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

(Incorporated in Hong Kong with limited liability)
(Stock Code: 16)

2021 / 22 Annual Results

CHAIRMAN'S STATEMENT

I am pleased to present my report to the shareholders.

RESULTS

The Group's underlying profit attributable to the Company's shareholders for the year ended 30 June 2022, excluding the effect of fair-value changes on investment properties, amounted to HK$28,729 million, compared to HK$29,873 million last year. Underlying earnings per share were HK$9.91, compared to HK$10.31 last year.

Reported profit and reported earnings per share attributable to the Company's shareholders were HK$25,560 million and HK$8.82 respectively, compared to HK$26,686 million and HK$9.21 last year. The reported profit included a decrease in fair value of investment properties net of deferred taxation and non-controlling interests of HK$2,902 million, compared to a decrease of HK$3,105 million last year.

DIVIDEND

The directors have recommended the payment of a final dividend of HK$3.70 per share for the year ended 30 June 2022. The dividend will be payable on 17 November 2022. Together with the interim dividend of HK$1.25 per share, the dividend for the full year will be HK$4.95 per share, the same as last year.

BUSINESS REVIEW

Development Profit and Rental Income

Development Profit

During the year under review, profit generated from property sales amounted to HK$15,847 million, as compared to HK$20,994 million in the last financial year. In view of the impact of the pandemic on sales progress, the Group recorded contracted sales in attributable terms of about HK$33,500 million during the year. Since July 2022, contracted sales of over HK$12,000 million in attributable terms have been recorded, mainly contributed by those from NOVO LAND Phases 1A and 1B in Tuen Mun.

Rental Income

During the year, the Group's gross rental income, including contributions from joint-ventures and associates, amounted to HK$24,810 million, similar to last financial year, and net rental income rose by 1% year-on-year to HK$19,250 million. This is in spite of the impacts of the pandemic.

Property Business – Hong Kong

Land Bank

During the year, the Group added a combined gross floor area of about 1.1 million square feet to its land bank through two lease modifications. In October 2021, the Group completed a lease modification for the large-scale residential project in Shap Sz Heung, which is in proximity to MTR Wu Kai Sha Station and increased its gross floor area by about one million square feet to a total of around 5.8 million square feet. The amendment has allowed the Group to build additional residential units in the development to meet the city's housing demands while adding more comprehensive facilities to this brand-new green cross-generational living community. In March 2022, the Group completed the land use conversion and paid the premium for a site near Fairview Park in Yuen Long. The site comprises a residential gross floor area of about 139,000 square feet. Further approval is being sought for the revision of development parameters.

As at 30 June 2022, the Group's attributable land bank in Hong Kong amounted to about 57.1 million square feet. This comprised about 22.4 million square feet of properties under development, which should be adequate to support the Group's development needs over the next five years. The remaining portions included diversified completed properties of around 34.7 million square feet spreading across the territory, an overwhelming majority of which are for rental and long-term investment purposes. The Group will continue to replenish its land bank through various channels when opportunities arise, including active conversions of agricultural lands into buildable sites.

Property Development

The primary residential market in Hong Kong was disrupted by the fifth wave of the COVID pandemic in the first few months of 2022. With the easing of social distancing measures, the launch of new projects has become more active since late April. Despite headwinds, including the US interest rate hikes, local home prices have remained relatively resilient on the back of solid end-user demand.

The Group's contracted sales in Hong Kong amounted to about HK$29,600 million in attributable terms during the year. Major contributors included Wetland Seasons Bay Phases 1 and 2 near Hong Kong Wetland Park, The YOHO Hub in Yuen Long, Silicon Hill Phase 1 in Tai Po, and St Michel Phases 1 and 2 in Sha Tin. Apart from newly launched projects, the Group continued to launch remaining units in completed properties, including Cullinan West III in West Kowloon, which were well received by the market. Units at NOVO LAND Phases 1A and 1B in Tuen Mun were put on the market in July and August 2022 respectively, receiving strong interest from homebuyers. Over 1,500 units have been sold with sales proceeds exceeding HK$9,400 million.

The Group is dedicated not only to providing quality products and services to customers, but also to introducing innovative development concepts into its properties to meet homebuyers' rising demands for quality living. Through the SHKP Club, the Group moves with the times by keeping abreast of customers' needs, trends and market intelligence. Together with a human-centric design approach and thorough planning, the Group aims to develop its residential projects, particularly large-scale developments, into comfortable, green and sustainable communities for cross-generational living, work, and enjoyment. The Group's future developments, which aim at incorporating elements of health and wellness as well as popular community facilities, will cater to the needs of both the young and old generations. NOVO LAND will be the latest showcase of such development concepts, from planning and design through to execution. The Group also continues to integrate smart technology into its residential developments to bring additional convenience and comfort to residents, not to mention offering homebuyers a wide range of flat sizes with practical layouts, quality materials and exquisite workmanship.

During the year under review, a total of eight projects in Hong Kong with about 2.6 million square feet of attributable gross floor area were completed for handover, of which about 2.5 million square feet were residential developments. The remainder was retail space retained for rental purpose. Project details are shown in the table below.

Project	Location	Usage	Group's Interest (%)	Attributable Gross Floor Area (square feet)
Wetland Seasons Bay Phase 1 / Wetland Seasons Bay Phase 2	1 Wetland Park Road, Tin Shui Wai	Residential	100	915,000
Wetland Seasons Park Phase 2 / Wetland Seasons Park Phase 3	9 Wetland Park Road, Tin Shui Wai	Residential	100	597,000
Regency Bay / Regency Bay II	23 Hoi Wong Road, Tuen Mun	Residential/Shops	100	307,000
St Michel Phase 1	33 To Shek Street, Sha Tin	Residential	100	260,000
Victoria Harbour II	133 Java Road, North Point	Residential	100	258,000
PARK YOHO Bologna	18 Castle Peak Road, Tam Mi, Yuen Long	Residential/Shops	100	139,000
Central Peak II	18 Stubbs Road, Mid-Levels East	Residential	100	59,000
Prince Central	195 Prince Edward Road West, Ho Man Tin	Residential	100	45,000
Total				**2,580,000**

Property Investment

During the year, the gross rental income of the Group's well-diversified property investment portfolio, inclusive of contributions from joint ventures and associates, decreased 3% year-on-year to HK$17,551 million, while the overall occupancy remained satisfactory. This is despite negative impacts of the COVID-19 Omicron variant on the Group's property investment business.

Consumer sentiment in Hong Kong was negatively affected by increased COVID-19 infections from late January to March 2022. The performance of the Group's retail portfolio has been on a recovery trajectory since April amid gradual relaxation of social distancing measures. Consumer confidence has rebounded with a further reduction of quarantine requirements for inbound travellers recently. Leasing enquiries have been increasing with more existing tenants looking for lease renewals with longer lease terms. During the year, the retail portfolio recorded a healthy overall average occupancy of about 95% with relatively resilient rental income.

Tenant sales of the Group's shopping malls have seen rebounds since the second quarter of 2022. Overall footfall has resumed to the pre-fifth-wave level. Following the commissioning of MTR East Rail Line Cross-Harbour Extension in May 2022, the Group's various malls along the rail line such as MOKO, New Town Plaza, HomeSquare, Uptown Plaza, Landmark North and Metropolis Plaza have served larger catchment areas and registered additional footfall. To seize business opportunities, particularly those arising from the new rounds of Consumption Voucher Scheme, the Group has worked closely with tenants and business partners to roll out extensive promotional and marketing campaigns to boost footfall and tenant sales. The Group also leveraged its online platform and loyalty programme for its malls, The Point, the largest of its kind in Hong Kong with a membership of nearly two million. This integrated loyalty programme constantly optimizes the interface of its app and incorporates new functions. One of the new functions allows members to convert bonus points into Point Dollar which can be used directly as cash for purchases at over 2,000 merchants in the Group's 25 major malls. During the year, active members of the programme increased by nearly 20%.

The Group has proactively launched initiatives to better meet shoppers' changing needs and appetites. The trade-and-tenant mix was reshuffled, bringing in such new retailers as popular restaurants, trendy gadget stores, and young fashion brands. As preferred choices for overseas brands to open their debut stores in Hong Kong, the Group's regional malls introduced a renowned Japanese pharmacy chain and popular skincare brands, catering to locals' strong aspirations to travel. Trendy ideas were incorporated into its trade mix, such as the introduction of pet-friendly cafes. The Group continued to enliven both indoor and outdoor spaces at its shopping malls to enhance visitors' experience. Fun elements with the use of smart technology were presented to bring further delights to shoppers.

Despite challenging market conditions, the Group's office portfolio of about 10 million square feet in attributable terms was able to register an overall average occupancy of about 92% during the year, with most of its existing tenants continuing to occupy the Group's office premises. In recent months, leasing enquiries have shown signs of improvement amid a relatively stable pandemic situation, following a quiet market for most of the first half of 2022.

IFC in core Central remained the preferred choice and a prestigious address for renowned corporations on the back of its prime location, superior quality, and high specifications. During the year, multinational and mainland financial institutions took up new spaces at IFC for business expansion or upgrade, while existing major tenants renewed their leases. These premium office spaces were almost fully let. Strategically located atop the Airport Express Kowloon Station and close to the High Speed Rail West Kowloon Terminus, ICC appeals to multinationals, financial institutions and other large corporates. Reasonable occupancy was recorded despite disruptions to leasing caused by cross-border restrictions with the mainland. The Group's strong commitment to Environmental, Social and Governance (ESG) has been demonstrated by its continued efforts to upgrade and enhance its existing properties for green building certifications. Both Two IFC and ICC recently attained Leadership in Energy and Environmental Design (LEED) Platinum certifications.

The Millennium City office cluster in Kowloon East maintained reasonable occupancies in spite of keen competition in the area. Sun Hung Kai Centre and Central Plaza in Wan Chai North enjoy more transport convenience following the opening of MTR Exhibition Centre Station at the East Rail Line Cross-Harbour Extension in May 2022. With their enhanced transport connectivity, the two buildings will increase their appeal to tenants.

The Group aims to attain the widely recognized LEED certifications for all its new major properties for investment. The office-cum-retail joint-venture development at 98 How Ming Street is targeted to obtain Platinum ratings for LEED, WELL and BEAM Plus. Two office towers of 650,000 square feet are scheduled for completion in late 2022. An approximately 500,000-square-foot shopping mall on the podium is expected to open in 2024. The pre-leasing of the office spaces has begun with major quality tenants already committed at satisfactory rental levels.

The mega landmark project atop the High Speed Rail West Kowloon Terminus will provide approximately 2.6 million square feet of office premises and some 600,000 square feet of retail space. The Group will hold the entire retail portion and about 1.2 million square feet of office floor area for long-term investment purpose, while the remaining office space will be held by two strategic long-term investors. Designed to attain Platinum certifications for LEED, WELL and BEAM Plus, the integrated development will feature green and wellness elements, including an outdoor viewing deck, a part of the 1.5-kilometre-long West Kowloon Parkway and other amenities spreading over some 100,000 square feet of open space. Its excellent transport connectivity to different districts in Hong Kong and major mainland cities via railways will be one of its competitive edges. This mega development together with the adjacent ICC complex and West Kowloon Cultural District will form a superlative business hub for the Greater Bay Area. Superstructure work has commenced.

The YOHO Mall extension, comprising 107,000 square feet of retail space next to MTR Yuen Long Station, is scheduled for opening by the first quarter of 2024. The mega YOHO Mall will then be further expanded to about 1.1 million square feet with a wider range of trade and eatery offerings, strengthening its status as the largest shopping mall in northwest New Territories. Close to MTR Tin Shui Wai Station, the integrated project in Kiu Tau Wai will offer an approximately 490,000-square-foot shopping mall and quality office space of about 366,000 square feet to fulfil the needs of people in the district.

Property Business – Mainland

Land Bank

As at 30 June 2022, the Group held a total attributable land bank of 70.6 million square feet on the mainland. About 53.0 million square feet were properties under development, of which over 40% will be developed into quality residences for sale. An overwhelming majority of the remaining 17.6 million square feet were completed properties in key cities held for rental and long-term investment purposes. The Group adheres to its selective and focused approach to exploring investment opportunities in major cities on the mainland.

Property Development

During the year under review, the mainland residential markets met with headwinds amid softened demand and intermittent disruptions to sales activities due to COVID-19. Transaction volumes of primary residential markets in major cities showed signs of recovery since May 2022 on the back of positive government measures to bolster the economy and property market, including easing mortgage financing.

The Group's contracted sales on the mainland were affected by general market conditions. During the year, attributable contracted sales amounted to about RMB3,300 million, mainly contributed by several joint-venture projects such as TODTOWN in Shanghai, Taihu International City in Wuxi, Oriental Bund in Foshan, Chengdu ICC and Jovo Town in Chengdu. Subsequent to the end of the financial year, the Group received positive sales response for a joint-venture project, namely the first batch of residential units at Hangzhou IFC.

During the year, the Group completed an attributable gross floor area of about 2.8 million square feet on the mainland, of which about 80% were quality units for sale and the rest, including Chengdu ICD – the mall in Chengdu ICC, are properties for rental and long-term investment purpose. Projects completed during the year are shown in the following table.

Project	**Location**	**Usage**	**Group's Interest** (%)	**Attributable Gross Floor Area** (square feet)
Jovo Town Phase 3A	Tianfu New Area, Chengdu	Residential/ Shops	91	1,274,000
Oriental Bund Phases 3B, 4A & 4B	Chancheng, Foshan	Residential/ Shops/Office	50	759,000
Chengdu ICD	Jinjiang, Chengdu	Shopping mall/ Shops	40	549,000
Lake Genève Phase 2A	Yuanqu, Suzhou	Residential	90	245,000
Total				**2,827,000**

Property Investment

The Group's gross rental income derived from the mainland, including contributions from joint-venture and associate projects, rose by 4% year-on-year to RMB5,428 million during the year under review. The gross rental income on the mainland showed healthy growth in the first half of the financial year, but the performance in the second half was impacted by the very stringent anti-pandemic measures in Shanghai.

The Group's three million square feet of premium malls in Shanghai delivered encouraging performance in the first half of the year under review. Shanghai IFC Mall always tops the shoppers' list with its impressive collection of brands and exclusive products. IAPM and One

ITC have also been trendsetters in Puxi, inspiring young shoppers with art-deco themes. Tenant sales and traffic at these shopping malls, however, were negatively affected by citywide traffic-control restrictions for most of the second quarter of 2022. With the gradual recovery of residents' daily lives and business operations in Shanghai since early June, the Group has proactively assisted both retail and office tenants to restore their operations. Footfall at the Group's malls has already shown improvement. Tenant sales, in particular luxury items, have witnessed a rebound. In addition, the Group has collaborated with tenants to drive sales.

The Group's premium shopping malls in other top-tier cities, including Beijing APM, IGC and Parc Central in Guangzhou, registered high occupancies despite intermittent outbreaks of the pandemic on the mainland during the first half of 2022. A ban on dine-in in certain districts for a short period of time weighed on traffic flow. Nevertheless, retail performance is expected to improve, especially with the government's pro-growth initiatives.

Against challenging office leasing conditions, occupancies of grade-A offices at the Group's Shanghai IFC and Shanghai ICC within respective integrated complexes remained healthy during the year. Apart from their strategic locations adjacent to metro stations, both premises had strong appeal to quality tenants due to their premium building quality, LEED Platinum certifications and professional property management services. The Group demonstrated its caring and dedicated services to office tenants through the provision of daily necessities and service support for those who needed to stay in for 24 hours to carry out essential business operations during the period under strict anti-pandemic measures.

The Group's portfolio of property investment on the mainland will further expand with the gradual completion of integrated projects under development in major cities. To be opened in phases from early 2023 onwards, the one-million-square-foot Nanjing IFC Mall has a western garden theme and will house top-notch international luxury brands as well as Michelin-starred and Dianping Black Pearl restaurants which are newcomers to the city. Good pre-leasing responses have been received. This mall will be complemented by two premium office towers and the Andaz Nanjing hotel within the complex. The office towers were already completed by 2020, and the five-star hotel will be opened in 2023, in phases.

The remaining parts of ITC in Shanghai, covering 6.7 million square feet of gross floor area, will include two grade-A office towers, a 2.5-million-square-foot mega mall and the Andaz Shanghai ITC hotel. Its construction work has resumed in an orderly manner. The 220-metre tall office tower was completed in mid 2022 and has been handed over to tenants. Building specification of this office tower is in line with international standards, and several floors of the building even come with exceptionally high ceilings. These features will have a wide appeal to major corporates, financial firms with trading floors, and companies that need to hold frequent large-scale conferences. In anticipation of receiving both LEED and WELL Platinum certifications, the building is expected to bring more value to tenants. Leasing negotiations with multinational companies have restarted. The 370-metre tall skyscraper, another grade-A office tower, is expected to be completed in late 2024. The mega mall at ITC is set to be popular for its wide variety of renowned brands and leisure facilities, offering unprecedented experiences to shoppers.

ITC in Shanghai will distinguish itself from other projects through its environmentally friendly construction and design, and is expected to bring a new face to the Xuhui District.

In Hangzhou, the joint-venture Hangzhou IFC integrated project, to be completed in phases, comprises about nine million square feet of above-ground area with premium offices, a shopping mall, residential units and hotels. The first batch of its residential units were sold out on debut in July 2022, and the sale proceeds will help fund the future construction cost of the development. Upon its full completion, this mega project will become a green and smart community for culture, travel, living, work and shopping in the CBD of the city. Located adjacent to the Guangzhou South Railway Station, the Guangzhou South Station ICC development has a total gross floor area of about 9.3 million square feet, consisting of premium offices, a shopping mall, a hotel and residential premises. Over 50% of the floor area can be offered for sale. Foundation work for the first phase of this mega TOD project is under way with the first batch of residential units planned to be put on the market starting from late 2022. With the rapid development growth in the Greater Bay Area, the project will synergize with the Group's High Speed Rail West Kowloon Terminus Development in Hong Kong, and further strengthen the Group's presence in the Area.

Other Businesses

Hotels

The Group's hotel business in Hong Kong showed signs of improvement during the year under review despite inevitable impacts resulting from a surge in COVID-19 infections during the first few months of 2022. Both occupancies and room rates improved following the management team's efforts to refine the business model of the Group's hotels to fulfil new demands, including extended-stay customers, quarantine requirements for inbound travellers and other essential needs arising from the pandemic.

The management team continues to take initiatives not only on improvements in operational efficiency but also on strategies to enhance marketing and sales channels. Launched in April 2022, the Go Royal by SHKP loyalty programme covers the Group's five Royal brand hotels and their 20 restaurants and partners with The Point, drawing additional customers and encouraging their spending.

During the year, the performance of The Ritz-Carlton Shanghai, Pudong was significantly affected by the pandemic, particularly when Shanghai imposed a citywide lockdown in April and May 2022. Due to the pandemic, the Andaz Nanjing at Nanjing IFC and Four Seasons Hotel Suzhou have been rescheduled to open in phases in 2023. The Group will continue to develop premium hotels within its integrated developments in major cities on the mainland.

Telecommunications and Information Technology

SmarTone

During the year, SmarTone's core profitability improved, but the mobile market continued to be challenging. While some uptake in travel was recorded, roaming revenues remained at a low level compared with the pre-pandemic period. The rising spectrum amortization costs also increased pressure on profitability. Amid a difficult environment, the company focused its strategy on revenue growth, productivity enhancement, and a strong discipline on costs. Satisfactory progress was made in the upgrading of the company's customers to 5G users, reflecting a willingness to pay for better quality. The company's 5G Home Broadband service also showed encouraging growth, especially for housing estates where internet speed was low and rates were high.

As a leading mobile operator in Hong Kong, SmarTone is committed to delivering a world-class 5G experience. Over the past year, 14 influential media portals rated SmarTone's 5G quality as the best in Hong Kong. The company's 5G network provides territory-wide coverage and is particularly strong along MTR lines and stations. In response to customer needs, the company has also extended its coverage to major hiking trails and country parks. The Group remains confident of SmarTone's prospects and will continue to hold its stake in the company as a long-term investment. The Group will also leverage SmarTone as its telecommunication technology arm for the adoption of technology to improve customer experience.

SUNeVision

During the year under review, SUNeVision's business continued to grow healthily, driven largely by the demand from both existing and new customers. The digitalization process for businesses has accelerated, resulting in a sustainable increase in demand for data centre capacity.

Moving forward, SUNeVision is entering into a new chapter of growth with the launch of three new data centres. MEGA Fanling, the company's eighth data centre, began operations in June 2022 with a major anchor tenant already in operation. MEGA Gateway, a greenfield project in Tsuen Wan, is in its final phase of testing and will become operational shortly. MEGA IDC, SUNeVision's flagship greenfield project in Tseung Kwan O, is built on a site dedicated for data centre development with superior infrastructure and power capacity. Phase 1 of MEGA IDC is scheduled to open in the first half of 2023. These new data centre facilities have received strong response from customers. Upon completion of these projects, the total gross floor area of the company's data centres in Hong Kong will grow from the current 1.5 million square feet to almost three million square feet. The company's power capacity will increase from the current 80MW to over 280MW. In addition, SUNeVision recently won a tender for a site at Chung Hom Kok to develop its second landing station for international submarine cables. This is expected to help boost the company's connectivity business.

SUNeVision welcomes the recent Court of Appeal judgement which held that the Hong Kong Science and Technology Parks Corporation misconstrued the Occupation Restriction under its own Lease Restriction Policy and it also breached its duty when handling complaints from SUNeVision. The company believes the ruling is positive for the long-term development of Hong Kong's innovation sector, and will serve to stem illegal sub-letting within industrial estates.

Infrastructure and Other Businesses

During the year under review, the Group's infrastructure and transport businesses recorded mixed performances. Solid performance was delivered by the Wilson Group despite changing social distancing restrictions. Traffic at Route 3 (CPS) was negatively impacted by the stringent anti-pandemic measures during the first quarter of 2022 and continued cross-border travel restrictions.

The Hong Kong Business Aviation Centre continued to be adversely affected by travel restrictions under the pandemic. Since the relaxation of quarantine requirements in Hong Kong in April 2022, business activities recovered moderately but the level of growth remained low. Nonetheless, the further reduction of quarantine requirements of late to the '3+4' model has stimulated a stronger pipeline of visitors planning to come to Hong Kong. The Airport Freight Forwarding Centre continued to perform well and played a critical role in supporting logistics players to deliver time-sensitive cargoes. The River Trade Terminal also saw improved business, supported by increased throughput and business from new customers. The terminal worked hard during the pandemic to ensure cargoes containing food and medical supplies received priority treatment, ensuring that Hong Kong could operate as usual.

YATA's overall business remained relatively steady during the year. It continued to introduce new products, especially from Japan, to offer customers a wider range of choices. The focus of YATA is to provide customers with a safe shopping environment and a stable supply of high-quality products at reasonable prices. Looking ahead, YATA will continue to invest in service and product quality to ensure an impressive and holistic customer experience.

Corporate Finance

As always, the Group continued its time-honoured prudent financial policies by adhering to low gearing and highly liquid position along with a balanced mix of fixed- and floating-rate borrowings. Such approach enabled the Group to weather uncertain economic headwinds and rising interest rates. As at 30 June 2022, the Group registered net debt to shareholders' funds at 17.4% and interest coverage ratio of 12.8 times. These allowed the Group to score the highest credit ratings among Hong Kong property companies. Moody's and S&P have awarded A1 and A+ ratings respectively with a stable outlook for the Group.

In November 2021, the Group arranged its maiden HK$8,650 million 4-year syndicated sustainability-linked loan (SSLL). In June 2022, it arranged another SSLL of HK$20,700 million for five years. The overwhelming response to both issues attested to the banking industry's unfailing support for the Group and its efforts in ESG policies. The Group also issued HK$1,400 million of 3-year bonds and HK$690 million of 7-year bonds during the year.

The property sector on the mainland continued to undergo a tough year amid a number of headwinds, including an increased number of credit default cases by developers. Despite this, the principle of 'houses are for living in, not for speculation' is always maintained to reduce overall systemic risks. The recently eased policies for the property sector and softened interest rate environment should be positive for developers with healthy financial position. During the year, the Group continued to receive strong support from leading banks through the provision of Renminbi financing which has a relatively long maturity profile for both the construction and operation of its mainland projects.

As in the past, the Group has not executed any speculative derivatives and structured product transactions. The majority of the Group's debt obligations are denominated in Hong Kong dollars and the rest are mostly in Renminbi and US dollars.

Corporate Governance

The Group is determined to uphold high standards of corporate governance in order to safeguard the interests of all its stakeholders and create long-term sustainable value for them.

The Group's Board is responsible for overseeing overall strategies, including sustainable development matters. The Board has a proper mix of experience, expertise and diversity that suits the Group's strategy, governance, and businesses. Chaired by INEDs, the Group's Audit and Risk Management Committee, Nomination Committee and Remuneration Committee are all served by Non-Executive Directors, with a majority of their members being INEDs. The diverse Board composition lays a good foundation for its efficient and effective functioning. Additionally, the Board is supported by the Executive Committee and a crisis management taskforce for making decisions on key operations and handling ad hoc issues, respectively.

The Group's seasoned management team and ongoing efforts in maintaining high standards of corporate governance have continued to be widely recognized by leading financial publications over the years. The Group was named the Best Overall Developer in Hong Kong by *Euromoney*, and won seven awards in the Asia's Best Companies 2022 poll by *FinanceAsia*, including Asia's Best Real Estate Company and Hong Kong's Most Committed to High Governance Best Standards, during the year.

Sustainable Development

The Group's sustainability strategy aims to create long-term value for different stakeholders; such efforts have won wide acclaim from respected organizations and the financial community. The Group has been one of the top three companies in the Hang Seng Corporate Sustainability Index for three consecutive years and a constituent member of the FTSE4Good Index Series since 2018. It maintained an A rating in the MSCI ESG Ratings assessment in 2022.

Environment
The Group has integrated green elements into every aspect of its business operations and engaged the public in conservation programmes. According to its 10-year environmental targets since 2019/20 financial year, the Group strives to reduce greenhouse gas emissions intensity and electricity consumption intensity of its major properties for investment by 25% and 13% respectively by 2029/30.

Apart from incorporating green building concepts into the development process, the Group upgrades its existing portfolio to meet the most stringent environmental standards. ICC and Two IFC recently attained LEED Platinum certifications in recognition of their green performance. The Group also aims to obtain LEED Gold or Platinum ratings for its core commercial projects under development.

To support the HKSAR Government's goal of achieving carbon neutrality by 2050, the Group has continued to increase its use of renewable energy. Solar panels have been installed at the Group's existing buildings wherever possible. In addition, the Group's associate, Transport International Holdings Limited (TIH), has been installing solar panels on its buses and related facilities.

The Group promotes green commuting to reduce greenhouse gas emissions and improve roadside air quality. Nearly 1,000 electric vehicle (EV) chargers have been installed in premises under its management, making it one of the largest EV charging facility networks in Hong Kong. Wilson Parking has also installed more EV chargers at its managed car parks to prepare for wider EV adoption. In addition, the Group has encouraged TIH to use electric buses more extensively.

Social
The Group leverages its resources, network and expertise to give back to society. When COVID-19 infections surged in early 2022, the Group swiftly lent for free two plots of land, one in Tam Mi, Yuen Long and another in San Tin which is co-owned with a friendly peer, to the HKSAR Government for building community isolation facilities. SmarTone also proactively extended mobile coverage and completed the network build-out at these sites within weeks. This ensured that residents and working staff in the isolation facilities, irrespective of whether they are SmarTone customers, could enjoy strong connectivity for free.

Moreover, the Group offered spaces at Millennium City 5 in Kwun Tong and Landmark North in North District, both sitting next to an MTR station, as venues for community vaccination. The Group also donated rapid test kits and care packs to people in need. Lending full support to the

HKSAR Government's distribution of anti-pandemic care bags, the Group helped with the last-mile distribution to ensure residents of its managed properties received the bags as soon as possible. The Group and the Kwok family donated RMB three million to the Shanghai Charity Foundation in support of Shanghai's fight against the pandemic.

To celebrate the 25th anniversary of Hong Kong's return to the motherland, the Group sponsored an art exhibition featuring original works of Qi Baishi and over 20 contemporary art masters, which are rarely exhibited outside the mainland, at the Sky100 Hong Kong Observation Deck. Celebratory videos produced by the Group were screened in its major malls, and festive messages and light decorations were featured at its iconic buildings to enhance social cohesion.

The Group-initiated transitional housing project – United Court in Tung Tau, Yuen Long – was officially opened in June 2022 as the largest project of its kind in Hong Kong and a showcase of transitional housing. The project was built on a site lent at a nominal rent by the Group, providing 1,800 units to long-awaiting applicants of public housing, addressing short-term housing needs of the underprivileged. Taking into account families moving in and out, the project will ultimately benefit about 5,000 families.

Noah's Ark Hong Kong, part of Ma Wan Park which is operated by the Group for not-for-profit purposes, has organized online courses for underprivileged students via the 'Walk with You' Student Sponsorship Campaign since the outbreak of the pandemic. The programme also initiated the donation of e-learning devices to deprived students, allowing them to continue with their studies during face-to-face class suspension. In all, the campaign has benefitted more than 5,200 students since its inception.

The Group's signature sports events, SHKP Vertical Run for Charity – Race to Hong Kong ICC and the Sun Hung Kai Properties Hong Kong Cyclothon, were cancelled amid the pandemic during the year. Efforts are underway to plan for the return of the popular sports-for-charity events. The Group encourages sports in the school community through its SHKP Cycling Academy Programme. Youth athletes are nurtured through the Group's sponsorship of the SHKP Supernova Cycling Team which saw eight athletes represent the Hong Kong Team at 2021 The National Games of China and other international races.

The Group through the SHKP Reading Club has frequently arranged 5G STEM classes and guided tours to SmarTone's 5G Lab at Sky100 apart from its ongoing promotion of reading. In support of young entrepreneurs, the Group during the year continued to provide fully furnished offices to the Hong Kong X-Tech Startup Platform. The Group also funded a local university's scientific research on Alzheimer's disease to facilitate an early detection of the disease.

The Group treasures its talent pool and helps it staff embrace the digitalized world and hone job-related skills through the provision of technology upskilling training, which covers artificial intelligence and blockchain applications. A well-structured management trainee programme has been implemented, both in Hong Kong and on the mainland, to nurture university graduates, which has also cultivated a talent pool for the industry.

PROSPECTS

The global economic environment will remain uncertain and less visible in the near future, although negative impacts from the pandemic are receding in many parts of the world. The world will continue to be affected by supply shocks, elevated inflation, and increased geopolitical risks such as the Russia-Ukraine conflict. The tightening of monetary policies has continued to be adopted by most major central banks. These policies are likely to weigh on the global economy over the near term but should pave the way for sustainable growth in the medium term.

On the back of an increased domestic circulation and Central Government's policy stimulus both on the monetary and fiscal fronts, the mainland economy is likely to achieve reasonable growth in the coming year despite possible disruptions from COVID-19. Positive fundamentals such as continuous investments in technology and innovation, and initiatives for the achievement of a green economy will offer a promising future for the mainland. While consolidations in the property sector may continue for a while, residential markets in key cities will remain largely stable with the recent introduction of some supportive measures. All these are expected to bring a healthy development for the housing sector in the long term.

Given the strong backing of the Central Government and the unique advantages of 'One Country, Two Systems', Hong Kong has overcome numerous internal and external headwinds since its return to the motherland 25 years ago. As such, Hong Kong has been able to record remarkable achievements throughout the years. The city has not only enhanced its status as an international financial, transportation and trade centre, but is also rapidly emerging as an international centre for innovation and technology. With the distinctive advantages arising from 'One Country, Two Systems', such as the common law system, together with the city's solid fundamentals and increased opportunities from the National 14th Five-Year Plan, the Group is confident that Hong Kong will continue to succeed and scale new heights over time.

Nevertheless, the local economy still faces various challenges in the short term, including restrictions on cross-border travel and the anticipated global economic slowdown. The latest round of the Consumer Voucher Scheme will however help underpin domestic consumption. The recent relaxation of quarantine requirement to the '3+4' model is conducive to overall economic activity and further relaxations would make a more positive impact on the local economy. Together with Central Government policy support on various fronts such as ETF Connects as well as innovation and technology, Hong Kong will be able to move forward steadfastly in the near future. The residential market is likely to remain resilient with solid end-user demand, backed by eased mortgage financing introduced in early 2022. This is notwithstanding that overall demand will be constrained by such factors as rising interest rates.

With full confidence in the future of the country, the Group will continue to invest in Hong Kong and major mainland cities by acquiring land selectively for new developments over the long term. As always, the Group continues to adhere to its strict financial discipline, particularly at a time of an uncertain global outlook and interest rate hike cycles. The Group will make efforts to strengthen its business of property development for sale with fast asset turnovers. It will continue to develop premium projects in a cost- and time-effective way, and will aim at generating continuous cash flows through the launch of new projects for sale when ready.

For the rest of the current financial year, the Group is planning to launch the second phases of various residential projects for sale in Hong Kong, including Silicon Hill in Tai Po, NOVO LAND in Tuen Mun and The YOHO Hub in Yuen Long. The last phases of PARK YOHO and Wetland Seasons Bay in Yuen Long are scheduled to be put on the market in September 2022. The Group's upcoming launches on the mainland will include new phases at Shanghai Arch in Shanghai, Guangzhou South Station ICC in Guangzhou, and joint-venture developments such as a new batch of residential units at Hangzhou IFC in Hangzhou.

The near-term operating environment for the property investment business is likely to improve gradually, both in Hong Kong and on the mainland, although lingering effects and disruptions from the pandemic may continue to cloud leasing markets. Over the next 18 months, the Group's recurrent income will be underpinned by the new additions. These will include an office-cum-retail project in Kwun Tong and the extension of YOHO Mall in Yuen Long, Hong Kong. On the mainland, the 220-metre-tall office tower at ITC in Shanghai marked its completion in mid 2022, while Andaz Nanjing and Nanjing IFC Mall in Nanjing will open in phases starting from 2023. Other than the proactive use of more marketing initiatives to draw footfall at its shopping malls, the Group will also enhance the appeal of its offices by offering more ESG-friendly specifications.

Over the medium-to-long term, the Group will move to a new level through the development of new landmark integrated projects both in Hong Kong and on the mainland. Major projects under development include the landmark High Speed Rail West Kowloon Terminus Development in Hong Kong, the remaining phase at ITC in Shanghai, Hangzhou IFC in Hangzhou and Guangzhou South Station ICC in Guangzhou. Many of these landmark projects are in line with the city's call for proactive integration into the national development, capturing opportunities from continuous growth in domestic demand in the country over time. These mega developments will also serve as new drivers for the Group's recurrent income.

The Group will continue to develop premium properties that meet the needs and aspirations of residents, tenants and shoppers, helping uplift the standards of living for people in Hong Kong and on the mainland. Focusing its best efforts on creating value for major stakeholders such as customers, shareholders and employees, the Group also serves wider community needs with a strong commitment to ESG, including reducing carbon footprint and promoting the use of renewable energy over time. With considerable experience in weathering ups and downs in the city over the past 50 years, the Group's management team is well-equipped to deal with unexpected challenges. On the back of its solid fundamentals, such as a strong financial position, well-trusted brand, and time-tested business strategy, the Group is confident that it will be able to accomplish its goals and realize its vision.

The year 2022 is not only the 25th Anniversary of the HKSAR's establishment but also the 50th anniversary of the Group's public listing in Hong Kong. Having the strong support of the motherland and seeing Hong Kong as its home, the Group has adhered to its strong belief in Building Homes with Heart and made contributions to the city development of the country during the last half century. In the times ahead, the Group, as in the past, will continue to stride ahead, rain or shine, in solidarity with various sectors of the community. The Group also firmly believes that with its distinctive status and advantages, Hong Kong, as the Pearl of the Orient, will become a more charming international city than ever before.

CHANGE IN DIRECTORS

Mr. Lau Tak-yeung, Albert, Ms. Fung Sau-yim, Maureen and Mr. Chan Hong-ki, Robert were appointed as Executive Directors of the Company, effective 23 August 2022. Mr. Lau joined the Group in 2017. Apart from being responsible for the Group's business development and identifying new projects with good development potential on the mainland, he has taken up the leadership of property business in Eastern China, Beijing and Chengdu. Ms. Fung has been serving the Group since 1991 and is responsible for strategic planning, development and management of various signature shopping malls of the Group in Hong Kong and several major cities on the mainland, including Beijing and Shanghai. Mr. Chan joined the Group in 1993 and has been a project director for various key developments in Hong Kong and on the mainland. In addition to being responsible for the design aspects of projects, he has been involved in feasibility studies of new land tenders, including data centres. Their wealth of experience will continue to contribute to the Group's growth and development.

APPRECIATION

I would like to take this opportunity to express my appreciation and thank our staff for their hard work and dedication, particularly at a time when both Hong Kong and the mainland are fighting a long battle against the pandemic. Their professionalism and devotion to duty for ensuring the Group's effective operation and unwavering commitment to quality are much appreciated. My gratitude also goes to my fellow directors for their guidance and our shareholders and customers for their continued support.

Kwok Ping-luen, Raymond
Chairman & Managing Director
Hong Kong, 8 September 2022

ANNOUNCEMENT

The Board of Directors of Sun Hung Kai Properties Limited announces the following audited consolidated figures for the Group for the year ended 30 June 2022 with comparative figures for 2021:-

Consolidated Income Statement
For the year ended 30 June 2022
(Expressed in millions of Hong Kong dollars)

	Notes	2022	2021
Revenue	**2**	**77,747**	85,262
Cost of sales		**(37,906)**	(40,493)
Gross profit		**39,841**	44,769
Other net income		**601**	250
Selling and marketing expenses		**(4,047)**	(5,009)
Administrative expenses		**(3,033)**	(2,765)
Operating profit	**2**	**33,362**	37,245
Change in fair value of investment properties		**(2,619)**	(1,551)
Finance costs		**(2,116)**	(2,477)
Finance income		**369**	487
Net finance costs	**3**	**(1,747)**	(1,990)
Share of results of:			
Associates		**214**	723
Joint ventures		**2,576**	2,249
	2	**2,790**	2,972
Profit before taxation	**4**	**31,786**	36,676
Taxation	**5**	**(5,655)**	(9,230)
Profit for the year		**26,131**	27,446
Profit for the year attributable to:			
Company's shareholders		**25,560**	26,686
Perpetual capital securities holders		**-**	66
Non-controlling interests		**571**	694
		26,131	27,446
(Expressed in Hong Kong dollars)			
Earnings per share based on profit attributable to the Company's shareholders (reported earnings per share)	**6(a)**		
Basic and diluted		**$8.82**	$9.21
Earnings per share excluding the effect of change in fair value of investment properties net of deferred tax (underlying earnings per share)	**6(b)**		
Basic and diluted		**$9.91**	$10.31

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2022
(Expressed in millions of Hong Kong dollars)

	2022	2021
Profit for the year	**26,131**	27,446
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of Mainland operations		
- exchange difference arising during the year	**(2,570)**	7,596
- exchange gains released on disposal of subsidiaries	**(229)**	-
	(2,799)	7,596
Cash flow hedge		
- fair value gains/(losses) recognized directly through other comprehensive income	**627**	(308)
- fair value gains transferred to consolidated income statement	**(110)**	(30)
	517	(338)
Debt securities		
- fair value (losses)/gains recognized directly through other comprehensive income	**(25)**	26
- fair value gains transferred to consolidated income statement	**(6)**	-
	(31)	26
Share of other comprehensive (loss)/income of associates and joint ventures	**(941)**	2,195
Items that will not be reclassified to profit or loss:		
Revaluation of property, plant and equipment upon transfer to investment properties	**49**	-
Fair value (losses)/gains of equity securities at fair value through other comprehensive income	**(56)**	192
Share of other comprehensive income of an associate	**157**	178
Other comprehensive (loss)/income for the year	**(3,104)**	9,849
Total comprehensive income for the year	**23,027**	37,295
Total comprehensive income for the year attributable to:		
Company's shareholders	**22,483**	36,317
Perpetual capital securities holders	**-**	66
Non-controlling interests	**544**	912
	23,027	37,295

Consolidated Statement of Financial Position
As at 30 June 2022
(Expressed in millions of Hong Kong dollars)

	Notes	2022	2021
Non-current assets			
Investment properties	**8**	**398,729**	395,879
Property, plant and equipment		**44,955**	42,921
Associates		**7,171**	7,093
Joint ventures		**94,221**	94,388
Financial investments		**3,030**	3,229
Intangible assets		**5,815**	4,273
Other non-current assets		**3,996**	5,803
		557,917	553,586
Current assets			
Properties for sale		**207,136**	200,934
Inventories		**478**	362
Trade and other receivables	**9**	**21,015**	18,373
Financial investments		**698**	1,383
Bank deposits and cash		**20,323**	21,781
		249,650	242,833
Current liabilities			
Bank and other borrowings		**(15,857)**	(20,979)
Trade and other payables	**10**	**(30,204)**	(28,210)
Deposits received on sales of properties		**(3,039)**	(8,644)
Current tax payable		**(13,276)**	(15,366)
		(62,376)	(73,199)
Net current assets		**187,274**	169,634
Total assets less current liabilities		**745,191**	723,220
Non-current liabilities			
Bank and other borrowings		**(109,074)**	(95,844)
Deferred tax liabilities		**(25,533)**	(25,694)
Other non-current liabilities		**(3,840)**	(2,056)
		(138,447)	(123,594)
NET ASSETS		**606,744**	599,626
CAPITAL AND RESERVES			
Share capital		**70,703**	70,703
Reserves		**531,243**	523,117
Shareholders' equity		**601,946**	593,820
Non-controlling interests		**4,798**	5,806
TOTAL EQUITY		**606,744**	599,626

Notes to the Consolidated Financial Statements
(Expressed in millions of Hong Kong dollars)

1. Basis of Preparation

The financial information relating to the years ended 30 June 2022 and 2021 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 30 June 2021 to the Registrar of Companies and will deliver the consolidated financial statements for the year ended 30 June 2022 in due course. The Company's auditor has reported on the consolidated financial statements for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

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

In the current year, the Group has adopted a number of amendments to HKFRSs issued by the HKICPA that are effective for the first time for the Group's financial year beginning 1 July 2021. None of these amendments had a material impact on the Group's financial statements.

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

(Expressed in millions of Hong Kong dollars)

2. Segment Information

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

(a) Segment revenue and results

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

For the year ended 30 June 2022

	The Company and its subsidiaries		Associates and joint ventures			
	Revenue	Results	Share of revenue	Share of results	Combined revenue	Consolidated results
Property sales						
Hong Kong	32,841	14,806	37	26	32,878	14,832
Mainland	471	195	2,054	820	2,525	1,015
	33,312	15,001	2,091	846	35,403	15,847
Property rental						
Hong Kong	14,826	11,029	2,725	2,178	17,551	13,207
Mainland	5,612	4,795	963	720	6,575	5,515
Singapore	-	-	684	528	684	528
	20,438	15,824	4,372	3,426	24,810	19,250
Hotel operations	2,651	(343)	420	(86)	3,071	(429)
Telecommunications	6,957	744	-	-	6,957	744
Transport infrastructure and logistics	3,825	1,054	3,311	161	7,136	1,215
Data centre operations	2,086	1,044	-	-	2,086	1,044
Other businesses	8,478	1,271	399	68	8,877	1,339
Segment total	77,747	34,595	10,593	4,415	88,340	39,010
Other net income		601		50		651
Unallocated administrative expenses		(1,834)		-		(1,834)
Operating profit		33,362		4,465		37,827
Change in fair value of investment properties						
Hong Kong		(3,472)		(982)		(4,454)
Mainland		853		203		1,056
Singapore		-		448		448
		(2,619)		(331)		(2,950)
Net finance costs		(1,747)		(262)		(2,009)
Profit before taxation		28,996		3,872		32,868
Taxation						
- Group		(5,655)		-		(5,655)
- Associates		-		4		4
- Joint ventures		-		(1,086)		(1,086)
Profit for the year		23,341		2,790		26,131

(Expressed in millions of Hong Kong dollars)

For the year ended 30 June 2021

	The Company and its subsidiaries		Associates and joint ventures			
	Revenue	Results	Share of revenue	Share of results	Combined revenue	Consolidated results
Property sales						
Hong Kong	34,681	14,522	199	49	34,880	14,571
Mainland	8,020	4,726	3,117	1,697	11,137	6,423
	42,701	19,248	3,316	1,746	46,017	20,994
Property rental						
Hong Kong	15,152	11,214	2,875	2,330	18,027	13,544
Mainland	5,258	4,436	864	663	6,122	5,099
Singapore	-	-	642	506	642	506
	20,410	15,650	4,381	3,499	24,791	19,149
Hotel operations	2,178	(441)	364	(70)	2,542	(511)
Telecommunications	6,720	674	-	-	6,720	674
Transport infrastructure and logistics	3,743	1,093	3,178	296	6,921	1,389
Data centre operations	1,874	962	-	-	1,874	962
Other businesses	7,636	1,465	629	54	8,265	1,519
Segment total	85,262	38,651	11,868	5,525	97,130	44,176
Other net income/(loss)		250		(22)		228
Unallocated administrative expenses		(1,656)		-		(1,656)
Operating profit		37,245		5,503		42,748
Change in fair value of investment properties						
Hong Kong		(4,160)		(599)		(4,759)
Mainland		2,609		595		3,204
Singapore		-		(483)		(483)
		(1,551)		(487)		(2,038)
Net finance costs		(1,990)		(309)		(2,299)
Profit before taxation		33,704		4,707		38,411
Taxation						
- Group		(9,230)		-		(9,230)
- Associates		-		9		9
- Joint ventures		-		(1,744)		(1,744)
Profit for the year		24,474		2,972		27,446

As of 30 June 2022, the aggregate amount of transaction price allocated to the remaining performance obligations under the Group's existing contracts of sales of properties was HK$21,898 million (2021: HK$26,382 million). This represents the aggregate amount of revenue expected to be recognized by the Group in the future, of which approximately 52% (2021: 71%) is expected to be recognized as revenue within one year when the control over the ownership or physical possession of the property is transferred to the customers.

(Expressed in millions of Hong Kong dollars)

Results from property sales include selling and marketing expenses of HK$418 million (2021: HK$619 million) and HK$173 million (2021: HK$62 million) that relate to pre-sale of property projects under construction in Hong Kong and Mainland, respectively.

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

Other net income includes mainly net gain on disposal of investment properties, net investment income from financial assets and gain on disposal of subsidiaries.

(b) Geographical information

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

	2022	2021
Hong Kong	**70,865**	71,201
Mainland	**6,378**	13,704
Others	**504**	357
	77,747	85,262

3. Net Finance Costs

	2022	2021
Interest and other finance costs on bank and other borrowings	**2,886**	3,117
Notional non-cash interest accretion	**58**	21
Finance costs on lease liabilities	**29**	41
Less : Amount capitalized	**(857)**	(702)
	2,116	2,477
Interest income on bank deposits	**(369)**	(487)
	1,747	1,990

(Expressed in millions of Hong Kong dollars)

4. Profit before Taxation

	2022	2021
Profit before taxation is arrived at		
after charging:		
Cost of properties sold	**16,049**	20,220
Cost of other inventories sold	**3,764**	3,764
Depreciation of property, plant and equipment	**2,926**	2,893
Amortization of		
Intangible assets (included in cost of sales)	**693**	588
Contract acquisition costs	**1,378**	1,702
Impairment loss on goodwill	**-**	3
Credit loss allowance on financial assets and contract assets	**180**	166
Lease expenses		
Short-term and low-value assets leases	**243**	463
Variable lease payments	**48**	156
Staff costs (including directors' emoluments and retirement schemes contributions)	**9,278**	8,264
Share-based payments	**28**	27
Auditors' remuneration	**25**	25
Loss on disposal of financial investments at fair value through profit or loss	**169**	-
Loss on disposal of property, plant and equipment	**15**	18
and crediting:		
Dividend income from investments	**139**	117
Interest income from investments	**88**	104
Profit on disposal of financial investments at fair value through profit or loss	**-**	105
Fair value gains on financial investments at fair value through profit or loss	**34**	230

(Expressed in millions of Hong Kong dollars)

5. Taxation

	2022	2021
Current tax expenses		
Hong Kong profits tax	**4,035**	4,383
(Over)/under provision in prior years	**(12)**	5
	4,023	4,388
Tax outside Hong Kong	**1,224**	3,521
Over provision in prior years	**(3)**	(1)
	1,221	3,520
Total current tax	**5,244**	7,908
Deferred tax expenses		
Change in fair value of investment properties	**(73)**	852
Other origination and reversal of temporary differences	**484**	470
Total deferred tax	**411**	1,322
Total income tax expenses	**5,655**	9,230

Hong Kong profits tax is provided at the rate of 16.5% (2021: 16.5%) based on the estimated assessable profits for the year. Tax outside Hong Kong, which includes Mainland land appreciation tax and withholding tax on income distributions, is calculated at the rates applicable in the relevant jurisdictions.

6. Earnings per Share

(a) Reported earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to the Company's shareholders of HK$25,560 million (2021: HK$26,686 million).

The basic earnings per share is based on the weighted average number of shares in issue during the year of 2,897,780,274 (2021: 2,897,780,274) shares.

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

(Expressed in millions of Hong Kong dollars)

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the underlying profit attributable to the Company's shareholders of HK$28,729 million (2021: HK$29,873 million), which excluded the net effect of change in the valuation of investment properties. A reconciliation of profit is as follows:

	2022	2021
Profit attributable to the Company's shareholders as shown in the consolidated income statement	**25,560**	26,686
Decrease/(increase) in fair value of investment properties		
Subsidiaries	**2,619**	1,551
Associates	**(58)**	(406)
Joint ventures	**389**	893
	2,950	2,038
Effect of corresponding deferred tax expenses		
Subsidiaries	**(73)**	852
Joint ventures	**27**	223
Non-controlling interests	**(2)**	(8)
Unrealized fair value losses of investment properties net of deferred tax	**2,902**	3,105
Fair value gains of investment properties net of deferred tax realized on disposal	**267**	82
Net effect of change in fair value of investment properties	**3,169**	3,187
Underlying profit attributable to the Company's shareholders	**28,729**	29,873

(Expressed in millions of Hong Kong dollars)

7. Dividends

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

	2022	2021
Interim dividend declared and paid of HK$1.25 (2021: HK$1.25) per share	**3,622**	3,622
Final dividend proposed after the end of the reporting period of HK$3.70 (2021: HK$3.70) per share	**10,722**	10,722
	14,344	14,344

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

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

	2022	2021
Final dividend in respect of the previous financial year, approved and paid during the year of HK$3.70 (2020: HK$3.70) per share	**10,722**	10,722

8. Investment Properties

(a) Movement during the year

	Completed	**Under development**	**Total**
Valuation			
At 1 July 2021	**333,091**	**62,788**	**395,879**
Additions	**1,128**	**8,340**	**9,468**
Transfer upon completion	**1,378**	**(1,378)**	**-**
Transfer from property, plant and equipment	**49**	**-**	**49**
Disposals	**(370)**	**-**	**(370)**
Transfer to property, plant and equipment	**(106)**	**-**	**(106)**
Transfer to property for sales	**-**	**(390)**	**(390)**
Exchange difference	**(1,967)**	**(1,215)**	**(3,182)**
(Decrease)/increase in fair value	**(3,647)**	**1,028**	**(2,619)**
At 30 June 2022	**329,556**	**69,173**	**398,729**

(Expressed in millions of Hong Kong dollars)

(b) The Group's investment properties were valued at their fair values at 30 June 2022 and 30 June 2021 by Knight Frank Petty Limited, an independent firm of professional qualified valuers, on a market value basis, in accordance with Valuation Standards on Properties issued by Hong Kong Institute of Surveyors.

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

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

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

	Fair value		**Weighted average capitalization rate**	
	2022	2021	**2022**	2021
Completed				
Hong Kong	**257,947**	259,233	**5.1%**	5.1%
Mainland	**71,609**	73,858	**6.6%**	6.6%
	329,556	333,091		

	Fair value (residual method)		**Capitalization rate**	
	2022	2021	**2022**	2021
Under development				
Hong Kong	**27,308**	26,132	**3.0%-5.5%**	3.0%-5.5%
Mainland	**41,865**	36,656	**5.0%-8.8%**	5.0%-8.8%
	69,173	62,788		

9. Trade and Other Receivables

Included in trade and other receivables of the Group are trade receivables of HK$8,744 million (2021: HK$2,770 million), of which 83% (2021: 65%) are aged less than 30 days, 8% (2021: 14%) between 31 to 60 days, 4% (2021: 5%) between 61 to 90 days and 5% (2021: 16%) more than 90 days.

10. Trade and Other Payables

Included in trade and other payables of the Group are trade payables of HK$3,237 million (2021: HK$2,708 million), of which 65% (2021: 64%) are aged less than 30 days, 7% (2021: 7%) between 31 to 60 days, 5% (2021: 3%) between 61 to 90 days and 23% (2021: 26%) more than 90 days.

FINANCIAL REVIEW

Review of Results for FY2021/22

Underlying profit attributable to the Company's shareholders for the year, which excluded the effect of fair value change on investment properties, was HK$28,729 million, a decrease of HK$1,144 million or 4% compared with HK$29,873 million for the previous year. The decrease was primarily due to the reduction of property development profit from the Mainland.

Including the net effect of revaluation loss on investment properties, the Company reported an attributable profit to shareholders of HK$25,560 million, representing a decrease of HK$1,126 million or 4% compared with HK$26,686 million for the previous year.

	2022	2021
	HK$ Million	*HK$ Million*
Underlying profit attributable to Company's shareholders	**28,729**	29,873
Adjustment for net revaluation movements on investment properties		
Net revaluation loss	**(2,902)**	(3,105)
Valuation gains realized on disposal	**(267)**	(82)
Net effect	**(3,169)**	(3,187)
Profit attributable to Company's shareholders	**25,560**	26,686

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

	Revenue		Operating profit/(loss)	
	2022	2021	**2022**	2021
	HK$ Million	*HK$ Million*	***HK$ Million***	*HK$ Million*
Property sales				
Hong Kong	**32,878**	34,880	**14,832**	14,571
Mainland	**2,525**	11,137	**1,015**	6,423
	35,403	46,017	**15,847**	20,994
Property rental				
Hong Kong	**17,551**	18,027	**13,207**	13,544
Mainland	**6,575**	6,122	**5,515**	5,099
Singapore	**684**	642	**528**	506
	24,810	24,791	**19,250**	19,149
Hotel operations	**3,071**	2,542	**(429)**	(511)
Telecommunications	**6,957**	6,720	**744**	674
Transport infrastructure and logistics	**7,136**	6,921	**1,215**	1,389
Data centre operations	**2,086**	1,874	**1,044**	962
Other businesses	**8,877**	8,265	**1,339**	1,519
Segment total	**88,340**	97,130	**39,010**	44,176

Revenue and operating profit of the Group's business segments (including share of joint ventures and associates) for the year decreased by 9% to HK$88,340 million and by 12% to HK$39,010 million, respectively.

Revenue from property sales (including share of joint ventures) in Hong Kong decreased by 6% to HK$32,878 million. Development profit was HK$14,832 million, marginally higher than the previous year due to higher sales of high-margin residential units and less sales and marketing expenses incurred, and was mainly driven by residential sales in Wetland Seasons Park Phases 2 and 3, Wetland Seasons Bay Phases 1 and 2, Regency Bay, Regency Bay II, St. Michel Phase 1, Cullinan West III and Grand YOHO Phase 2. Revenue from property sales in Mainland decreased by 77% to HK$2,525 million and development profit decreased by HK$5,408 million or 84% to HK$1,015 million, due to sales volume and handover of residential units significantly lower than the previous year, and was mainly derived from residential sales in Forest Hills, Chengdu ICC 2B and Oriental Bund Phases 3B, 4A and 4B. As at 30 June 2022, contracted property sales attributable to the Group (including share of joint ventures) not yet recognized amounted to HK$26.6 billion, comprising HK$20.5 billion in Hong Kong and HK$6.1 billion on the Mainland, of which approximately HK$14.6 billion is expected to be recognized in the next financial year FY2023.

Rental revenue and net rental income for the year, including share of joint ventures and associates, stayed flat at HK$24,810 million and HK$19,250 million, respectively. Rental revenue of the Mainland portfolio, partially interrupted by the COVID-19 outbreak in April and May, recorded a full year increase of 7%, offset by 3% decline of the Hong Kong portfolio. Net rental income of the Mainland portfolio rose 8% to HK$5,515 million, driven mainly by positive rental reversions from the retail portfolio. Net rental income of the Hong Kong portfolio dropped by 3% to HK$13,207 million, mainly attributable to lower retail and office rental income due to negative rental reversions.

Hotel revenue (including share of joint ventures) increased by 21% to HK$3,071 million and operating loss reduced by 16% to HK$429 million (after depreciation charge of HK$657 million). Hotel business in Hong Kong continued to be affected by stringent travel restrictions and quarantine measures. The Group achieved improved revenue for the year through implementing various revenue initiatives including long-stay offers, quarantine stay packages and loyalty programs. An average occupancy rate of 70% was achieved for the year.

SmarTone reported a revenue growth of 4% to HK$6,957 million and operating profit growth of 10% to HK$744 million, mainly driven by the improvement in revenue from local services.

Transport infrastructure and logistics revenue (including share of joint ventures and associates) increased by 3% to HK$7,136 million. Operating profit decreased by 13% to HK$1,215 million, largely due to the impact of government subsidies received in the previous year.

SUNeVision's revenue increased by 11% to HK$2,086 million and operating profit increased by 9% to HK$1,044 million, mainly driven by demand for data centre services from both existing and new customers.

The Group's other businesses (including share of joint ventures and associates), mainly comprising property management, department store operations and financial services performed steadily with revenue increased by 7% to HK$8,877 million. Due to the impact of government subsidies received in the previous year, operating profit for the year decreased by 12% to HK$1,339 million.

Investment Property Revaluation Gain/Loss

The Group's investment properties (including investment properties held by joint ventures and associates) were appraised by independent valuers as at 30 June 2022, giving rise to a revaluation loss of HK$2,950 million (2021: loss of HK$2,038 million). Valuation technique is applied consistently with no material change in the capitalization rates used in the fair value measurement. An attributable net revaluation loss (after related deferred tax and non-controlling interests) of HK$2,902 million (2021: loss of HK$3,105 million) was recognized in the consolidated income statement.

Financial Resources and Liquidity

(a) Capital management

The Group has always maintained a strong capital base and sufficient financial resources to support business development and growth. The Group regularly reviews and manages its capital structure to ensure that it remains financially sound, so that the Group can continue to provide returns to shareholders while keeping financial leverage at a prudent level.

Shareholders' equity was HK$601.9 billion or HK$207.7 per share as at 30 June 2022, an increase of HK$8.1 billion compared with HK$593.8 billion as at 30 June 2021. The increase was primarily driven by the net profit attributable to shareholders of HK$25.6 billion, partially offset by foreign exchange loss of HK$3.3 billion on translation of financial statements of the Mainland and overseas operations and net of dividends paid of HK$14.3 billion.

Gearing, interest cover and net finance costs

The Group's strong financial strength allows it to continue raising long-term financing at competitive rates, thus reducing the overall cost of capital. The Group's financial position remains sound with a low debt leverage and high interest cover. Gearing ratio as at 30 June 2022, calculated on the basis of net debt to shareholders' equity of the Company, was 17.4% compared with 16% as at 30 June 2021. Interest coverage ratio was 12.8 times (2021: 13.8 times), measured by the ratio of operating profit to total net interest expenses including those capitalized for the current year.

Net finance costs before interest capitalized decreased by 3% to HK$2,604 million (2021: HK$2,692 million), mainly benefited from lower average effective cost of borrowings which went down to 2.2% (2021: 2.5%) due to refinancing maturing debts during the year at lower interest rates. Net finance costs after interest capitalized was HK$1,747 million (2021: HK$1,990 million).

Debt maturity profile and composition

As at 30 June 2022, the Group's gross borrowings totalled HK$124,931 million. Net debt, after deducting bank deposits and cash of HK$20,323 million, amounted to HK$104,608 million, up by HK$9,566 million since 30 June 2021, mainly due to capital expenditures in both Mainland and Hong Kong.

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

	At 30 June 2022		At 30 June 2021	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Repayable:				
Within one year	**15,857**	**13%**	20,979	18%
After one year but within two years	**26,505**	**21%**	21,419	18%
After two years but within five years	**49,426**	**40%**	41,385	36%
After five years	**33,143**	**26%**	33,040	28%
Total bank and other borrowings	**124,931**	**100%**	116,823	100%
Bank deposits and cash	**20,323**		21,781	
Net debt	**104,608**		95,042	

Composition of debt is as follows:-

(i) By currency (after currency swap)

	At 30 June 2022		At 30 June 2021	
	HK$ Million	**% of Total**	*HK$ Million*	% of Total
Hong Kong dollar	**98,875**	**79%**	87,862	75%
Renminbi	**20,721**	**17%**	20,349	18%
US dollar	**3,770**	**3%**	6,966	6%
British pound	**1,565**	**1%**	1,646	1%
	124,931	**100%**	116,823	100%

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

	At 30 June 2022			At 30 June 2021		
	HK$ Million	**% of Total**	**Interest rate**	*HK$ Million*	% of Total	Interest rate
Fixed	**44,458**	**36%**	**2.8%**	51,369	44%	3.1%
Floating	**80,473**	**64%**	**1.9%**	65,454	56%	1.6%
	124,931	**100%**	**2.2%**	116,823	100%	2.3%

The Group has also procured substantial undrawn committed banking facilities, most of which are arranged on a medium to long term basis, to help minimize refinancing risk and strengthen the Group's financing flexibility. The Group regularly reviews its liquidity and financing requirements to ensure that available financial resources are sufficient to cover its financing needs.

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

(b) Treasury management

The Group adopts a prudent policy in cash and debt management. The entire Group's financing and treasury activities are centrally managed and controlled at the corporate level. As at 30 June 2022, about 75% of the Group's bank and other borrowings were raised through its wholly-owned finance subsidiaries and the remaining 25% through its operating subsidiaries.

The Group's foreign exchange exposure was small given both its large asset base and operational cash flow are primarily denominated in Hong Kong dollar, which is the Group's presentation currency. The Group may borrow in foreign currencies to finance its operations in Hong Kong, which exposes the Group to currency risk. When appropriate, the Group may enter into cross currency interest rate swaps to hedge the currency risks associated with these borrowings. As at 30 June 2022, about 79% of the Group's total borrowings were denominated in Hong Kong dollar (after cross currency interest rate swaps) and 3% in US dollar, which were raised for financing the Group's business operations in Hong Kong while the remaining 18% were mostly in Renminbi and for financing the construction cost of property projects in the Mainland. The Group is exposed to currency translation risk arising mainly from translating the financial statements of subsidiaries and joint ventures operating in the Mainland. Land acquisition costs for the Mainland projects are principally financed by capital injection funded by the Group's equity and internally generated funds. On-going business operations in the Mainland are financed through internal resources and borrowings in Renminbi as natural hedges to minimize the Group's exposure to exchange rate risk. The Group has not entered into foreign currency derivatives to hedge the translation risk exposure of its net investments in the Mainland. As at 30 June 2022, approximately 20% of the Group's net assets were denominated in Renminbi. Compared with 30 June 2021, Renminbi depreciated against Hong Kong dollar by 2.6%. The translation of these Renminbi assets into Hong Kong dollar at the exchange rate as of 30 June 2022 resulted in a translation loss of approximately HK$3.2 billion (2021: gain of HK$9.3 billion) recognized in the exchange reserve.

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

The Group maintained an appropriate combination of fixed and floating rate borrowings to mitigate interest rate risk. As at 30 June 2022, about 64% of the Group's total borrowings were on floating rate basis including those borrowings that were converted from fixed rate basis to floating rate basis through interest rate swaps, and 36% were on fixed rate basis.

As at 30 June 2022, the Group has entered into certain interest rate swaps, cross currency interest rate swaps and forward foreign exchange contracts in the aggregate notional amount of HK$18,557 million to manage its interest rate risk and currency risk exposures. The use of derivative instruments is strictly controlled and solely for managing the Group's underlying financial exposures for its core business operations. It is the Group's policy not to enter into derivative and structured product transactions for speculative purposes.

As at 30 June 2022, about 34% of the Group's bank deposits and cash were denominated in Hong Kong dollar, 62% in Renminbi, and the remaining 4% mostly in US dollar. The Renminbi deposits were mostly held by the Mainland subsidiaries for meeting the funding needs of their Mainland projects.

Charges of Assets

As at 30 June 2022, certain bank deposits of the Group's subsidiaries in the aggregate amount of HK$45 million were pledged for securing guarantees issued by the banks. Additionally, certain assets of the Group's subsidiaries with an aggregate carrying value of HK$1,142 million have been charged as security for bank borrowings. Except for the aforementioned charges, all the Group's assets are free from any encumbrances.

Contingent Liabilities

As at 30 June 2022, the Group had contingent liabilities in respect of guarantees for bank borrowings of certain joint ventures and other guarantees in the aggregate amount of HK$2,394 million (30 June 2021: HK$2,293 million).

EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES OF THE GROUP

As at 30 June 2022, the Group employed more than 40,500 employees. The related employees' costs before reimbursements for the year amounted to approximately HK$13,126 million. Compensation for the Group is made with reference to the market as well as individual performance and contributions. Extensive use of bonuses to link performance with reward is adopted. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to individual needs. Share option and share award schemes are in place to provide appropriate long-term incentive to the key staff of the Group. Details of the share option and share award schemes of the Group are set out in the section headed "Share Option and Share Award Schemes" of the annual report of the Company.

BASIS OF DETERMINING EMOLUMENT TO DIRECTORS

The same remuneration philosophy also applies to the Directors of the Company. Apart from benchmarking against the market, the Company looks at individual competence and contributions and the affordability of the Company in determining the exact level of remuneration for each Director. Appropriate benefits schemes are in place for the Executive Directors, including the share option scheme, which is the same as that offered to other employees of the Group.

DIVIDEND

The Board of Directors of the Company (the "Board") has decided to recommend the payment of a final dividend of HK$3.70 per share (2021: HK$3.70 per share) for the year ended 30 June 2022. Including the interim dividend of HK$1.25 per share paid on 17 March 2022, the total dividend for the year ended 30 June 2022 amounts to HK$4.95 per share (2021: HK$4.95 per share).

The proposed final dividend, if approved at the forthcoming annual general meeting of the Company (the "2022 Annual General Meeting"), will be payable in cash on Thursday, 17 November 2022 to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Wednesday, 9 November 2022. Shares of the Company will be traded ex-dividend as from Monday, 7 November 2022.

ANNUAL GENERAL MEETING

The 2022 Annual General Meeting will be held on Thursday, 3 November 2022 and the Notice of the 2022 Annual General Meeting will be published and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

(1) The record date for ascertaining Shareholders' entitlement to attend and vote at the 2022 Annual General Meeting will be Thursday, 3 November 2022. The register of members of the Company will be closed from Monday, 31 October 2022 to Thursday, 3 November 2022, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2022 Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates (together the "Share Transfer Documents") for registration not later than 4:30 p.m. on Friday, 28 October 2022.

(2) The record date for ascertaining Shareholders' entitlement to the proposed final dividend will be Wednesday, 9 November 2022, during which the register of members of the Company will be closed and no transfer of shares will be registered. In order to establish entitlements to the proposed final dividend, Shareholders must lodge the Share Transfer Documents for registration not later than 4:30 p.m. on Tuesday, 8 November 2022.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE

The annual results for the year ended 30 June 2022 have been reviewed by the Audit and Risk Management Committee of the Company. The Group's consolidated financial statements have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, and it has issued an unmodified opinion.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 30 June 2022, the Company has complied with the applicable code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except that there is no separation of the roles of chairman and chief executive as required under Code Provision C.2.1. However, the powers and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as top management. In addition, there are two Non-Executive Directors and eight Independent Non-Executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place.

ANNUAL REPORT

The 2021/22 annual report containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.shkp.com, and printed copies will be sent to the Shareholders before the end of October 2022.

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

Hong Kong, 8 September 2022

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