Branch
 Industrial and Commercial Bank of China (Asia) Limited
 Standard Chartered Bank (Hong Kong) Limited
 China Construction Bank (Asia) Corporation Limited
 Bangkok Bank Public Company Limited
 The Bank of East Asia, Limited

Investor relations contact

Please direct enquiries to:
 Group General Manager (Corporate Finance & Investor Relations)
 Telephone : (852) 2132 8090
 Fax : (852) 2137 5963
 Email : investorrelations@sino.com

Registered Office

12th Floor, Tsim Sha Tsui Centre,
 Salisbury Road, Tsim Sha Tsui,
 Kowloon, Hong Kong
 Telephone : (852) 2721 8388
 Fax : (852) 2723 5901
 Website : www.sino.com
 Email : info@sino.com

Listing information

Stock code	83
American depositary receipt	
CUSIP Number	829344308
Trading Symbol	SNLAY
ADR to Ordinary Share Ratio	1:5
Listing	Level One (OTC)
Depository Bank	The Bank of New York 101 Barclay Street, 22nd Floor – West, New York, NY 10286, U.S.A.

Shareholders' calendar

Closure of Register of Members for dividend entitlement	12th to 16th March, 2021 (both dates inclusive)
Record Date for interim dividend entitlement	16th March, 2021
Last Date for lodging form of election for scrip dividend	9th April, 2021 4:30 p.m.
Interim Dividend Payable	HK14 cents per share 20th April, 2021

Chairman's statement

I am pleased to present my Interim Report to the shareholders.

Interim results

The Group's unaudited underlying profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the six months ended 31st December, 2020 ("Interim Period") was HK\$2,142.5 million (2019: HK\$2,722.9 million). Underlying earnings per share was HK\$0.30 (2019: HK\$0.39).

After taking into account the revaluation loss (net of deferred taxation) on investment properties of HK\$850.1 million (2019: revaluation gain of HK\$110.3 million), which is a non-cash item, the Group reported a net profit attributable to shareholders of HK\$1,286.6 million for the Interim Period (2019: HK\$2,780.8 million). Earnings per share for the Interim Period was HK\$0.18 (2019: HK\$0.40).

The unaudited results for the Interim Period have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu and they reflect the adoption of all Hong Kong Financial Reporting Standards applicable to the Group that are effective for the accounting period.

Dividends

The Directors have declared an interim dividend of HK14 cents per share (2019: HK14 cents per share) payable on 20th April, 2021 to those shareholders whose names appear on the Register of Members of the Company on 16th March, 2021.

The interim dividend will be payable in cash, but shareholders will be given the option of electing to receive the interim dividend in the form of new shares in lieu of cash in respect of part or all of such dividend. The new shares to be issued pursuant to the scrip dividend scheme are subject to their listing being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited.

A circular containing detail of the scrip dividend scheme will be dispatched to shareholders together with the form of election for scrip dividend on or about 22nd March, 2021. It is expected that the interim dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 20th April, 2021.

Business review

(1) Sales activities

Total revenue from property sales for the Interim Period, including property sales of associates and joint ventures recognised by the Group, was HK\$2,011.8 million (2019: HK\$1,886.5 million).

Total revenue from property sales comprises mainly the sales of residential units completed in the Interim Period including Madison Park in Cheung Sha Wan (97% sold), 133 Portofino in Sai Kung (24% sold) and Dynasty Park Phase III in Zhangzhou (64% sold), as well as the sales of residential units and carparking spaces in projects completed in previous financial years including The Mediterranean in Sai Kung (97% sold), Park Summit in Mong Kok (99% sold) and Park Mediterranean in Sai Kung (100% sold).

During the Interim Period, the Group obtained pre-sale consent for St. George's Mansions at 24A Kadoorie Avenue in Ho Man Tin and certain units of the project were launched for sale by way of tender. Subsequent to the Interim Period end, the Group launched certain units of Grand Central in Kwun Tong and Silversands in Ma On Shan for sale, and obtained pre-sale consent for Grand Victoria (NKIL 6549) in South West Kowloon. The Group expects to obtain pre-sale consents for five other residential projects in calendar year 2021. These

residential projects are (1) ONE SOHO (KIL 11254) in Mong Kok, (2) IL 9064 (Site A) in Central, (3) AIL 467 (Site B) in Aberdeen, (4) Kam Sheung Road Station Package One Property Development in Yuen Long and (5) LOHAS Park Package Eleven Property Development in Tseung Kwan O. The timing for launching the projects for sale will depend on when the pre-sale consents are received and the prevailing market conditions.

(2) Land bank

As at 31st December, 2020, the Group has a land bank of approximately 22.0 million square feet of attributable floor area in Mainland China, Hong Kong, Singapore and Sydney which comprises a balanced portfolio of properties of which 40.3% is commercial; 36.3% residential; 10.9% industrial; 7.1% car parks and 5.4% hotels. In terms of breakdown of the land bank by status, 9.3 million square feet were properties under development, 11.9 million square feet of properties for investment and hotels, together with 0.8 million square feet of properties held for sale. The Group will continue to be selective in replenishing its land bank to optimise its earnings potential.

During the Interim Period, the Group was awarded the right to develop a residential project at LOHAS Park Station from MTR Corporation Limited with attributable floor area of approximately 386,681 square feet. Details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
LOHAS Park Package Thirteen Property Development, Tseung Kwan O, New Territories, Hong Kong	Residential	Joint Venture	386,681

Chairman's statement (Continued)

Business review (Continued)

(3) Property development

During the Interim Period, the Group obtained Certificate of Compliance for the following projects in Hong Kong. Details of the projects are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
1. Madison Park 1 Kowloon Road, Cheung Sha Wan, Kowloon, Hong Kong	Residential/ Retail	Joint Venture	52,571
2. 133 Portofino 133 Hong Kin Road, Sai Kung, New Territories, Hong Kong	Residential	100%	51,592
			<hr/> 104,163 <hr/>

In Mainland China, the Group completed three out of seven blocks of Dynasty Park Phase III in Zhangzhou during the Interim Period. Details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
Dynasty Park Phase III Blocks 8, 12 and 13 No. 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, People's Republic of China	Residential/ Commercial	100%	696,034

Business review (Continued)

(4) Rental activities

For the Interim Period, the Group's gross rental revenue, including attributable share from associates and joint ventures, was HK\$1,842.9 million (2019: HK\$2,107.4 million), representing a decrease of 12.6% year-on-year. The decrease was primarily due to the impact of COVID-19, including the decrease in occupancy rate, rental relief granted to selective tenants to help them weather through this difficult time and negative rental reversion rates on renewals. In terms of net rental income, it declined by 10.9% year-on-year, to HK\$1,629.8 million for the Interim Period (2019: HK\$1,828.7 million).

Overall occupancy rate of the Group's investment property portfolio was at approximately 90% for the Interim Period (2019: 96%). Amongst the different sectors, retail was the most impacted with its occupancy rate declined by 6 percentage points to 91% (2019: 97%). Retail tenants were affected to varying degrees by social distancing measures imposed by the government, including dine-in restrictions, operation halts and capacity caps. During this challenging time, management has taken the opportunity to refine tenant mix of our community malls to cater for the daily needs of shoppers around the properties. Office and industrial leasing have also declined. Occupancy rate for office and industrial portfolios declined by 4 percentage points and 5 percentage points, to 92% (2019: 96%) and 87% (2019: 92%), respectively.

The design and condition of our properties together with the quality of service provided to customers are of paramount importance. To ensure that the properties are in good condition, the Group performs regular review of the properties as part of its asset enhancement initiatives. On service quality, the Group places a strong emphasis on regular training particularly for all front-line staff to ensure that the service provided to customers meets their expectations. Comments from customers, reports by silent shoppers and recognitions from professional institutions all play a role in assessing the quality of service delivered by our staff. With health and safety being our utmost priority, proactive measures have been taken to strengthen the standards

of hygiene at the Group's shopping malls, offices, and other properties to offer a safe and clean environment for customers, residents, and staff.

As at 31st December, 2020, the Group has approximately 11.9 million square feet of attributable floor area of investment properties and hotels in Mainland China, Hong Kong, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 61.7%, industrial 14.7%, car parks 13.2%, hotels 7.6% and residential 2.8%.

Total attributable value of investment properties (including associates and joint ventures) amounted to HK\$83,153.9 million (30th June, 2020: HK\$83,385.3 million), representing an overall decrease of 0.28% for the Interim Period. Excluding additions and disposals during the period, the decrease in value of the investment properties is 0.35% for the Interim Period.

(5) Hotels

Due to the outbreak of COVID-19 and its adverse impact on cross border and international travel since January 2020, the global hotel industry and the performance of all our hotels have been negatively affected. During the Interim Period, the Group's hotel revenue, including attributable share from associates and joint ventures, was HK\$163.5 million (2019: HK\$639.8 million).

The Group is taking all practicable measures to cope with the challenges. The first priority is to deliver feeling of safety to our guests, therefore we are putting in place strict sanitisation and hygiene protocol to ensure guests returning to stay or dine with us will have complete peace of mind and full assurance in our product and service. Moreover, we are introducing marketing and sales recovery strategies to target the domestic market for staycation and food menus for takeaway, and at the same time, taking decisive decision to reduce operating costs. The Group will continue to improve the quality of its hotel services to ensure our guests have enjoyable experiences during their stays in our hotels.

As at 31st December, 2020, the Group's portfolio of hotels comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, Conrad Hong Kong, The Fullerton Hotel Sydney and The Olympian Hong Kong.

Business review (Continued)

(6) Mainland China business

The COVID-19 pandemic and rising external challenges have not derailed China's urbanisation plan. In May 2020, in the Report on the Work of the Government delivered at the 13th National People's Congress of the People's Republic of China, the Central Government mentioned development initiatives such as promoting new urban renewal and fast-tracking regional development strategies such as the Guangdong-Hong Kong-Macao Greater Bay Area, integration of the Yangtze River Delta and coordinated development of the Beijing-Tianjin-Hebei Region. These measures will advance urbanisation in Mainland China to the next level.

As at 31st December, 2020, the Group has approximately 4.9 million attributable square feet of land bank in Mainland China. Of the total, approximately 3.8 million square feet are projects under development and the remaining are mainly investment properties. There are four projects under development, out of which two are in Qianhai in the Greater Bay Area, including a 50% interest in a serviced apartment project and 30% interest in a new commercial development site. The other two projects are the 100% interest in Dynasty Park in Zhangzhou and 20% interest in The Palazzo in Chengdu.

Other than the matters mentioned above, there has been no material change from the information published in the report and accounts for the year ended 30th June, 2020.

Finance

The Group's financial position remains strong. As at 31st December, 2020, the Group had cash and bank deposits of HK\$42,432.9 million. After netting off total borrowings of HK\$5,251.2 million, the Group had net cash of HK\$37,181.7 million as at 31st December, 2020. Of the total borrowings, 54% is repayable within one year, 27% repayable between one and three years and the remaining between four and five years. Majority of the Group's borrowings are subject to floating interest rates. Total assets and shareholders' funds of the Group were HK\$188.3 billion and HK\$147.0 billion, respectively.

As at 31st December, 2020, the majority of the Group's debts are denominated in Hong Kong dollars. Other than the above-mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars with a portion in Renminbi, Australian dollars and US dollars. The Group has maintained a sound financial management policy and foreign exchange exposure has been prudently kept at a minimal level.

Corporate governance

The Group places great importance on corporate integrity, business ethics and good governance. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Group has formed Audit, Compliance, Remuneration and Nomination Committees to oversee different aspects of the Group's affairs and to assist the Board in the execution of its responsibilities. The Group is committed to maintaining corporate transparency and disseminates information about new developments through various channels, including press releases, its corporate website, results briefings, non-deal roadshows, site visits and participation in investor conferences.

Customer service

The Group is committed to building quality projects. In keeping with its mission to enhance customer satisfaction, the Group will, wherever possible, ensure that attractive design concepts and features are also environmentally friendly for its developments. Management conducts regular reviews of the Group's properties and service so that improvements can be made on a continuous basis.

Sustainability

The Group tries to integrate sustainability into every aspect of its operations and organises its sustainability efforts around six focus areas under our vision of 'Creating Better Lifescapes', namely Green, Wellness, Design, Innovation, Heritage & Culture and Community. The Group also takes corporate governance, integrity and business ethics to heart, as they are the cornerstones of our efforts to create long-term value for stakeholders.

In December 2020, Sino Land received two accolades at the Hong Kong Corporate Governance Excellence Awards 2020 organised by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of the Hong Kong Baptist University, namely 'Awards of Excellence in Corporate Governance' and 'Awards of Excellence in Sustainability', for our efforts in upholding corporate governance and promoting sustainability.

During the Interim Period, we published the stand-alone sustainability report in accordance with both the HKEx Environmental, Social and Governance (ESG) Reporting Guide under Appendix 27 to the Main Board Listing Rules and GRI Standards (core option), highlighting the Group's sustainability strategies, performance and initiatives.

In October 2020, the Group announced its 'Sustainability Vision 2030', an important blueprint charting the course for 2030 and beyond. Sustainability goals were set in alignment with the six key areas of

focus under the vision of 'Creating Better Lifescapes', covering crucial areas such as carbon reduction, renewable energy, plastic reduction, green building certification and innovative sustainability solutions. We set a target of reducing carbon emission by 16% by 2020 (from 2012 level), and achieved reduction by 17.73% in June 2019. We have achieved and gone beyond our target, and have renewed the target of reducing carbon emission by 30% by 2030 (from 2012 level) and further improve our energy efficiency.

In an effort to provide educational support for children from families in need amid COVID-19, the Group joined hands with the Hong Kong Innovation Foundation, a non profit organisation founded by the Ng Family in March 2018, to launch the 'One Laptop Programme' in August 2020 to provide both hardware and technical support for students. A total of 1,019 laptops have been donated to Primary 4 to Secondary 3 students, who encountered difficulties in procuring a computer for online classes, while technical support has also been provided to meet students' learning needs.

In the spirit of sharing, Sino Caring Friends, the Group's corporate volunteer team, spread festive joy and blessings by delivering around 1,100 Christmas gift packs in collaboration with NGO partners to less-resourced communities. Beneficiaries included children, the elderly, frontline carers at elderly homes and ethnic minority groups. The Fullerton Hotel Sydney also prepared dry goods and food relief grocery bags for families in need in September 2020 while The Fullerton Hotel Singapore hosted the Annual Charity Car Drive for the fourth consecutive year and send food relief packs to elderly in need.

For the 16th year in a row, the Group has been supporting the Operation Santa Claus to help the needy in the community. With the aim of promoting multi-cultural harmony and inclusion, in November 2020, a group of ethnic minority beneficiaries from The Zubin Foundation were invited to enjoy a unique tie-dyeing workshop and prepare healthy drink using butterfly pea flower through a farm-to-table experience at the Sky Farm at Skyline Tower.

Sustainability (Continued)

To further the sustainability drive, the Group launched a group-wide 'Upcycled Christmas Tree Competition' between November and December 2020 to encourage employees to think out of the box and create 'green' Christmas trees using recycled materials, with an aim to raise awareness of waste reduction and management. Over 100 upcycled Christmas trees have been displayed at the Group's properties across Hong Kong, Singapore and Sydney.

The built environment has a profound impact on health and well-being. 133 Portofino, the Group's latest project at Sai Kung was the first residential property in Hong Kong to receive WELL v2™ pre-certification, followed by St. George's Mansions in Ho Man Tin receiving WELL v2™ pre-certification and Landmark South (A1L 462) at Wong Chuk Hang receiving WELL™ Platinum Pre-certification (Design & Operations). WELL™ is the world's first architectural benchmark focused exclusively on human health and wellness to improve sustainability.

The Group seeks to foster a culture of innovation to harness technology and explore business applications. In October 2020, the Group joined hands with Ping An Smart City to launch 'PropXTech', a corporate innovation programme that focuses on property technology. The programme is designed to foster promising technology companies in the Greater Bay Area and develop innovative technology solutions for the real estate industry. Shortlisted proptech companies will receive intensive training through a dedicated account manager and operation team, mentorship opportunities, and connect to Sino Inno Lab for idea incubation and solutions.

Prospects

The outbreak of COVID-19 has brought unprecedented challenges to the world's economy and businesses. After a year of challenges and changes, the world is now heading for a rebound. Vaccines have been approved and vaccination has been rolled out in many countries; such a breakthrough will be a pivotal step towards normality. This coupled with easing monetary policies by central banks should help drive a broader economic recovery.

While governments around the world are working hard to flatten the COVID-19 curve, China's swift and decisive responses to bring COVID-19 under control has given it a head start in the recovery. The country is staging a strong rebound in GDP and the 'dual circulation' development strategy recently announced is expected to add impetus to the growth. In October 2020, China unveils the new five-year plan at the fifth plenary session of the 19th Central Committee of the Communist Party of China (the "New Five-Year Plan"), outlining China's development strategies in the run-up to year 2025. Main theme of the New Five-Year Plan is the 'dual circulation' development strategy which seeks to steer China's economy toward the strong domestic drivers, and at the same time reinforcing external markets demand. The reforms are fundamental to establish a more sustainable economy and will lay the framework required to take its economy to the next phase of development. Underpin by its long-term positive economic fundamentals, China is set to remain as one of the main drivers of the world's growth. The New Five-Year Plan also supports further integration of Hong Kong with the development of the country and the visionary Guangdong-Hong Kong-Macao Greater Bay Area development. These measures would fortify Hong Kong's unique position as a gateway between the international market and Mainland China, allowing the city to leverage China's economic growth and to support a stable economic environment for Hong Kong. We have strong faith that Hong Kong will rise to this challenge and continue to be a vibrant international city.

Prospects (Continued)

Amid this challenging time, the Group will continue to optimise earnings, enhance efficiency and productivity, and improve the quality of our products and services. Management shall maintain a policy of selectively and continuously replenishing its land bank, and our strong financial position will enable the Group to acquire land with good development value when opportunities arise. In terms of property sales, in addition to sales of projects already launched and residential units completed in previous financial years, we expect to obtain pre-sale consents for five residential projects in calendar year 2021. On recurrent businesses of the Group, which comprise property leasing, hospitality, and property management services, they will continue to be core pillars of the Group contributing a good and steady stream of income. In addition, management recognised the importance of applying commercially viable technology in business operations to expedite our work. The Group will stay abreast with the latest digitalisation developments to enhance business development and operational efficiency.

COVID-19 is reshaping consumer behaviours and has led to major changes in the way people live, work, play and learn. In this testing time, it is more important than ever to remain customer-centric. To meet these challenges, our organisation must adopt a new mindset and remain flexible, nimble and agile so that we can respond to our customers' needs. It is worth noting that the Group is incorporating wellness and sustainability principles into design, construction and the management of the Group's developments, and striving to create a clean, safe and sustainable environment for everyone in the community. The Group shall make every effort to deliver what our customers want to further enhance our brand and shareholders' value.

While uncertainty remains about the duration of COVID-19 situation, the residential market in Hong Kong remains resilient and fundamentally sound. Interest rates are likely to stay at a low level for a relatively long period of time, this together with the steady demand and favourable mortgage terms, are lending support to the Hong Kong residential market. The Group remains cautiously optimistic on the outlook of the property market in Hong Kong. With a strong financial position and sustainable business growth strategy, the Group is well placed to meet the challenging economic environment and to grasp opportunities.

Staff and management

Mr. Sunny Yeung Kwong, who served the Board since November 2016, retired effective 28th October, 2020. His contribution during his directorship with the Company is appreciated.

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to all staff for their commitment, dedication and continuing support. I would also like to express my gratitude to my fellow Directors for their guidance and wise counsel.

Robert NG Chee Siong

Chairman

Hong Kong, 25th February, 2021

Condensed consolidated statement of profit or loss

For the six months ended 31st December, 2020

	NOTES	Six months ended	
		31st December, 2020 HK\$ (Unaudited)	31st December, 2019 HK\$ (Unaudited)
Revenue	3, 4	4,097,517,736	3,168,550,076
Cost of sales		(1,026,390,246)	(231,714,970)
Direct expenses		(865,359,993)	(1,059,139,757)
Gross profit		2,205,767,497	1,877,695,349
Change in fair value of investment properties	13	(534,848,712)	169,336,043
Other income and other gains or losses		399,237,474	57,854,563
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		115,247	(1,194,290)
Gain on disposal of investment properties		8,325,146	119,985,974
Administrative expenses		(405,897,300)	(463,375,767)
Other operating expenses		(109,195,167)	(103,859,283)
Finance income	5	330,352,610	537,414,823
Finance costs	6	(43,474,583)	(70,672,795)
Less: interest capitalised	6	20,116,394	32,522,384
Finance income, net		306,994,421	499,264,412
Share of results of associates	7	81,659,909	947,791,237
Share of results of joint ventures	8	(93,902,154)	(3,121,861)
Profit before taxation	9	1,858,256,361	3,100,376,377
Income tax expense	10	(575,334,123)	(308,053,152)
Profit for the period		1,282,922,238	2,792,323,225
Profit (loss) for the period attributable to:			
The Company's shareholders		1,286,638,929	2,780,790,532
Non-controlling interests		(3,716,691)	11,532,693
		1,282,922,238	2,792,323,225
Earnings per share (reported earnings per share)			
Basic	12(a)	0.18	0.40

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 31st December, 2020

	Six months ended	
	31st December, 2020 HK\$ (Unaudited)	31st December, 2019 HK\$ (Unaudited)
Profit for the period	<u>1,282,922,238</u>	<u>2,792,323,225</u>
Other comprehensive income (expense)		
<i>Item that will not be reclassified to profit or loss:</i>		
Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")	<u>73,558,823</u>	<u>(44,281,131)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of hedging instruments designated as cash flow hedges	(16,657,442)	–
Reclassification of fair value adjustment to profit or loss on an interest rate swap	2,384,688	–
Exchange differences arising on translation of foreign operations	1,018,791,034	(144,119,404)
Change in fair value of debt instruments at FVTOCI	<u>1,134,241</u>	<u>–</u>
	<u>1,005,652,521</u>	<u>(144,119,404)</u>
Other comprehensive income (expense) for the period	<u>1,079,211,344</u>	<u>(188,400,535)</u>
Total comprehensive income for the period	<u>2,362,133,582</u>	<u>2,603,922,690</u>
Total comprehensive income (expense) attributable to:		
The Company's shareholders	2,365,850,273	2,592,389,997
Non-controlling interests	<u>(3,716,691)</u>	<u>11,532,693</u>
	<u>2,362,133,582</u>	<u>2,603,922,690</u>

Condensed consolidated statement of financial position

At 31st December, 2020

	NOTES	31st December, 2020 HK\$ (Unaudited)	30th June, 2020 HK\$ (Audited)
Non-current assets			
Investment properties	13	62,428,594,167	62,658,456,279
Hotel properties		1,792,960,461	1,724,061,091
Property, plant and equipment	14	170,960,887	180,989,640
Right-of-use assets		1,278,941,137	1,186,301,166
Interests in associates	15	20,842,744,654	20,765,899,460
Interests in joint ventures	16	3,015,128,400	2,969,843,643
Equity and debt instruments at FVTOCI	23	722,511,254	675,219,077
Advances to associates	15	4,367,374,479	3,363,101,061
Advances to joint ventures	16	10,544,557,049	10,628,066,644
Long-term loans receivable		2,142,550,172	2,180,114,880
Other asset		300,000	300,000
		<u>107,306,622,660</u>	<u>106,332,352,941</u>
Current assets			
Properties under development		29,565,637,256	29,661,206,200
Stocks of completed properties		2,109,272,845	1,230,396,135
Hotel inventories		20,874,480	19,985,062
Financial assets at FVTPL	23	8,769,049	8,653,802
Amounts due from associates	15	1,865,945,807	908,925,877
Amounts due from joint ventures	16	2,628,024,294	2,434,175,477
Amounts due from non-controlling interests		680,734,417	623,317,300
Trade and other receivables	17	1,462,549,330	1,565,360,330
Current portion of long-term loans receivable		87,415,594	87,741,043
Taxation recoverable		194,147,949	187,591,159
Restricted bank deposits		357,945,306	121,827,414
Time deposits		37,609,317,702	37,523,737,562
Bank balances and cash		4,465,662,124	6,018,531,552
		<u>81,056,296,153</u>	<u>80,391,448,913</u>
Current liabilities			
Trade and other payables	18	4,994,164,157	4,973,897,858
Lease liabilities		47,962,180	32,031,671
Contract liabilities		22,732,415,230	23,454,168,068
Amounts due to associates	15	1,698,460,739	1,709,937,674
Amounts due to non-controlling interests		748,577,147	738,712,759
Taxation payable		527,955,711	578,632,397
Bank borrowings – due within one year	19	2,831,006,880	831,996,000
		<u>33,580,542,044</u>	<u>32,319,376,427</u>
Net current assets		<u>47,475,754,109</u>	<u>48,072,072,486</u>
Total assets less current liabilities		<u>154,782,376,769</u>	<u>154,404,425,427</u>

Condensed consolidated statement of financial position (Continued)

At 31st December, 2020

	NOTES	31st December, 2020 HK\$ (Unaudited)	30th June, 2020 HK\$ (Audited)
Capital and reserves			
Share capital	20	52,428,189,526	49,806,148,516
Reserves		<u>94,587,067,891</u>	<u>95,109,732,783</u>
Equity attributable to the Company's shareholders		147,015,257,417	144,915,881,299
Non-controlling interests		<u>839,591,098</u>	<u>843,307,789</u>
Total equity		147,854,848,515	145,759,189,088
Non-current liabilities			
Long-term bank borrowings – due after one year	19	2,420,289,063	4,418,199,715
Derivative financial instrument	23	32,209,188	17,936,434
Lease liabilities		35,956,664	7,537,099
Deferred taxation		2,639,461,075	2,488,172,527
Advances from associates	21	1,658,305,860	1,570,678,347
Advances from non-controlling interests	22	<u>141,306,404</u>	<u>142,712,217</u>
		<u>6,927,528,254</u>	<u>8,645,236,339</u>
		154,782,376,769	154,404,425,427

Condensed consolidated statement of changes in equity

For the six months ended 31st December, 2020

	Attributable to the Company's shareholders						Non-controlling interests HK\$	Total HK\$
	Share capital HK\$	Investment revaluation reserve HK\$	Hedging reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Total HK\$		
At 1st July, 2019 (audited)	47,324,776,293	(350,785,509)	-	125,882,712	98,194,139,257	145,294,012,753	868,091,612	146,162,104,365
Profit for the period	-	-	-	-	2,780,790,532	2,780,790,532	11,532,693	2,792,323,225
Other comprehensive expense for the period	-	(44,281,131)	-	(144,119,404)	-	(188,400,535)	-	(188,400,535)
Total comprehensive (expense) income for the period	-	(44,281,131)	-	(144,119,404)	2,780,790,532	2,592,389,997	11,532,693	2,603,922,690
Shares issued in lieu of cash dividend	1,675,587,561	-	-	-	-	1,675,587,561	-	1,675,587,561
Dividend paid to non-controlling interests	-	-	-	-	-	-	(9,431,120)	(9,431,120)
Final dividend declared and paid – 2019	-	-	-	-	(2,794,966,329)	(2,794,966,329)	-	(2,794,966,329)
At 31st December, 2019 (unaudited)	49,000,363,854	(395,066,640)	-	(18,236,692)	98,179,963,460	146,767,023,982	870,193,185	147,637,217,167
At 1st July, 2020 (audited)	49,806,148,516	(649,666,130)	(17,936,434)	(335,636,146)	96,112,971,493	144,915,881,299	843,307,789	145,759,189,088
Profit (loss) for the period	-	-	-	-	1,286,638,929	1,286,638,929	(3,716,691)	1,282,922,238
Other comprehensive income (expense) for the period	-	74,693,064	(14,272,754)	1,018,791,034	-	1,079,211,344	-	1,079,211,344
Total comprehensive income (expense) for the period	-	74,693,064	(14,272,754)	1,018,791,034	1,286,638,929	2,365,850,273	(3,716,691)	2,362,133,582
Investment revaluation reserve reclassified to retained profits upon derecognition of equity instruments at FVTOCI	-	(48,769,532)	-	-	48,769,532	-	-	-
Shares issued in lieu of cash dividend	2,622,041,010	-	-	-	-	2,622,041,010	-	2,622,041,010
Final dividend declared and paid – 2020	-	-	-	-	(2,888,515,165)	(2,888,515,165)	-	(2,888,515,165)
At 31st December, 2020 (unaudited)	52,428,189,526	(623,742,598)	(32,209,188)	683,154,888	94,559,864,789	147,015,257,417	839,591,098	147,854,848,515

Condensed consolidated statement of cash flows

For the six months ended 31st December, 2020

	Six months ended	
	31st December, 2020 HK\$ (Unaudited)	31st December, 2019 HK\$ (Unaudited)
Net cash from operating activities	205,857,444	5,482,856,718
Net cash (used in) from investing activities		
Advances to associates	(1,577,760,299)	(2,810,143,256)
Advances to joint ventures	(419,035,472)	(3,256,483,717)
Advances to non-controlling interests	(57,422,090)	(368,563,617)
Additions to investment properties	(43,285,578)	(133,360,685)
Additions to property, plant and equipment	(22,999,876)	(20,595,266)
(Increase) decrease in time deposits with original maturity over three months	(8,580,812,829)	11,223,630,369
Dividend received from associates	240,080,819	1,304,675,000
(Increase) decrease in restricted bank deposits	(236,117,892)	282,622,122
Proceeds from disposal of investment properties	15,962,453	199,879,080
Proceeds from derecognition of equity instruments at FVTOCI	42,053,207	–
Repayments from associates	98,880,780	3,272,990,741
Repayments from joint ventures	475,562,370	120,661,106
Repayments from non-controlling interests	4,973	795,539
Purchase of debt instruments at FVTOCI	(10,468,764)	–
Capital injection in associates	(450,000,001)	–
Acquisition of additional interests in joint ventures	–	(15,535,872)
Reduction of capital of an associate	12,500,000	–
Other investing activities	338,256,724	546,345,903
	(10,174,601,475)	10,346,917,447
Net cash used in financing activities		
Advances from associates	171,026,816	342,533,722
Advances from joint ventures	–	22,589
Advances from non-controlling interests	12,852,631	72,724,263
Repayments of bank borrowings	–	(811,000,000)
Repayments of lease liabilities	(27,129,267)	(25,169,738)
Repayments to associates	(104,447,628)	(9,033,713)
Repayments to non-controlling interests	(4,394,056)	(193,072,540)
Dividend paid to non-controlling interests	–	(9,431,120)
Dividend paid to ordinary shareholders of the Company	(266,474,155)	(1,119,378,768)
Interest paid	(33,197,056)	(62,625,895)
Other financing activities	(9,000)	(72,941)
	(251,771,715)	(1,814,504,141)

Condensed consolidated statement of cash flows (Continued)

For the six months ended 31st December, 2020

	Six months ended	
	31st December, 2020 HK\$ (Unaudited)	31st December, 2019 HK\$ (Unaudited)
Net (decrease) increase in cash and cash equivalents	(10,220,515,746)	14,015,270,024
Bank balances and cash transferred to assets held for sale	–	(1,461,369)
Cash and cash equivalents at the beginning of the period	23,080,979,610	16,439,823,293
Effect of foreign exchange rate changes	172,413,629	(35,441,831)
Cash and cash equivalents at the end of the period	<u>13,032,877,493</u>	<u>30,418,190,117</u>
Analysis of the balances of cash and cash equivalents		
Restricted bank deposits	357,945,306	101,108,902
Time deposits	37,609,317,702	31,899,298,139
Bank balances and cash	<u>4,465,662,124</u>	<u>9,545,663,016</u>
Deposits, bank balances and cash in the condensed consolidated statement of financial position	42,432,925,132	41,546,070,057
Less: Time deposits with original maturity over three months	(29,042,102,333)	(11,026,771,038)
Restricted bank deposits	<u>(357,945,306)</u>	<u>(101,108,902)</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>13,032,877,493</u>	<u>30,418,190,117</u>

Notes to the condensed consolidated financial statements

For the six months ended 31st December, 2020

1. Basis of preparation and disclosure required by section 436 of the Hong Kong Companies Ordinance

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The financial information relating to the year ended 30th June, 2020 included in the condensed consolidated statement of financial position as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 30th June, 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31st December, 2020 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied, the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1st July, 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendment to HKFRS 16	Covid-19-Related Rent Concessions

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

3. Revenue

	Six months ended	
	31st December, 2020 HK\$	31st December, 2019 HK\$
Sales of properties	1,949,855,362	412,238,609
Property management and other services	565,387,525	566,833,244
Hotel operations	128,844,437	484,398,475
Revenue from goods and services	2,644,087,324	1,463,470,328
Rental income from operating leases	1,416,839,350	1,646,263,431
Interest income from loans receivable	34,421,064	35,511,520
Dividend income		
Listed investments	2,058,548	23,304,797
Unlisted investments	111,450	–
	4,097,517,736	3,168,550,076
Geographical market:		
Hong Kong	3,024,468,004	2,584,114,850
People's Republic of China (the "PRC")	915,750,968	49,287,700
Singapore	157,298,764	535,147,526
	4,097,517,736	3,168,550,076

For the six months ended 31st December, 2020, revenue from contracts with customers recognised over time mainly consists of property management and other service fee income and hotel room revenue of HK\$565,387,525 and HK\$68,072,412 (six months ended 31st December, 2019: HK\$566,833,244 and HK\$240,530,701) respectively. The revenue recognised at a point in time mainly consists of income from sales of properties and income from hotel food and beverage sales of HK\$1,949,855,362 and HK\$60,772,025 (six months ended 31st December, 2019: HK\$412,238,609 and HK\$243,867,774) respectively.

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

4. Segment information

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 31st December, 2020

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue HK\$	Results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property sales	1,949,855,362	781,561,052	61,996,405	26,312,573	2,011,851,767	807,873,625
Property rental	1,416,839,350	1,244,022,804	436,947,039	394,948,371	1,853,786,389	1,638,971,175
	<u>3,366,694,712</u>	<u>2,025,583,856</u>	<u>498,943,444</u>	<u>421,260,944</u>	<u>3,865,638,156</u>	<u>2,446,844,800</u>
Property management and other services	565,387,525	229,914,328	56,758,764	8,697,434	622,146,289	238,611,762
Hotel operations	128,844,437	(20,454,154)	34,697,242	(32,488,876)	163,541,679	(52,943,030)
Investments in securities	2,169,998	2,169,998	1,950	1,950	2,171,948	2,171,948
Financing	34,421,064	34,421,064	5,332,125	5,332,125	39,753,189	39,753,189
	<u>4,097,517,736</u>	<u>2,271,635,092</u>	<u>595,733,525</u>	<u>402,803,577</u>	<u>4,693,251,261</u>	<u>2,674,438,669</u>

Six months ended 31st December, 2019

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue HK\$	Results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property sales	412,238,609	23,624,741	1,474,256,702	774,163,444	1,886,495,311	797,788,185
Property rental	1,646,263,431	1,411,497,773	471,490,958	426,681,132	2,117,754,389	1,838,178,905
	<u>2,058,502,040</u>	<u>1,435,122,514</u>	<u>1,945,747,660</u>	<u>1,200,844,576</u>	<u>4,004,249,700</u>	<u>2,635,967,090</u>
Property management and other services	566,833,244	124,550,539	58,296,344	9,789,653	625,129,588	134,340,192
Hotel operations	484,398,475	192,151,358	155,403,446	49,441,800	639,801,921	241,593,158
Investments in securities	23,304,797	23,304,797	1,950	1,950	23,306,747	23,306,747
Financing	35,511,520	35,511,520	6,115,399	6,115,399	41,626,919	41,626,919
	<u>3,168,550,076</u>	<u>1,810,640,728</u>	<u>2,165,564,799</u>	<u>1,266,193,378</u>	<u>5,334,114,875</u>	<u>3,076,834,106</u>

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

4. Segment information (Continued)

Segment results represent the profit before taxation earned by each segment without allocation of certain other income and other gains or losses, certain administrative expenses and other operating expenses, changes in fair value of investment properties and financial assets at FVTPL, gain on disposal of investment properties and certain finance income net of finance costs. The profit before taxation earned by each segment also includes the share of results from the Group's associates and joint ventures without allocation of the associates' and joint ventures' certain other income and other gains or losses, certain administrative expenses and other operating expenses, change in fair value of investment properties, finance costs net of finance income and income tax expense. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Reconciliation of profit before taxation

	Six months ended	
	31st December, 2020 HK\$	31st December, 2019 HK\$
Segment profit	2,674,438,669	3,076,834,106
Change in fair value of investment properties	(534,848,712)	169,336,043
Other income and other gains or losses	286,625,558	56,163,553
Change in fair value of financial assets at FVTPL	115,247	(1,194,290)
Gain on disposal of investment properties	8,325,146	119,985,974
Administrative expenses and other operating expenses	(467,741,764)	(497,171,134)
Finance income, net	306,388,039	497,946,127
Results shared from associates and joint ventures		
– Other income and other gains or losses	113,959,017	87,176,605
– Change in fair value of investment properties	(301,205,349)	18,549
– Administrative expenses and other operating expenses	(116,163,830)	(152,148,960)
– Finance costs, net	(16,056,594)	(48,918,442)
– Income tax expense	(95,579,066)	(207,651,754)
	(415,045,822)	(321,524,002)
Profit before taxation	<u>1,858,256,361</u>	<u>3,100,376,377</u>

During the six months ended 31st December, 2020, inter-segment sales of HK\$45,012,212 (six months ended 31st December, 2019: HK\$37,483,778) were not included in the segment of "property management and other services". There were no inter-segment sales in other operating segments. Inter-segment sales were charged at cost plus margin basis as agreed between both parties.

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

5. Finance income

	Six months ended	
	31st December, 2020 HK\$	31st December, 2019 HK\$
Interest income on:		
advances to associates and joint ventures	19,334,703	23,172,884
bank deposits	290,543,503	475,063,399
Imputed interest income on non-current interest-free advances to associates and joint ventures	20,474,404	39,178,540
	<u>330,352,610</u>	<u>537,414,823</u>

6. Finance costs

	Six months ended	
	31st December, 2020 HK\$	31st December, 2019 HK\$
Interest on bank and other borrowings	29,634,258	60,444,728
Interest on lease liabilities	775,019	1,191,925
Imputed interest expense on non-current interest-free advances from associates	9,571,390	8,009,205
Loan facility arrangement fees and finance charges	1,109,228	1,026,937
	<u>41,089,895</u>	<u>70,672,795</u>
Fair value adjustment on an interest rate swap reclassified from hedging reserve to profit or loss	2,384,688	–
	<u>43,474,583</u>	<u>70,672,795</u>
Less: Amounts capitalised to properties under development	(20,116,394)	(32,522,384)
	<u>23,358,189</u>	<u>38,150,411</u>

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

7. Share of results of associates

Share of results of associates included the Group's share of decrease in fair value of investment properties of the associates of HK\$254,536,419 (six months ended 31st December, 2019: share of increase in fair value of investment properties of the associates of HK\$34,992,531) recognised in the statement of profit or loss of the associates.

8. Share of results of joint ventures

Share of results of joint ventures included the Group's share of decrease in fair value of investment properties of the joint ventures of HK\$46,668,930 (six months ended 31st December, 2019: HK\$34,973,982) recognised in the statement of profit or loss of the joint ventures.

9. Profit before taxation

	Six months ended	
	31st December, 2020 HK\$	31st December, 2019 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Cost of properties sold	1,026,390,246	231,714,970
Cost of hotel inventories recognised as direct expenses	17,027,798	62,019,278
Depreciation of hotel properties	16,446,918	16,578,621
Depreciation of property, plant and equipment	39,640,954	42,477,636
Depreciation of right-of-use assets	38,275,103	36,953,240
(Gain) loss on disposal of property, plant and equipment	(253,472)	84,652
Impairment loss on trade receivables, net of reversal	21,007,705	1,834,838

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

10. Income tax expense

	Six months ended	
	31st December, 2020 HK\$	31st December, 2019 HK\$
The charge comprises:		
Current taxation		
Hong Kong Profits Tax	189,612,809	170,387,663
Other jurisdictions	114,114,129	54,881,210
Land Appreciation Tax ("LAT") in the PRC	196,515,668	4,569,179
	<u>500,242,606</u>	<u>229,838,052</u>
Deferred taxation	75,091,517	78,215,100
	<u>575,334,123</u>	<u>308,053,152</u>

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 16.5% (six months ended 31st December, 2019: 16.5%).

Taxes on profits assessable in Singapore and the PRC are recognised based on management's best estimate of the weighted average annual income tax rates prevailing in the countries and the regions in which the Group operates. The estimated weighted average annual tax rates used are 17% in Singapore and 25% in the PRC (six months ended 31st December, 2019: 17% in Singapore and 25% in the PRC).

The provision of LAT is calculated according to the requirements set forth in the relevant tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Deferred taxation has been provided in relation to the change in fair value of certain investment properties and other temporary differences.

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

11. Dividend paid

	Six months ended	
	31st December, 2020 HK\$	31st December, 2019 HK\$
Final dividend paid for the year ended 30th June, 2020 of HK41 cents per share (six months ended 31st December, 2019: HK41 cents per share for the year ended 30th June, 2019), with a scrip dividend option	<u>2,888,515,165</u>	<u>2,794,966,329</u>

Subsequent to the end of the reporting period, the Directors determined that an interim dividend for the six months ended 31st December, 2020 of HK14 cents (six months ended 31st December, 2019: HK14 cents) per share amounting to HK\$1,025,742,971 (six months ended 31st December, 2019: HK\$974,251,863) would be paid to the Company's shareholders whose names appear on the Register of Members on 16th March, 2021.

12. Earnings per share

(a) Reported earnings per share

The calculation of the basic earnings per share attributable to the Company's shareholders is based on the following data:

	Six months ended	
	31st December, 2020 HK\$	31st December, 2019 HK\$
Earnings for the purpose of basic earnings per share	<u>1,286,638,929</u>	<u>2,780,790,532</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>7,083,416,624</u>	<u>6,839,363,734</u>

No diluted earnings per share has been presented for the periods ended 31st December, 2020 and 2019 as there were no potential ordinary shares outstanding during the current and prior periods.

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

12. Earnings per share (Continued)

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK\$2,142,555,952 (six months ended 31st December, 2019: HK\$2,722,914,108) is also presented, excluding the net effect of changes in fair value of investment properties of the Group and its associates and joint ventures and fair value adjustment of the residual interest arising from the disposal of a subsidiary, taking into account tax effect and the amount attributable to the Company's shareholders. The denominators used are the same as those detailed above for reported earnings per share.

A reconciliation of profit is as follows:

	Six months ended	
	31st December, 2020 HK\$	31st December, 2019 HK\$
Earnings for the purpose of basic earnings per share	<u>1,286,638,929</u>	<u>2,780,790,532</u>
Change in fair value of investment properties	534,848,712	(169,336,043)
Effect of corresponding deferred taxation charges	21,797,835	54,849,859
Share of results of associates		
– Change in fair value of investment properties	254,536,419	(34,992,531)
– Effect of corresponding deferred taxation (credit) charges	(2,083,077)	2,185,888
Share of results of joint ventures		
– Change in fair value of investment properties	<u>46,668,930</u>	<u>34,973,982</u>
	855,768,819	(112,318,845)
Amount attributable to non-controlling interests	<u>(5,659,717)</u>	<u>2,011,901</u>
Unrealised change in fair value of investment properties attributable to the Company's shareholders	850,109,102	(110,306,944)
Realised fair value gain on investment properties disposed of during the period, net of taxation	5,807,921	51,517,407
Realised fair value gain on the disposal of a subsidiary upon sales of the underlying properties during the period	–	913,113
	<u>855,917,023</u>	<u>(57,876,424)</u>
Underlying profit attributable to the Company's shareholders	<u>2,142,555,952</u>	<u>2,722,914,108</u>
Underlying earnings per share	<u>0.30</u>	<u>0.39</u>

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

13. Investment properties

The Group's investment properties at 31st December, 2020 and 30th June, 2020 were fair-valued by Knight Frank Petty Limited and Knight Frank Pte Ltd., independent valuers not connected with the Group. The valuations for completed properties were arrived at by reference to market evidence of recent transaction prices for similar properties and/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. For investment properties under redevelopment, the valuations had been arrived at by adopting direct comparison approach with reference to comparable transactions in the locality and assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations had also taken into account the relevant future cost of development, including construction costs, finance costs, professional fees and developer's profit as of completion, which duly reflected the risks associated with the development of the properties.

The resulting fair value loss on investment properties of HK\$534,848,712 has been recognised directly in profit or loss for the six months ended 31st December, 2020 (six months ended 31st December, 2019: fair value gain on investment properties of HK\$169,336,043).

14. Property, plant and equipment

During the six months ended 31st December, 2020, additions to property, plant and equipment amounted to HK\$22,999,876 (six months ended 31st December, 2019: HK\$20,595,266).

15. Interests in associates/advances to associates/amounts due from/to associates

	31st December, 2020 HK\$	30th June, 2020 HK\$
Interests in associates:		
Unlisted shares, at cost	6,096,927,627	6,119,093,716
Share of post-acquisition profits, net of dividends received	<u>14,745,817,027</u>	<u>14,646,805,744</u>
	<u>20,842,744,654</u>	<u>20,765,899,460</u>
Advances to associates	5,726,599,461	4,719,949,549
Less: Allowance	<u>(1,359,224,982)</u>	<u>(1,356,848,488)</u>
	<u>4,367,374,479</u>	<u>3,363,101,061</u>

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

15. Interests in associates/advances to associates/amounts due from/to associates (Continued)

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 31st December, 2020, out of the Group's advances to associates net of allowance, HK\$176,063,674 (30th June, 2020: HK\$210,849,190) bear interest and the remaining balance is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The amounts due from associates of the Group classified under current assets are unsecured, interest-free and are expected to be repaid within one year from the end of the reporting period.

The amounts due to associates of the Group classified under current liabilities are unsecured, interest-free and repayable on demand.

16. Interests in joint ventures/advances to joint ventures/amounts due from joint ventures

	31st December, 2020 HK\$	30th June, 2020 HK\$
Interests in joint ventures:		
Unlisted shares	212,054,065	210,734,187
Share of post-acquisition profits, net of dividends received	2,803,074,335	2,759,109,456
	<u>3,015,128,400</u>	<u>2,969,843,643</u>
Advances to joint ventures	10,810,229,871	10,862,168,668
Less: Allowance	(265,672,822)	(234,102,024)
	<u>10,544,557,049</u>	<u>10,628,066,644</u>

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 31st December, 2020, out of the Group's advances to joint ventures net of allowance, HK\$7,536,898,679 (30th June, 2020: HK\$7,712,200,417) bear interest and the remaining balance is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The amounts due from joint ventures of the Group classified under current assets are unsecured, interest-free and are expected to be repaid within one year from the end of the reporting period.

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

17. Trade and other receivables

At 31st December, 2020, included in trade and other receivables of the Group are trade receivables (net of allowance for credit losses) of HK\$241,289,910 (30th June, 2020: HK\$249,086,224). Trade receivables mainly comprise rental receivables and property management and other services. Rental receivables are billed and payable in advance by tenants.

The following is an aged analysis of trade receivables (net of allowance for credit losses) at the end of the reporting period. The amounts not yet due mainly represent receivables from property management and other services. The amounts overdue mainly represent rental receivables billed on a monthly basis and payable by the tenants in advance of the rental periods and receivables from property management and other services.

	31st December, 2020 HK\$	30th June, 2020 HK\$
Current	39,667,808	43,026,685
Overdue:		
1 – 30 days	54,698,715	58,104,669
31 – 60 days	54,460,336	49,522,012
61 – 90 days	15,284,724	24,504,262
Over 90 days	77,178,327	73,928,596
	241,289,910	249,086,224

Other receivables and prepayments mainly comprise receivables in relation to rental, utility and other deposits paid of approximately HK\$173,000,000 (30th June, 2020: HK\$173,000,000), prepayments for operating expenses of approximately HK\$53,000,000 (30th June, 2020: HK\$43,000,000), other payment in advance of approximately HK\$134,000,000 (30th June, 2020: HK\$125,000,000) which is mainly related to property development projects, interest receivables of approximately HK\$126,000,000 (30th June, 2020: HK\$154,000,000) and prepayment for sales commissions of approximately HK\$463,000,000 (30th June, 2020: HK\$458,000,000).

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

18. Trade and other payables

At 31st December, 2020, included in trade and other payables of the Group are trade payables of HK\$95,455,443 (30th June, 2020: HK\$83,902,503).

The following is an aged analysis of trade payables based on invoice date at the end of the reporting period:

	31st December, 2020 HK\$	30th June, 2020 HK\$
0 – 30 days	57,093,267	32,094,524
31 – 60 days	20,823,408	31,826,558
61 – 90 days	4,262,000	3,632,895
Over 90 days	13,276,768	16,348,526
	<u>95,455,443</u>	<u>83,902,503</u>

Other payables mainly comprise construction cost payable of approximately HK\$710,000,000 (30th June, 2020: HK\$653,000,000), rental and utilities deposits received of approximately HK\$783,000,000 (30th June, 2020: HK\$795,000,000), receipt in advance of approximately HK\$1,950,000,000 (30th June, 2020: HK\$2,589,000,000) which is mainly related to property development projects and rental receipt in advance of approximately HK\$156,000,000 (30th June, 2020: HK\$143,000,000).

19. Bank borrowings

During the six months ended 31st December, 2020, the Group did not obtain any new bank loan (six months ended 31st December, 2019: nil). All of the bank borrowings carry interest at contracted interest rates (which are also the effective interest rates) at Hong Kong Interbank Offered Rate (“HIBOR”) plus a margin per annum. The bank borrowings of the Group are guaranteed by the Company (Note 24), and a bank borrowing is also secured by a share of a subsidiary.

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

20. Share capital

	2020		2019	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Ordinary shares issued and fully paid with no par value:				
At 1st July	7,045,158,938	49,806,148,516	6,816,991,049	47,324,776,293
Issue of shares in lieu of cash dividend	281,576,569	2,622,041,010	141,950,827	1,675,587,561
At 31st December	7,326,735,507	52,428,189,526	6,958,941,876	49,000,363,854

On 7th December, 2020, the Company issued and allotted a total of 281,576,569 (six months ended 31st December, 2019: 141,950,827) ordinary shares at an issue price of HK\$9.312 (six months ended 31st December, 2019: HK\$11.804) per ordinary share in lieu of cash for the 2020 final dividend (six months ended 31st December, 2019: 2019 final dividend).

The shares issued during the period rank pari passu with the then existing shares in all respects.

21. Advances from associates

The advances from associates of the Group are unsecured, interest-free and have no fixed repayment terms. The associates have agreed not to demand repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current. The effective interest rate for imputed interest expense for these interest-free loans is determined based on the cost-of-funds of the Group.

22. Advances from non-controlling interests

The advances from non-controlling interests of the Group amounting to HK\$69,996,839 (30th June, 2020: HK\$71,343,674) are unsecured, bear interest at 6.25% (30th June, 2020: 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$71,309,565 (30th June, 2020: HK\$71,368,543) is unsecured, interest-free and have no fixed repayment terms. The non-controlling interests have agreed not to demand repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

23. Fair value measurements of financial instruments

Fair value of the Group's financial assets and financial liability that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liability are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liability are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable:

- Level 1 fair value measurements are those based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value as at		Fair value hierarchy
	31st December, 2020 HK\$	30th June, 2020 HK\$	
Financial assets			
Equity instruments at FVTOCI			
– Listed equity securities (Note a)	634,607,061	563,031,181	Level 1
– Unlisted equity securities (Note b)	2,961,578	2,961,578	Level 3
– Listed perpetual bonds (Note c)	46,976,518	83,630,593	Level 2
Debt instruments at FVTOCI			
– Listed debt securities (Note c)	37,966,097	25,595,725	Level 2
Financial assets at FVTPL			
– Listed equity securities (Note a)	8,769,049	8,653,802	Level 1
Financial liability			
Derivative financial instrument			
– Interest rate swap (Note d)	32,209,188	17,936,434	Level 2

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

23. Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liability that are measured at fair value on a recurring basis (Continued)

Notes:

- (a) *The fair values of all listed equity securities are determined with reference to quoted market prices in an active market as at 31st December, 2020 and 30th June, 2020.*
- (b) *As at 31st December, 2020 and 30th June, 2020, the Directors of the Company consider the costs of unlisted equity securities approximate their fair values.*
- (c) *The fair values of all listed perpetual bonds and debt securities are determined with reference to quoted market prices provided by financial institutions as at 31st December, 2020 and 30th June, 2020.*
- (d) *In April 2020, a wholly-owned subsidiary of the Company entered into an interest rate swap contract with a bank with aggregate notional amount of HK\$1,000,000,000. Such interest rate swap contract has the economic effect of converting borrowing from a floating rate based on HIBOR to a fixed rate. The interest rate swap was entered into for mitigating the interest rate exposure on a specific borrowing and is designated as a hedging instrument that is subject to cash flow hedge accounting.*

The fair value of the interest rate swap is determined with reference to discounted cash flow as at 31st December, 2020 and 30th June, 2020. Future cash flows are estimated based on forward interest rate (from observable forward interest rates at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.

The Directors of the Company consider that the carrying amounts of financial assets and liabilities classified as current assets or liabilities and recorded at amortised costs in the condensed consolidated financial statements approximate their fair values as these financial instruments are short-term in nature. For non-current financial assets and liabilities which are interest-free, the Directors of the Company consider that their carrying amounts approximate their fair values as their carrying amounts are discounted using the relevant effective interest rates which approximated to the prevailing borrowing rates. For non-current financial assets and liabilities which bear interest at fixed interest rates, these rates approximated to the prevailing borrowing rates of the respective group entities and accordingly, the Directors consider that their carrying amounts approximate their fair values.

There was no transfer among different levels of the fair value hierarchy in the current and prior periods.

Reconciliation of Level 3 fair value measurements of financial assets

	<i>HK\$</i>
Equity instruments at FVTOCI – unlisted equity securities	
At 1st July, 2019, 31st December, 2019, 1st July, 2020 and 31st December, 2020	<u>2,961,578</u>

Notes to the condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2020

24. Financial guarantee contracts

At the end of the reporting period, the maximum amount that the Group has guaranteed under the contracts was as follows:

	31st December, 2020 HK\$	30th June, 2020 HK\$
Guarantees given to banks in respect of:		
Banking facilities of an associate and joint ventures attributable to the Group		
– Utilised	7,722,283,901	6,863,909,096
– Unutilised	2,973,132,154	3,892,216,604
	<u>10,695,416,055</u>	<u>10,756,125,700</u>
Mortgage loans granted to property purchasers	<u>563,425,442</u>	<u>502,404,617</u>

At 31st December, 2020 and 30th June, 2020, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to an associate and joint ventures. At the end of both reporting periods, the Group did not recognise any liabilities in respect of such corporate financial guarantees as the Directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant.

Guarantees are given to banks with respect to loans procured by certain purchasers of the Group's properties. Such guarantees will be released by banks upon completion of the relevant mortgage properties registration. In the opinion of the Directors of the Company, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the Directors of the Company consider that the possibility of default of the parties involved is remote; accordingly, no value has been recognised at the inception of these guarantee contracts and at the end of each reporting period.

Closure of register of members

The register of members of the Company will be closed from Friday, 12th March, 2021 to Tuesday, 16th March, 2021, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Tuesday, 16th March, 2021.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share Registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 11th March, 2021.

Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the interim period.

Directors' interests

As at 31st December, 2020, the interests and short positions held by the Directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

(a) Long positions in shares of the Company

Name of Director	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Robert Ng Chee Siong	4,223,096,130 (Note)	Beneficial owner of 242,442 shares, spouse interest in 5,187,693 shares and trustee interest in 4,217,665,995 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	57.63%
The Honourable Ronald Joseph Arculli	1,191,997	Beneficial owner	0.01%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Daryl Ng Win Kong	138,967	Beneficial owner	≈ 0%
Mr. Ringo Chan Wing Kwong	208,806	Beneficial owner	≈ 0%
Mr. Gordon Lee Ching Keung	–	–	–
Mr. Thomas Tang Wing Yung	–	–	–

Directors' interests (Continued)

(a) Long positions in shares of the Company (Continued)

Note:

The trustee interest in 4,217,665,995 shares comprises:

- (a) 1,805,288,795 shares which were held by Tsim Sha Tsui Properties Limited, which was 72.04% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
- (b) (i) 55,854,456 shares which were held by Orchard Centre Holdings (Private) Limited, in which Nam Lung Properties Development Company Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited, had a 95.23% control; and
(ii) 2,171,298,839 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 136,492,320 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 226,493 shares by Fanlight Investment Limited, 218,227 shares by Garford Nominees Limited, 49,111,171 shares by Karaganda Investments Inc., 21,181,437 shares by Orient Creation Limited, 10,294,689 shares by Strathallan Investment Limited, 31,028,401 shares by Strong Investments Limited, 23,777,116 shares by Tamworth Investment Limited and 654,786 shares by Transpire Investment Limited; and
- (d) 48,731,585 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

(b) Long positions in shares of associated corporations

(i) Holding Company

Tsim Sha Tsui Properties Limited

Name of Director	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Robert Ng Chee Siang	1,387,150,124 (Note)	Beneficial owner of 744,933 shares and trustee interest in 1,386,405,191 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.08%
The Honourable Ronald Joseph Arculli	60,000	Beneficial owner	≈ 0%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Daryl Ng Win Kong	–	–	–
Mr. Ringo Chan Wing Kwong	–	–	–
Mr. Gordon Lee Ching Keung	–	–	–
Mr. Thomas Tang Wing Yung	–	–	–

Note:

The trustee interest in 1,386,405,191 shares comprises:

- (a) 1,276,986,554 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 132,359,630 shares by Fanlight Investment Limited, 179,366,609 shares by Nippomo Limited, 4,121,651 shares by Orient Creation Limited, 352,776,381 shares by Strathallan Investment Limited, 526,438,150 shares by Tamworth Investment Limited and 81,924,133 shares by Transpire Investment Limited; and
- (b) 109,418,637 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

Directors' interests (Continued)

(b) Long positions in shares of associated corporations (Continued)

(ii) Associates and joint ventures

Mr. Robert Ng Chee Siong was deemed to be interested in shares of the following companies through corporations controlled by him:

Name of Company	Number of ordinary shares	% of issued shares
Brighton Land Investment Limited	1,000,002 <i>(Notes 1 and 2)</i>	100%
Empire Funds Limited	1 <i>(Notes 1 and 3)</i>	50%
Erleigh Investment Limited	110 <i>(Notes 1 and 3)</i>	55%
Eternal Honest Finance Company Limited	1 <i>(Notes 1 and 3)</i>	50%
Famous Empire Properties Limited	5,000 <i>(Notes 1 and 4)</i>	50%
FHR International Limited	1 <i>(Note 5)</i>	33.33%
Island Resort Estate Management Company Limited	10 <i>(Notes 1 and 3)</i>	50%
Jade Result Limited	500,000 <i>(Notes 1 and 3)</i>	50%
Murdoch Investments Inc.	2 <i>(Notes 1 and 2)</i>	100%
Real Maker Development Limited	20,000 <i>(Notes 1 and 6)</i>	10%
Rich Century Investment Limited	500,000 <i>(Notes 1 and 3)</i>	50%
Sea Dragon Limited	70 <i>(Notes 1 and 3)</i>	70%
Silver Link Investment Limited	10 <i>(Notes 1 and 3)</i>	50%
Sino Club Limited	2 <i>(Note 7)</i>	100%
Sino Parking Services Limited	450,000 <i>(Note 8)</i>	50%
Sino Real Estate Agency Limited	50,000 <i>(Note 8)</i>	50%

Notes:

- Osborne Investments Ltd. ("Osborne") was a wholly-owned subsidiary of Seaview Assets Limited which was in turn 100% owned by Boswell Holdings Limited in which Mr. Robert Ng Chee Siong had a 50% control.*
- The shares were held by Erleigh Investment Limited, a company 55% controlled by Osborne.*
- The share(s) was (were) held by Osborne.*
- The shares were held by Standard City Limited, a wholly-owned subsidiary of Osborne.*
- The share was held by Smart Link Limited in which Mr. Robert Ng Chee Siong had a 100% control.*
- The shares were held by Goegan Godown Limited, a wholly-owned subsidiary of Osborne.*
- The shares were held by Sino Real Estate Agency Limited, a company 50% controlled by Deansky Investments Limited in which Mr. Robert Ng Chee Siong had a 100% control.*
- The shares were held by Deansky Investments Limited.*

Save as disclosed above, as at 31st December, 2020, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial shareholders' and other shareholders' interests

As at 31st December, 2020, the interests and short positions of the substantial shareholders and other shareholders (other than Directors of the Company) in the shares and underlying shares of the Company as notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in shares of the Company

Name of substantial shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Philip Ng Chee Tat	4,232,629,418 <i>(Notes 1, 2, 3, 4, 5 and 6)</i>	Interest of controlled corporations in 14,963,423 shares and trustee interest in 4,217,665,995 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	57.76%
Tsim Sha Tsui Properties Limited	4,032,442,090 <i>(Notes 2(a), 2(b), 3, 4 and 6)</i>	Beneficial owner of 1,805,288,795 shares and interest of controlled corporations in 2,227,153,295 shares	55.03%

Name of other shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Spangle Investment Limited	499,201,269 <i>(Notes 3 and 6)</i>	Beneficial owner	6.81%
Ka Fai Land Investment Limited	421,996,094 <i>(Notes 4 and 6)</i>	Beneficial owner	6.19%

Substantial shareholders' and other shareholders' interests

(Continued)

Long positions in shares of the Company (Continued)

Notes:

1. 14,963,423 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 4,618,000 shares by Far East Ventures Pte. Ltd. and 10,345,423 shares by Western Properties Pte Ltd.
2. The trustee interest in 4,217,665,995 shares comprises:
 - (a) 1,805,288,795 shares which were held by Tsim Sha Tsui Properties Limited, which was 72.04% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
 - (b) (i) 55,854,456 shares which were held by Orchard Centre Holdings (Private) Limited, in which Nam Lung Properties Development Company Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited, had a 95.23% control; and
(ii) 2,171,298,839 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 499,201,269 shares held by Spangle Investment Limited (Note 3) and 447,175,934 shares held by Ka Fai Land Investment Limited (Note 4));
 - (c) 136,492,320 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 226,493 shares by Fanlight Investment Limited, 218,227 shares by Garford Nominees Limited, 49,111,171 shares by Karaganda Investments Inc., 21,181,437 shares by Orient Creation Limited, 10,294,689 shares by Strathallan Investment Limited, 31,028,401 shares by Strong Investments Limited, 23,777,116 shares by Tamworth Investment Limited and 654,786 shares by Transpire Investment Limited; and
 - (d) 48,731,585 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. Spangle Investment Limited is a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and its shareholding was duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
4. Ka Fai Land Investment Limited is a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and its shareholding was duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
5. The trustee interest of Mr. Philip Ng Chee Tat was duplicated in the trustee interest of Mr. Robert Ng Chee Siong as disclosed under the section headed "Directors' Interests" above as the co-executors of the estate of the late Mr. Ng Teng Fong.
6. The number and the percentage of shares as disclosed are based on the substantial shareholder notices filed with the Stock Exchange.

Save as disclosed above and so far as the Directors of the Company are aware, as at 31st December, 2020, no other person (other than Directors of the Company) had an interest or short position in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder of the Company.

Disclosure pursuant to Rule 13.22 of the Listing Rules

In accordance with Rule 13.22 of the Listing Rules, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies of the Company and/or its subsidiaries as at the end of the most recent financial period.

	At 31st December, 2020 HK\$	At 30th June, 2020 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	9,130,811,901	8,272,437,096
Advances from the Group	22,220,219,246	19,149,954,298
	<u>31,351,031,147</u>	<u>27,422,391,394</u>
The Group's share of capital commitments and contingent liabilities of its affiliated companies	<u>–</u>	<u>–</u>

Note: "Affiliated companies" mentioned above refers to associates and joint ventures of the Group.

Disclosure of Directors' information pursuant to Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of the Directors since the publication of the 2020 Annual Report and up to 25th February, 2021 (being the approval date of this Interim Report) are set out below:

Directors' updated biographical details

The changes in the biographical details of the Directors are set out below:

Dr. Allan Zeman

- ceased as a representative of Hong Kong China to the APEC Business Advisory Council (ABAC).

Mr. Adrian David Li Man-kiu

- admitted as a member of the Hong Kong Academy of Finance.

Mr. Wong Cho Bau

- appointed as the Chairman of Greater Bay Airlines Co., Ltd.

Mr. Daryl Ng Win Kong

- appointed as the Chairman of Greater Bay Area Homeland Youth Community Foundation Limited; and
- appointed as a Member of the Board of Mind Mental Health Hong Kong Limited.

Directors' updated biographies are available on the Company's website.

Disclosure of Directors' information pursuant to Rule 13.51B(1) of the Listing Rules (Continued)

Change in Director's emoluments

With effect from 1st January, 2021, the annual salaries of Mr. Gordon Lee Ching Keung and Mr. Thomas Tang Wing Yung are HK\$6,644,484 and HK\$5,077,800 and the discretionary bonuses paid to Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong, Mr. Gordon Lee Ching Keung and Mr. Thomas Tang Wing Yung for the year 2020 were HK\$80,495, HK\$428,730, HK\$1,383,576 and HK\$437,596 respectively.

Save as disclosed above, there had not been any other changes in the information of Directors notified to the Company as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Remuneration Committee

The Company has established its Remuneration Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee makes recommendations to the Board on the remuneration package of individual Executive Directors and senior management, and it also makes recommendations to the Board on the remuneration of Non-Executive Directors. The Committee meets at least once a year and is provided with sufficient resources enabling it to discharge its duties.

The Remuneration Committee currently comprises Mr. Steven Ong Kay Eng (Committee Chairman), Dr. Allan Zeman and Mr. Adrian David Li Man-kiu, all of whom are Independent Non-Executive Directors, and Mr. Daryl Ng Win Kong, the Deputy Chairman of the Board.

Nomination Committee

The Company has established its Nomination Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board with reference to the board diversity policy of the Company and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include making recommendations to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and succession planning for Directors, and regularly reviewing the time required from a Director to perform his responsibilities. The Committee is also responsible for assessing the independence of Independent Non-Executive Directors and reviewing their annual confirmations on independence. The Committee meets at least once a year and is provided with sufficient resources enabling it to discharge its duties.

The Nomination Committee currently comprises Mr. Robert Ng Chee Siong (Committee Chairman), the Chairman of the Board, as well as Dr. Allan Zeman and Mr. Adrian David Li Man-kiu, both of whom are Independent Non-Executive Directors.

Audit Committee

The Company has set up its Audit Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

The Audit Committee reports to the Board and holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, risk management and internal control. The Committee meets at least four times a year and is provided with sufficient resources enabling it to discharge its duties.

The Audit Committee currently comprises Mr. Adrian David Li Man-kiu (Committee Chairman), Dr. Allan Zeman and Mr. Steven Ong Kay Eng, all of whom are Independent Non-Executive Directors.

In the first quarter of 2021, the Audit Committee has reviewed the accounting policies and practices adopted by the Company and the interim report for the six months ended 31st December, 2020.

Compliance Committee

The Company has set up its Compliance Committee with written terms of reference to enhance the corporate governance standard of the Company. The Compliance Committee has dual reporting lines. A principal reporting line is to the Board through the Committee Chairman. A secondary reporting line is to the Audit Committee. The Compliance Committee currently comprises the Deputy Chairman of the Board Mr. Daryl Ng Win Kong (Committee Chairman), the other Executive Directors of the Company, the Group Chief Financial Officer, a Senior Legal Counsel, the Company Secretary, the Head of Internal Audit Department, other department heads and the Compliance Officer. The Committee holds regular meetings on a bi-monthly basis to review management reports on ongoing compliance regarding continuing connected transactions and usage of annual caps, provide a forum for regulatory updates for the management, consider corporate governance issues and make recommendations to the Board and the Audit Committee on the Company's corporate governance issues and Listing Rules compliance matters.

Codes for dealing in the Company's securities

The Company has adopted its own code for dealing in the Company's securities by Directors ("Directors Dealing Code") on terms no less exacting than the required standard set out in the Model Code. The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the six months ended 31st December, 2020. The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the securities of the Company, on no less exacting terms than the Model Code.

Compliance with Corporate Governance Code

During the six months ended 31st December, 2020, the Company has complied with all the code provisions as set out in Appendix 14 to the Listing Rules, except that there was no separation of the roles of the chairman and the chief executive, both of the roles are currently undertaken by the Chairman of the Board.

The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each business unit are overseen and monitored by designated responsible Executive Directors. The Board has found that the current arrangement has worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the four Independent Non-Executive Directors have contributed valuable views and proposals for the Board's deliberation and decisions. The Board reviews the management structure regularly to ensure it continues to meet these objectives and is in line with the industry practices.

By Order of the Board

Fanny CHENG Siu King

Company Secretary

Hong Kong, 25th February, 2021



TO THE BOARD OF DIRECTORS OF SINO LAND COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Sino Land Company Limited (the “Company”) and its subsidiaries set out on pages 12 to 35, which comprise the condensed consolidated statement of financial position as of 31st December, 2020 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25th February, 2021

