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## WANG ON PROPERTIES LIMITED

宏安地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1243)

### ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

<b>INTERIM FINANCIAL HIGHLIGHTS</b>			
	<b>Six months ended</b>		
	<b>30 September</b>		
	<b>2022</b>	<b>2021</b>	<b>Change</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>HK\$ million</b>	<b>HK\$ million</b>	
		<b>(Restated)</b>	
Revenue	<b>1,261</b>	10	+12,510.0%
Gross profit/(loss)	<b>189</b>	(3)	+6,400.0%
Profit attributable to owners of the parent	<b>68</b>	149	-54.4%
Earnings per share ( <i>HK cent</i> )			
Basic and diluted	<b>0.44</b>	0.98	-55.1%
	<b>As at</b>	<b>As at</b>	
	<b>30 September</b>	<b>31 March</b>	
	<b>2022</b>	<b>2022</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	
	<b>HK\$ million</b>	<b>HK\$ million</b>	
Total net asset value	<b>5,102</b>	5,184	-2%
Net asset value per share ( <i>HK\$</i> )	<b>0.336</b>	0.341	-2%

## INTERIM RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Wang On Properties Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) is pleased to announce the unaudited interim condensed consolidated results of the Group for the six months ended 30 September 2022, together with the comparative figures which have been restated to reflect the changes of segment composition for the corresponding period of last year, as follows. This interim condensed consolidated financial information was not audited, but has been reviewed by the audit committee of the Company (the “**Audit Committee**”).

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Six months ended 30 September 2022*

		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2022</b>	2021
		<b>(Unaudited)</b>	(Unaudited)
		<b>HK\$'000</b>	<b>HK\$'000</b>
			(Restated)
<b>REVENUE</b>	4	<b>1,260,786</b>	10,346
Cost of sales		<u><b>(1,071,969)</b></u>	<u>(13,118)</u>
Gross profit/(loss)		<b>188,817</b>	(2,772)
Other income and gains, net	4	<b>47,882</b>	57,410
Selling and distribution expenses		<b>(85,788)</b>	(20,779)
Administrative expenses		<b>(54,864)</b>	(50,632)
Impairment losses on financial assets		<b>(11,705)</b>	(896)
Other expenses	6	<b>(20,974)</b>	(25,943)
Finance costs	5	<b>(50,159)</b>	(36,558)
Write-down of properties under development		<b>(5,620)</b>	—
Write-down of properties held for sale		<b>(32,514)</b>	—
Fair value gains/(losses) on investment properties, net		<b>(320)</b>	23,966
Fair value losses on financial assets and liabilities at fair value through profit or loss, net		<b>(870)</b>	(10,711)
Share of profits and losses of joint ventures		<u><b>108,048</b></u>	<u>212,280</u>
<b>PROFIT BEFORE TAX</b>	6	<b>81,933</b>	145,365
Income tax credit/(expense)	7	<u><b>(14,371)</b></u>	<u>3,271</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>67,562</b></u>	<u>148,636</u>

	<b>Six months ended</b>	
	<b>30 September</b>	
<i>Note</i>	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
<b>OTHER COMPREHENSIVE LOSS</b>		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	(67,496)	(41,602)
Reclassification adjustments for losses included in profit or loss:		
— losses on disposal/redemption, net	20,974	13,077
— impairment losses, net	11,316	704
	<u>(35,206)</u>	<u>(27,821)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(35,206)	(27,821)
	<u>(35,206)</u>	<u>(27,821)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>		
	<u>(35,206)</u>	<u>(27,821)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		
	<u><u>32,356</u></u>	<u><u>120,815</u></u>
Profit/(loss) attributable to:		
Owners of the parent	67,627	148,615
Non-controlling interests	(65)	21
	<u>67,562</u>	<u>148,636</u>
Total comprehensive income/(loss) attributable to:		
Owners of the parent	32,421	120,794
Non-controlling interests	(65)	21
	<u>32,356</u>	<u>120,815</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
Basic and diluted	8 <u><u>HK0.44 cent</u></u>	<u><u>HK0.98 cent</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2022

	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	105,170	101,842
Investment properties	134,800	135,100
Club membership	16,800	—
Properties under development	1,827,570	1,752,244
Interests in joint ventures	2,986,454	2,684,573
Loan and interest receivables	5,727	11,177
Deposits and other receivables	145,400	141,501
Debt investments at fair value through other comprehensive income	75,153	56,318
Financial assets at fair value through profit or loss	45,296	48,794
Deferred tax assets	278	8,788
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Total non-current assets	5,342,648	4,940,337
<b>CURRENT ASSETS</b>		
Properties under development	2,086,243	3,186,335
Properties held for sale	868,835	605,436
Trade receivables	1,618	10,086
Loan and interest receivables	16,030	15,320
Prepayments, other receivables and other assets	286,995	364,361
Cost of obtaining contracts	161	10,073
Tax recoverable	3,533	3,613
Debt investments at fair value through other comprehensive income	—	89,426
Financial assets at fair value through profit or loss	1,971	55,385
Cash and cash equivalents	949,382	831,460
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	4,214,768	5,171,495
Assets of a disposal company	560,236	493,814
	<hr/>	<hr/>
Total current assets	4,775,004	5,665,309

		<b>30 September 2022</b>	31 March 2022
	<i>Note</i>	<b>(Unaudited) HK\$'000</b>	(Audited) HK\$'000
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>11</i>	<b>73,760</b>	20,181
Other payables and accruals		<b>175,386</b>	95,200
Contract liabilities		<b>80,947</b>	507,743
Interest-bearing bank and other borrowings		<b>1,139,695</b>	1,929,380
Tax payable		<b>7,308</b>	1,527
		<b>1,477,096</b>	2,554,031
Liabilities of a disposal company		<b>245,835</b>	221,673
		<b>1,722,931</b>	2,775,704
		<b>3,052,073</b>	2,889,605
<b>NET CURRENT ASSETS</b>			
		<b>8,394,721</b>	7,829,942
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>11,714</b>	9,510
Other payables		<b>3,280,293</b>	2,636,074
Interest-bearing bank and other borrowings		<b>482</b>	482
Deferred tax liabilities		<b>3,292,489</b>	2,646,066
		<b>5,102,232</b>	5,183,876
Total non-current liabilities		<b>5,102,232</b>	5,183,876
Net assets		<b>5,102,232</b>	5,183,876
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital		<b>15,200</b>	15,200
Reserves		<b>5,075,985</b>	5,157,564
		<b>5,091,185</b>	5,172,764
		<b>11,047</b>	11,112
Non-controlling interests		<b>11,047</b>	11,112
		<b>5,102,232</b>	5,183,876
Total equity		<b>5,102,232</b>	5,183,876

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 September 2022 has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2022.

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those adopted in the Group’s audited financial statements for the year ended 31 March 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as disclosed in note 2 below.

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investment properties, debt investments at fair value through other comprehensive income and financial assets and liabilities at fair value through profit or loss, which have been measured at fair value. This unaudited interim condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial information:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 April 2022. As there were no business combination occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 April 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 April 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 April 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- *HKFRS 9 Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 April 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
- *HKFRS 16 Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the property development segment engages in the development of properties;
- (b) the property investment segment engages in investment in commercial and industrial premises for rental or for sale; and
- (c) asset management segment earns fee income for managing assets on behalf of the Group's capital partners via investment vehicles.

The provision of asset management services has been one of the businesses of the Group for years. During the year ended 31 March 2022, the board of directors of the Company has resolved that additional resources would continuously be deployed to the provision of asset management services and accordingly, the provision of asset management services is redesignated by the board of directors as one of the principal businesses of the Group. The results of the provision of asset management services are also separately reviewed and evaluated for management reporting purposes. Accordingly, asset management fee of HK\$4,382,000 that were previously classified as other income has been reclassified to revenue for the six months ended 30 September 2021 and the cost of services provided of HK\$12,992,000 that were previously classified as administrative expenses has been reclassified to cost of sales for the six months ended 30 September 2021 and the presentation of segment information for the six months ended 30 September 2021 has been restated to reflect this change of segment composition.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, dividend income, loss on disposal of financial assets, fair value losses on financial assets and liabilities at fair value through profit or loss, impairment losses on financial assets, finance costs and head office and corporate expenses are excluded from such measurement.



The Group's revenue from external customers was derived solely from its operations in Hong Kong during the six months ended 30 September 2022 and 2021, and the non-current assets of the Group were located in Hong Kong as at 30 September and 31 March 2022.

### Six months ended 30 September

	Property development		Property investment		Asset management		Total	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000 (Restated)	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000 (Restated)	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000 (Restated)	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000 (Restated)
<b>Segment revenue:</b>								
Sales to external customers	1,250,044	—	1,635	5,964	9,107	4,382	1,260,786	10,346
Other income	17,487	14,760	15,762	16,063	—	—	33,249	30,823
<b>Total</b>	<b>1,267,531</b>	<b>14,760</b>	<b>17,397</b>	<b>22,027</b>	<b>9,107</b>	<b>4,382</b>	<b>1,294,035</b>	<b>41,169</b>
<b>Segment results</b>	<b>113,338</b>	<b>134,281</b>	<b>81,515</b>	<b>109,311</b>	<b>(7,194)</b>	<b>(15,033)</b>	<b>187,659</b>	<b>228,559</b>
<i>Reconciliation</i>								
Interest income from bank deposits							502	184
Interest income from loan receivables							170	1,431
Interest income from debt investments at fair value through other comprehensive income							11,378	18,929
Interest income from financial assets at fair value through profit or loss							2,583	1,717
Dividend income from financial assets at fair value through profit or loss							—	4,326
Loss on disposal of debt investments at fair value through other comprehensive income							(20,974)	(25,943)
Fair value losses on financial assets and liabilities at fair value through profit or loss, net							(870)	(10,711)
Impairment losses on financial assets, net							(11,705)	(896)
Finance costs							(50,159)	(36,558)
Corporate and unallocated expenses							(36,651)	(35,673)
Profit before tax							81,933	145,365
Income tax credit/(expense)							(14,371)	3,271
<b>Profit for the period</b>							<b>67,562</b>	<b>148,636</b>

#### 4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000 (Restated)
<b>Revenue</b>		
<i>Revenue from contracts with customers</i>		
Sale of properties	1,250,044	—
Asset management fee	9,107	4,382
<i>Revenue from other source</i>		
Rental income	1,635	5,964
	<u>1,260,786</u>	<u>10,346</u>

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

#### For the period ended 30 September 2022

Segment	Property development HK\$'000	Asset management HK\$'000	Total HK\$'000
<b>Types of goods or services</b>			
Sale of properties	1,250,044	—	1,250,044
Asset management services	—	9,107	9,107
	<u>1,250,044</u>	<u>9,107</u>	<u>1,259,151</u>
<b>Timing of revenue recognition</b>			
Goods or services transferred at a point in time	1,250,044	2,160	1,252,204
Services transferred over time	—	6,947	6,947
	<u>1,250,044</u>	<u>9,107</u>	<u>1,259,151</u>

**For the period ended 30 September 2021**

<b>Segment</b>	<b>Property development HK\$'000</b>	<b>Asset management HK\$'000 (Restated)</b>	<b>Total HK\$'000</b>
<b>Types of goods or services</b>			
Asset management services	—	4,382	4,382
	<u>—</u>	<u>4,382</u>	<u>4,382</u>
<b>Timing of revenue recognition</b>			
Services transferred over time	—	4,382	4,382
	<u>—</u>	<u>4,382</u>	<u>4,382</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	<b>Six months ended 30 September</b>	
	<b>2022 (Unaudited) HK\$'000</b>	<b>2021 (Unaudited) HK\$'000</b>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	<u>494,656</u>	<u>—</u>

**(ii) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Sale of properties*

The performance obligation is satisfied when the physical possession or the legal title of the completed property is obtained by the purchaser.

*Asset management services*

For base management fees, asset management fees, project management fees and development management fees, the performance obligation is satisfied over time as services are rendered. For acquisition fees, lease fees and promote fees, the performance obligation is satisfied at a point in time upon the successful acquisition of properties, carrying out leasing services and reaching the performance target, as the customers only receive and consume the benefits provided by the Group upon successful acquisition, provision of leasing services and reaching or exceeding certain internal rate of return target, respectively.

The contracted sales amounts allocated to the remaining performance obligations as at the end of the reporting period:

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Within one year	<b>619,128</b>	13,082
After one year	<b>174,740</b>	—
	<u><b>793,868</b></u>	<u>13,082</u>

An analysis of the Group's other income and gains, net is as follows:

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Restated)</b>
<b>Other income and gains, net</b>		
Interest income from bank deposits	<b>502</b>	184
Interest income from loan receivables	<b>170</b>	1,431
Interest income from debt investments at fair value through other comprehensive income	<b>11,378</b>	18,929
Interest income from financial assets at fair value through profit or loss	<b>2,583</b>	1,717
Dividend income from financial assets	<b>—</b>	4,326
Forfeiture of deposits from customers	<b>1,709</b>	—
Gains on disposal of subsidiaries	<b>14,551</b>	16,038
Management fee income	<b>3,871</b>	1,433
Others	<b>13,118</b>	13,352
	<u><b>47,882</b></u>	<u>57,410</u>

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on bank and other borrowings	<b>76,448</b>	62,996
Interest portion of lease liabilities	<b>197</b>	96
	<u><b>76,645</b></u>	<u>63,092</u>
Less: interest capitalised	<b>(26,486)</b>	(26,534)
	<u><b>50,159</b></u>	<u>36,558</u>

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	<b>Six months ended 30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
Cost of properties sold**	<b>1,060,802</b>	—
Cost of services provided**	<b>11,090</b>	12,992
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties**	<b>77</b>	126
Depreciation of owned assets	<b>674</b>	4,485
Depreciation of right-of-assets	<b>6,873</b>	3,980
Losses on disposal of debt investments at fair value through other comprehensive income*	<b>20,974</b>	25,943
	<b><u>20,974</u></b>	<b><u>25,943</u></b>

\* These expenses are included in "Other expenses" in the condensed consolidated statement of profit or loss and other comprehensive income.

\*\* These expenses are included in "Cost of sales" in the condensed consolidated statement of profit or loss and other comprehensive income.

*Note:*

Wage subsidies of HK\$1,542,000 granted from the Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees from May to July 2022 were received during the six months ended 30 September 2022 (six months ended 30 September 2021: Nil). These subsidies were recognised in "Administrative expenses" and offset with the employee benefit expenses.

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

	<b>Six months ended 30 September</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current – Hong Kong		
Charge for the period	<b>5,822</b>	140
Underprovision/(overprovision) in prior periods	<b>39</b>	(33)
Deferred	<b>8,510</b>	(3,378)
	<b><u>14,371</u></b>	<b><u>(3,271)</u></b>
Total tax charge/(credit) for the period	<b><u>14,371</u></b>	<b><u>(3,271)</u></b>

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share for the six months ended 30 September 2022 is based on the profit for the period attributable to owners of the parent of HK\$67,627,000 (six months ended 30 September 2021: HK\$148,615,000) and the weighted average number of ordinary shares of 15,200,000,000 (six months ended 30 September 2021: 15,200,000,000).

No adjustment has been made to the basic earnings per share presented for the six months ended 30 September 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during these periods.

## 9. DIVIDENDS

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Final dividend paid — HK0.75 cent (2021: HK0.74 cent) per ordinary share	<u>114,000</u>	<u>112,480</u>

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

## 10. TRADE RECEIVABLES

	30 September	31 March
	2022	2022
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Trade receivables due from joint ventures	1,618	10,086
Impairment	<u>—</u>	<u>—</u>
	<u>1,618</u>	<u>10,086</u>

The Group's trading terms with its customers are mainly on credit. The credit periods range from 10 to 90 days. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	<b>30 September 2022 (Unaudited) HK\$'000</b>	31 March 2022 (Audited) HK\$'000
Within 1 month	<b>1,618</b>	9,584
1 to 3 months	<u>—</u>	<u>502</u>
	<b><u>1,618</u></b>	<b><u>10,086</u></b>

## 11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 September 2022 (Unaudited) HK\$'000</b>	31 March 2022 (Audited) HK\$'000
Within 30 days	<b><u>73,760</u></b>	<b><u>20,181</u></b>

The trade payables are non-interest-bearing and have an average term of 30 days. The carrying amounts of the trade payables approximate to their fair values.

## 12. COMPARATIVE AMOUNTS

As further explained in note 3 to the interim condensed consolidated financial information, due to the changes in the designation of principal businesses and segment composition, certain comparative amounts have been reclassified to conform with the current period's presentation and disclosures.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL RESULTS**

The Group's revenue and profit attributable to owners of the parent for the six months ended 30 September 2022 amounted to approximately HK\$1,260.8 million (six months ended 30 September 2021: approximately HK\$10.3 million (as restated)) and approximately HK\$67.6 million (six months ended 30 September 2021: approximately HK\$148.6 million), respectively. The profit for the six months ended 30 September 2022 was mainly attributable to the completion of developed property projects and share of profits recognized from joint ventures.

### **BUSINESS REVIEW**

#### **Property Development**

A16.32(6)

Revenue recognized in this business segment during the reporting period amounted to approximately HK\$1.3 billion (six months ended 30 September 2021: Nil) which was mainly attributable to the delivery of "The Met. Azure" project.

"The Met. Azure" project located at the junction of Liu To Road and Hang Mei Street, Tsing Yi (Tsing Yi Town Lot No. 192) and was launched to market in August 2021. As at the date of this announcement, 313 out of 320 units released have been sold. The total sales proceeds amounted to approximately HK\$1.6 billion.

The Group has launched the pre-sales of "Larchwood" in August 2022. The "Larchwood" project is located in the core area of Kowloon and is supported by well-developed community facilities. This project is the Group's first urban redevelopment commercial and residential project in a long time. The project leverages on the competitive advantages of our previous projects and also incorporates more humanized designs to achieve harmony with the old and new cultures in the community. As at the date of this announcement, 37 out of 98 units released have been sold. The total sales proceeds amounted to approximately HK\$178.7 million.

"maya", which is located on No. 8 Shung Shan Street and No. 15 Sze Shan Street in Yau Tong was developed by the Group together with CIFI Holdings (Group) Co. Ltd ("CIFI"). As at the date of this announcement, all of the 326 units have been sold, the aggregate sales proceeds amounted to approximately HK\$4.3 billion. The Group owns 50% equity interest in this development project and is responsible for project management.



The Group's Whitehead project (No. 11 Yiu Sha Road, Ma On Shan), "Altissimo", is co-developed with Country Garden Holdings Company Limited and China State Construction International Holdings Limited, and has been delivered to buyers in the fourth quarter of 2020. As at the date of this announcement, 530 of the 547 units released have been sold and the aggregate sales proceeds amounted to approximately HK\$6.3 billion. The Group owns 40% equity interest in this development project.

In November 2021, the Group has entered into a subscription and shareholders' agreement (the "**Transaction**") with the depositary of APG Strategic Real Estate Pool ("**APG**"). After the subscription of share from the Group, a new joint venture company (the "**APG JV**") was formed to engage in acquisition of residential properties in Hong Kong for development and redevelopment for sales. The Group has subscribed for a 50% equity interest in the APG JV with a maximum total capital commitment of HK\$2,334 million. The APG JV is accounted for as a 50% jointly-owned entity of the Group and it is accounted for under the equity method of accounting in the Group's consolidated financial statements. The Group considers the co-operation with APG presents a good opportunity to leverage on the Group's knowledge and expertise in property acquisition and project management and to partner with an experienced investor to expand the business. Please refer to the announcement of the Company dated 8 November 2021 and the circular of the Company dated 8 December 2021 for details. The Transaction was approved by the shareholders of the Company and completed in December 2021.

In August 2022, Star Moral Limited ("**Star Moral**"), a then wholly-owned subsidiary of the Company (which was subsequently sold to the APG JV) has successfully completed the acquisition of the site located at Nos. 128–130 Main Street, Ap Lei Chau. The site area and gross floor area are approximately 3,600 square feet and 36,800 square feet, respectively. This project will be redeveloped as part of "The Met." series.

In September 2022, Sky Admiral Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Sky Plaza Limited, a wholly-owned subsidiary of the APG JV to sell the entire issued share capital and shareholder's loan of Star Moral at an initial consideration of approximately HK\$554.8 million. Please refer to the announcement of the Company dated 1 September 2022 and the circular of the Company dated 23 September 2022 for details. This transaction was completed on 14 October 2022. This site is adjacent to another project (located at Nos. 120–126 Main Street, Ap Lei Chau, Hong Kong) which in turn was disposed of by the Group to the APG JV in December 2021. The APG JV will redevelop these two sites together as residential and commercial mixed use property for sale. As at the date of this announcement, the demolition work is undergoing at the site.

As at the date of this announcement, six of our previously wholly-owned projects, namely Nos. 120–126 Main Street, Ap Lei Chau, Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau, Nos. 26–48 Ming Fung Street, Wong Tai Sin, Nos. 31–41 and 45 Fei Fung Street, Wong Tai Sin, Nos. 12–16, 18–20, 22 and 24 Ting Yip Street, Ngau Tau Kok, and Nos. 128–130 Main Street, Ap Lei Chau, were sold to the APG JV.

In late September 2022, the APG JV has acquired the sites located at Nos. 101 and 111 King’s Road, Fortress Hill from the joint venture group of the Group and CIFI (the “**CIFI JV**”) for approximately HK\$1.3 billion. The CIFI JV was formed in October 2020, in which CIFI and the Group own 60% and 40% equity interest, respectively. The total site area is approximately 12,400 square feet. Situated between North Point commercial area and Victoria Park in Causeway Bay, the sites of King’s Road are positioned at a convenient location within only a few minutes’ walk to Fortress Hill MTR Station. The sites are planned to be redeveloped into a residential project with commercial space. As at the date of this announcement, foundation work is undergoing at the site.

In July 2022, the Group has launched the sales of “LADDER Dundas”, the own-developed Ginza-style commercial property. Situated on Nos. 575–575A Nathan Road within Kowloon’s Yau Tsim Mong district, LADDER Dundas is a 19 storey building in the heart of visitor flow and consuming power. In one-month’s time, 15 out of 19 floors were sold and the sales proceeds amounted to approximately HK\$463.3 million.

On 18 February 2022, City Arise Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to sell the entire issued share capital and the shareholder’s loan owed by True Promise Limited (“**True Promise**”) to the APG JV. True Promise owned the residential and commercial units located at Nos. 12–16, 18–20, 22 and 24 Ting Yip Street, Ngau Tau Kok, Kowloon, Hong Kong. The transaction was completed in May 2022. Please refer to the announcement of the Company dated 18 February 2022 and the circular of the Company dated 20 April 2022 for details.

In April 2018, Rich United Limited, an indirect non-wholly owned subsidiary of the Company, has completed the acquisition of all the 16 properties located at Nos. 86A–86D Pokfulam Road, Hong Kong. The site is located at a traditional luxury residential area with easy access to Central. It will be redeveloped into luxurious properties and is undergoing the superstructure works as at the date of this announcement. The Group owns 70% equity interest in this property development project.

As at the date of this announcement, the Group's development land portfolio is as follows:

<b>Location</b>	<b>Approximate site area (square feet)</b>	<b>Approximate gross floor area (square feet)</b>	<b>Intended usage</b>	<b>Anticipated year of completion</b>	<b>Interest attributable to the Group</b>
Nos. 86A-86D Pokfulam Road	28,500	28,500	Residential	2023	70%
Nos. 120-130 Main Street, Ap Lei Chau	7,200	74,200	Residential and Commercial	2025	50%
Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau	4,100	39,200	Residential and Commercial	2025	50%
Nos. 50-62 Larch Street and Nos. 6-8 Lime Street, Tai Kok Tsui	6,800	61,500	Residential and Commercial	2024	100%
Nos. 26-48 Ming Fung Street, Wong Tai Sin	9,600	81,300	Residential and Commercial	2025	50%
Nos. 31-41 and 45 Fei Fung Street, Wong Tai Sin	10,400	93,700	Residential and Commercial	2025	50%
Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok	5,200	46,300	Residential and Commercial	2025	50%
Nos. 101 and 111, King's Road, Fortress Hill	12,400	131,600	Residential and Commercial	2026	50%

The Group is currently working on several urban redevelopment projects with over 80% ownerships secured. Applications to the court are being made in respect of all these projects for compulsory sale orders under the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong). In the event that no court order is granted, the Group may not be able to complete the consolidation of the ownership for redevelopment. Redevelopment can only be implemented upon acquisition of the full ownership of the relevant projects. The total attributable gross floor area upon redevelopment is approximately 334,000 square feet. All the development projects are financed by both external banking facilities and internal resources.

The Group is always exploring different channels to increase its land banks. Apart from its participation in public tenders, the Group has also actively worked on acquisitions of ownerships in old buildings with a view to providing stable land resource for future development.

### **Property Investment**

As at 30 September 2022, the Group's portfolio of investment properties comprised of commercial and industrial units located in Hong Kong with a total carrying value of approximately HK\$134.8 million (31 March 2022: approximately HK\$135.1 million).

During the reporting period, the Group received gross rental income from wholly-owned investment properties of approximately HK\$1.6 million (six months ended 30 September 2021: approximately HK\$6.0 million), representing a decrease of approximately HK\$4.4 million. The decrease in gross rental income was primarily attributable to the disposal of two investment properties in September and October 2021, respectively.

In September 2021, the Group partnered with an independent third party, Jumbo Holding (BVI) L.P. ("**Jumbo Holding**") to form a joint venture (the "**Jumbo JV**"), in which the Group owns 50% equity interest upon completion of share subscription by Jumbo Holding, to acquire eight stories of carpark podium of Jumbo Court, No. 3 Welfare Road, Aberdeen, Hong Kong (the "**Jumbo Property**") for a consideration of HK\$410.3 million. The Jumbo Property provides a total of 509 car parking spaces and it is located next to various major residential buildings and private club and is about a few minutes of walking distance from the Wong Chuk Hang MTR Station. Given its proximity to major residential developments and the MTR comprehensive development above the Wong Chuk Hang MTR Station which is scheduled to provide approximately 3.9 million square feet of residential gross floor area in 5,200 units and 510,000 square feet of retail space, it is expected that the Jumbo Property could meet the huge demand for parking spaces once the comprehensive development is completed in phases. The Jumbo JV will renovate the Jumbo Property to optimize the rental return and enhance the capital appreciation.

The Group has also partnered with Kohlberg Kravis Roberts & Co. L.P. ("**KKR**") to own two commercial accommodations, known as "Lake Silver" located at No. 599 Sai Sha Road, Ma On Shan, Sha Tin, New Territories, Hong Kong and "The Parkside" located at No. 18 Tong Chun Street, Tseung Kwan O, New Territories, Hong Kong. The Group has 50% equity interest in each project. The Group has refurbished the property, improved the tenant mix and enhanced the rental yield. As at the date of this announcement, Lake Silver is fully let and The Parkside has an occupancy rate of over 97%.

Apart from the international investment organizations, the Group has formed a joint venture (the “**Parkville JV**”) with three independent third parties in which the Group owns 64% of its equity interest. The other three partners are independent third parties to the Group and all their ultimate beneficial owners are experienced investors, namely Mr. Chiu Lon Ronald, Mr. Bryan Taft Southergill and Mr. Choi, Raymond Yat-Hong. The Parkville JV owns the entire interests in the ground floor and first floor of THE PARKVILLE, No. 88 Tuen Mun Heung Sze Wui Road, Tuen Mun, New Territories (the “**Parkville Property**”). The Parkville Property has a total gross floor area of 13,858 square feet and is situated at Tuen Mun Heung Sze Hui Road intersecting Luk Yuen Road. As at the date of this announcement, the Parkville Property is fully let.

Reference is also made to the prospectus of the Company dated 30 March 2016, in which it was stated that as at 21 March 2016, the parent company of the Company (i.e. Wang On Group Limited) and its subsidiaries (excluding the Group) owned a total of 48 residential investment properties (“**Excluded Properties**”) which were not injected into the Group as part of the spin-off listing of the Company in April 2016. The Company has been informed by Wang On Group Limited that 40 out of these 48 Excluded Properties had been sold as of the date of this announcement.

### **Asset Management**

The Group has entered into joint ventures with different strategic partners in both residential developments and commercial investments. By leveraging on its resources and networks in Hong Kong market, the Group also manages the assets on behalf of the capital partners of some of these joint ventures.

As the asset manager of the invested assets, the Group earns fee incomes, including, asset management fees, acquisition fees, development fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rate of return and after the Group’s joint venture partners having received their targeted capital returns.

Other than managing two commercial accommodation investments, namely “Lake Silver” and “The Parkside”, in which the Group co-invested with KKR in 2019, the Group has been engaged as the asset manager in the Parkville JV and the Jumbo JV. The details of the managed assets can be referred to the above section “Property Investment” in this announcement.

The Group has also partnered with APG in December 2021 for acquisition of residential properties in Hong Kong for development and redevelopment for sales. As the asset manager, the Group involves in the site evaluation, acquisition, construction management and sales.

During the reporting period, the Group recorded fee incomes amounting to approximately HK\$9.1 million (six months ended 30 September 2021: approximately HK\$4.3 million). The increase was mainly due to the addition of new managed assets.

By utilizing the Group's expertise in asset management, it would seek to secure its asset management income and explore strategic expansion opportunities for additional recurring income.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2022, the Group's total assets less current liabilities were approximately HK\$8,394.7 million (31 March 2022: approximately HK\$7,829.9 million) and the current ratio was approximately 2.8 times (31 March 2022: approximately 2.0 times). As at 30 September 2022, the Group had cash and cash equivalents of approximately HK\$949.4 million (31 March 2022: approximately HK\$831.5 million).

A16.32(1)

Aggregate bank borrowings as at 30 September 2022 amounted to approximately HK\$4,213.8 million (31 March 2022: approximately HK\$4,359.2 million). The gearing ratio was approximately 64.1% (31 March 2022: approximately 68.2%), calculated by reference to the Group's total bank borrowings net of cash and cash equivalents and the equity attributable to owners of the parent. As at 30 September 2022, the Group's property, plant and equipment, investment properties, properties under development and properties held for sales, with carrying value of approximately HK\$79.7 million, HK\$134.8 million, HK\$3,847.7 million and HK\$547.5 million (31 March 2022: approximately HK\$81.4 million, HK\$82.5 million, HK\$4,829.7 million and HK\$580.0 million, respectively) were pledged to secure the Group's general banking facilities, respectively.

A16.32(10)

A16.32(8)

The Group's capital commitment as at 30 September 2022 amounted to approximately HK\$740.1 million (31 March 2022: approximately HK\$2,072.9 million). In addition, as at 30 September 2022, the Group's share of joint ventures' own capital commitments amounted to approximately HK\$34.9 million (31 March 2022: approximately HK\$43.3 million). The Group has given guarantee to banks in connection with facilities granted to two joint ventures up to approximately HK\$450.8 million (31 March 2022: approximately HK\$450.8 million) and were utilized to the extent of approximately HK\$307.8 million as at 30 September 2022 (31 March 2022: approximately HK\$360.9 million). Save as disclosed herein, the Group had no significant contingent liabilities as at the end of the reporting period.

A16.32(12)

The Group strengthens and improves its risk control on a continual basis and adopted a prudent approach in its financial management. Financial resources are under close monitoring to ensure the Group's smooth operation, as well as flexibility to respond to market opportunities and uncertainties. Management of the Group is of the opinion that the Group's existing financial structure and resources are healthy and sufficient for the Group's needs in the foreseeable future.

## DEBT PROFILE AND FINANCIAL PLANNING

As at 30 September 2022, interest-bearing debt profile of the Group was analyzed as follows:

A16.32(2)

	<b>30 September 2022 HK\$'000</b>	31 March 2022 HK\$'000
Bank loans repayable:		
Within one year or on demand	<b>1,139,695</b>	1,929,380
In the second year	<b>1,792,281</b>	1,278,176
In the third to fifth years, inclusive	<b>1,281,782</b>	1,151,668
	<b>4,213,758</b>	4,359,224
Other loans repayable:		
In the second year	<b>206,230</b>	206,230
	<b>4,419,988</b>	4,565,454

The effective interest rate of bank loans was approximately 4.4% per annum (31 March 2022: approximately 2.1%) and other loans carried a fixed interest at 6.0% (31 March 2022: 6.0%) per annum.

A16.32(2)(c)

## TREASURY POLICY

The Group's treasury policy includes diversifying the funding sources. Internally generated cash flow and interest-bearing bank borrowings during the six months ended 30 September 2022 are the general source of funds to finance the operation of the Group. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

A16.32(2)(a)

## FOREIGN EXCHANGE

A16.32(11)

Management of the Group is of the opinion that the Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore has not engaged in any hedging activities during the reporting period.

A16.32(2)  
(b)

A16.32(2)  
(d)

## SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES ETC AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

A16.32(4),  
(5)

Save as disclosed above, during the reporting period, the Group did not have any other significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures and future plans for material investments or capital assets.

A16.32(9)

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group had 137 (31 March 2022: 136) employees in Hong Kong. The Group remunerates its employees mainly based on industry practices and individual performance and experience. In addition to salaries, we provide discretionary bonuses based on individual performance and our business performance, medical insurance coverage and a wide range of leave entitlements. The Group also provides a defined contribution to the Mandatory Provident Fund ("MPF") as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

A16.32(7)

The Company operates a share option scheme (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Share options may be granted to any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to any member of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The Share Option Scheme became effective on 9 August 2016 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.



## PROSPECTS

With uncertainties from geopolitical tensions, rate hike cycle, and COVID-19 variants, the business environment remained challenging in the first half of 2022. Though the Hong Kong economy improved in overall terms in the second quarter of 2022 compared to the previous quarter, real GDP decreased at 1.3% year on year in the second quarter of 2022. The Government forecasts Hong Kong's real GDP growth for 2022 to be between -0.5% to 0.5%, largely remaining flat as compared to 2021.

A16.32(3)

In November 2021, the Group partnered with APG, one of the largest pension investors in the world with its base in Netherlands, to form the APG JV to engage in the acquisition for development and redevelopment of residential properties in Hong Kong for sales. Within a year's time, the APG JV successfully acquired six projects with estimated gross floor area of 466,300 square feet and estimated gross development value of HK\$11.7 billion. The Group is committed to including green elements into the project's planning and design and to overseeing environmental performance of contractors during the construction phase.

Leveraging its expertise in asset enhancement and portfolio management, the average occupancy rates of all managed assets of the Group are over 95%. The Group will maintain its disciplined yet nimble approach in portfolio optimization, divesting businesses with potential unleased and re-investing in new businesses that offer high growth and potential. This strategy will broaden the Group's recurring income portfolio while capture capital appreciation opportunities.

On the other hand, the Government proposed different measures to facilitate property development and increase land supply in Hong Kong in the latest policy address, including lowering the compulsory sale application thresholds. The Group believes these measures will facilitate the process of acquiring new projects and redevelopment sites in the future. The Group is cautiously optimistic on the property market and will continue to monitor market changes closely whilst staying agile with regards to land banking strategy and seeking collaboration with strategic partners to strengthen our asset management as well as property development and property investment business.

## SUSTAINABLE DEVELOPMENT

The Group shoulders the responsibility of citizens, insists on “care and love”, and strives to create a great future and the next generation. At the same time, the Group pursue the values of “prudent management and perfection”, strictly abides by the laws, regulations and industry norms of the location where it operates and continuously improves the quality of services and products.

Grounded on the three pillars of “Robust Governance”, “Sustainable Places”, “Thriving People”, the Group has committed to forward-looking actions that advances our governance practices, design and operate sustainable places, as well as working together to ensure our people and value chain thrives.

A formal environmental, social and governance (“**ESG**”) committee of the Company to spearhead the implementation of our 5-year ESG Roadmap was established last year. The Group also participated in the annual GRESB (Global Real Estate Sustainability Benchmark) assessments, a widely recognized international sustainability framework in the real estate sector.

The Group has taken measures to promote environmental-friendliness of the workplace by encouraging paper-recycling culture and energy-saving culture within our Group. The Group also participated in the BEAM Plus assessment scheme, a comprehensive environmental assessment scheme for buildings recognized by the Hong Kong Green Building Council, for the development of some of our properties by engaging a third-party consultancy company for the provision of services in respect of BEAM Plus Certification and other environmental assessments. The Group also includes green elements into project planning and design and oversees the environmental performances of contractors during the construction phase.

Facing the continuous challenges brought by the COVID-19 pandemic, more stringent test and quarantine guidelines have been implemented at our properties, office, and construction sites to safeguard the health of customers, tenants, employees and working partners. The Group has also provided rental relief and other forms of support to its tenants whose businesses have been affected.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2022.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

In the opinion of the Board, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Listing Rules throughout the period for the six months ended 30 September 2022 save as below:

Mr. Chan Chun Hong resigned as the non-executive chairman with effective from 8 February 2021. Since then, the Company has been searching suitable candidate to fill the vacancy. However, the search process has not been successful especially during the COVID-19 pandemic and governmental social gathering restrictions imposed from time to time. As at the date of this announcement, no chairman has been appointed and the Company will continue to search the replacement and will make announcement as and when required under the Listing Rules. During the reporting period, the substantive corporate governance functions of the chairman of the Board under the applicable provisions of the CG Code were performed by the Company’s chief executive officer and executive Director, Mr. Tang Ho Hong, a deviation from Code C.2.1 of the CG Code.

The Group is committed to maintaining a high standard of corporate governance with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company’s competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders of the Company.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting terms than the required standard set forth in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the reporting period and up to the date of this announcement and no incident of non-compliance by the Directors was noted by the Company during the reporting period.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over, among other things, the Group's financial reporting process, internal controls, risk management and other corporate governance issues. The Audit Committee has reviewed with management the unaudited condensed consolidated financial statements for the six months ended 30 September 2022 of the Group. The Audit Committee comprises three independent non-executive Directors, namely Mr. Li Wing Sum Steven, Mr. Sung Tze Wah and Sr Dr. Leung Tony Ka Tung. Mr. Li Wing Sum Steven is the chairman of the Audit Committee.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF INTERIM REPORT**

The interim results announcement is published on the websites of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.woproperties.com](http://www.woproperties.com)). The 2022 interim report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board  
**WANG ON PROPERTIES LIMITED**  
宏安地產有限公司  
**Tang Ho Hong**  
*Executive Director and Chief Executive Officer*

Hong Kong, 24 November 2022

*As at the date of this announcement, the Board comprises Mr. Tang Ho Hong, Ms. Wong Chin Han and Ms. Ching Tak Won Teresa as executive Directors; and Mr. Li Wing Sum Steven, Mr. Sung Tze Wah and Sr Dr. Leung Tony Ka Tung as independent non-executive Directors.*