

# 2022-2023 INTERIM REPORT

二零二二至二零二三年 中期報告



STOCK CODE: 83

St. George's Mansions

Creating Better Lifescapes  
建構更美好生活

 SINO LAND COMPANY LIMITED  
信和置業有限公司

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Shareholders may at any time choose to change their choice of language and means of receipt (i.e. in printed form or by electronic means through the Company’s website) of all future Corporate Communications from the Company by giving notice in writing by post to the Company’s Share Registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email at [sinoland83-ecom@hk.tricorglobal.com](mailto:sinoland83-ecom@hk.tricorglobal.com).

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## Board of Directors

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

(<sup>#</sup> Non-Executive Director)

(\* Independent Non-Executive Directors)

## Audit Committee

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

## Nomination Committee

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

## Remuneration Committee

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

## Authorized Representatives

Robert Ng Chee Siong  
 Ringo Chan Wing Kwong

## Company Secretary

Fanny Cheng Siu King

## Auditor

KPMG  
 Registered Public Interest Entity Auditors

## Solicitors

Woo, Kwan, Lee & Lo  
 Clifford Chance

## Share Registrar

Tricor Standard Limited  
 17/F, Far East Finance Centre,  
 16 Harcourt Road,  
 Hong Kong  
 Telephone : (852) 2980 1333  
 Fax : (852) 2861 1465  
 Email : sinoland83-ecom@hk.tricorglobal.com

## Principal Bankers

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

## Investor relations contact

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 Fax : (852) 2137 5907  
 Email : investorrelations@sino.com

## Registered Office

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 Fax : (852) 2723 5901  
 Website : www.sino.com  
 Email : info@sino.com

## Listing information

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

## Shareholders' calendar

<b>Closure of Register of Members for dividend entitlement</b>	8th to 10th March, 2023 (both dates inclusive)
<b>Record Date for interim dividend entitlement</b>	10th March, 2023
<b>Last Day for lodging form of election for scrip dividend</b>	31st March, 2023 4:30 p.m.
<b>Interim Dividend Payable</b>	HK15 cents per share 17th April, 2023

# Chairman's statement

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

## Interim results

The Group's unaudited underlying profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the six months ended 31st December, 2022 ("Interim Period") was HK\$2,802.3 million (2021: HK\$4,367.9 million). Underlying earnings per share was HK\$0.36 (2021: HK\$0.58).

After taking into account the revaluation loss (net of deferred taxation) on investment properties of HK\$340.6 million (2021: revaluation loss of HK\$130.0 million), which is a non-cash item, the Group reported a net profit attributable to shareholders of HK\$2,459.8 million for the Interim Period (2021: HK\$4,225.5 million). Earnings per share for the Interim Period was HK\$0.31 (2021: HK\$0.56).

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

## Dividends

The Directors have declared an interim dividend of HK15 cents per share (2021: HK15 cents per share) payable on 17th April, 2023 to those shareholders whose names appear on the Register of Members of the Company on 10th March, 2023.

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

A circular containing detail of the scrip dividend scheme will be dispatched to shareholders together with the form of election for scrip dividend on or about 16th March, 2023. It is expected that the interim dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 17th April, 2023.

### Business review

#### (1) Sales activities

Total revenue from property sales for the Interim Period, including property sales of associates and joint ventures, attributable to the Group was HK\$3,899.4 million (2021: HK\$8,497.0 million).

Total revenue from property sales comprises mainly the sales of residential units and carparking spaces in the projects completed during the Interim Period, namely St. George's Mansions in Ho Man Tin and Silversands in Ma On Shan, as well as the sales of remaining stocks of residential units and carparking spaces in projects completed in previous financial years, including Grand Central in Kwun Tong, 133 Portofino in Sai Kung, and Dynasty Park in Zhangzhou.

During the Interim Period, the Group obtained Certificate of Compliance for Silversands in Ma On Shan and St. George's Mansions in Ho Man Tin, as well as obtaining Occupation Permit for La Marina in Wong Chuk Hang and Grand Victoria I in South West Kowloon. In addition, certain units of the remaining stocks of projects launched in previous periods have been rolled out for sale. These projects are Grand Central in Kwun Tong (98.4% sold), Grand Victoria in South West Kowloon (60.6% sold), Silversands in Ma On Shan (76.9% sold), and St. George's Mansions in Ho Man Tin (17.1% sold).

Looking ahead, the Group has an exciting pipeline of new projects to be launched. These include Villa Garda III in Tseung Kwan O, ONE CENTRAL PLACE in Central, Grand Mayfair III in Yuen Long, and The Southside Phase 4A and 4B in Wong Chuk Hang which have obtained pre-sale consents. In addition, the Group expects to obtain pre-sale consent for two additional residential projects in calendar year 2023, namely Yau Tong Ventilation Building Property Development and LOHAS Park Package Thirteen Property Development. The timing for launching these projects for sale will depend on when the pre-sale consent is received and the prevailing market conditions.

#### (2) Land bank

As at 31st December, 2022, the Group had a land bank of approximately 20.2 million square feet of attributable floor area in Mainland China, Hong Kong, Singapore and Sydney which comprises a balanced portfolio of properties of which 45.8% is commercial; 29.6% residential; 10.9% industrial; 7.8% car parks and 5.9% hotels. In terms of breakdown of the land bank by status, 5.7 million square feet were properties under development, 12.7 million square feet of properties for investment and hotels, together with 1.8 million square feet of properties held for sale. This land bank should be sufficient to meet the Group's development needs over the next few years. The Group will continue to be selective in replenishing its land bank to optimise its earnings potential.

## Chairman's statement (Continued)

### Business review (Continued)

#### (2) Land bank (Continued)

During the Interim Period, the Group was awarded the development rights of a site in Hong Kong from the Urban Renewal Authority with attributable floor area of 162,525 square feet for residential use and 22,753 square feet for commercial use, totaling 185,278 square feet. Details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
KIL 11285 Wing Kwong Street/ Sung On Street Development, To Kwa Wan, Kowloon, Hong Kong	Residential/ Commercial	Joint Venture	185,278

#### (3) Property development

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

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
St. George's Mansions 24A Kadoorie Avenue, Ho Man Tin, Kowloon, Hong Kong	Residential	Joint Venture	309,707
Silversands 8 Yiu Sha Road, Ma On Shan, New Territories, Hong Kong	Residential	100%	119,351
			<hr/> 429,058 <hr/>

## Business review (Continued)

### (3) Property development (Continued)

In Mainland China, the Group completed Block 10 of Dynasty Park Phase III in Zhangzhou during the Interim Period. Details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
Dynasty Park Phase III Block 10, No. 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, People's Republic of China	Residential/ Commercial	100%	131,595

The Group obtained Occupation Permit for the following projects in Hong Kong during the Interim Period. Details of the projects are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
La Marina 11 Heung Yip Road, Wong Chuk Hang, Hong Kong	Residential	Joint Venture	246,496
Landmark South 39 Yip Kan Street, Wong Chuk Hang, Hong Kong	Commercial	60%	141,698
One North 8 Hong Yip Street, Yuen Long, New Territories, Hong Kong	Commercial	100%	497,620
			885,814



## Business review (Continued)

### (4) Rental activities

For the Interim Period, the Group's attributable gross rental revenue, including share from associates and joint ventures, was HK\$1,728.3 million (2021: HK\$1,797.9 million), representing a decrease of 3.8% year-on-year. The decline in rental income was mainly due to the impact of the 5th wave of pandemic resulting in negative rental reversion and the decrease in occupancy for the office sector. The net rental income for the Interim Period was HK\$1,480.6 million (2021: HK\$1,557.8 million), representing a decrease of 4.9% year-on-year.

Overall occupancy of the Group's investment property portfolio was 91.1% for the Interim Period (2021: 90.3%), an increase of 0.8 percentage point when compared with last interim period. Among the different sectors, retail recorded the biggest improvement with its occupancy rate increased by 3.0 percentage points to 94.9% (2021: 91.9%), followed by industrial's 1.4 percentage points increase to 86.9% (2021: 85.5%), while occupancy rate for the office and residential portfolios were 87.3% (2021: 89.8%) and 80.1% (2021: 86.4%), respectively.

The pandemic situation remained fluid throughout the Interim Period. Retail market sentiment in Hong Kong gradually improved, thanks to the receding impact of the 5th wave of the pandemic which started in the first half of the calendar year 2022, the progressive relaxation of pandemic measures, as well as the launch of a new round of the Government's Consumption Vouchers Schemes, leading to a steady improvement in occupancy rate. A gradual improvement in tourist arrival to Hong Kong has been observed since the implementation of "0+3" quarantine model effective 26th September, 2022, but it has also stimulated outbound travels by local citizens, pressuring footfall in our community shopping malls and retail sales locally. During the Interim Period, the Group continued to proactively communicate with tenants and engaged in promotion activities to help tenants' sales and also organised various events in our shopping malls to stimulate traffic. In particular, the Group hosted "Goal Together" at three of our flagship malls, namely Tuen Mun Town Plaza, Olympian City 2, and Citywalk, where we invested to install large screens to live broadcast 64 matches of the FIFA World Cup Qatar 2022. The event was well attended by local citizens and generated immense footfall, with patrons being offered special shopping rewards. Meanwhile, management continued to optimise tenant mix and leverage its "S+ REWARDS" digital loyalty programme to enhance customers' shopping experience. Online and offline marketing campaigns were launched to enhance customers' shopping experience and to boost tenants' businesses and to drive consumption in its retail properties. Apart from partnering with major payment gateways, business partners and tenants incentivised consumers to use their Consumption Vouchers in our shopping malls. Overall, footfall and tenant sales at our flagship malls have improved from the low of the pandemic.

## Business review (Continued)

### (4) Rental activities (Continued)

Performance of the office sector remained challenging. Uncertainties surrounding the pandemic have continued to impact the office market. With an increase in available office space in the market and slower demand, occupancy and rental remain under pressure. Notwithstanding the challenging operating conditions, Hong Kong is poised to benefit from Central Government's support to deepen its economic integration with the country, and to enhance its status as an international financial, transportation and trade centre. The Northern Metropolis Development Strategy stands to strengthen our links with the Greater Bay Area and provide a new commercial centre for the city with innovation and technology facilities, infrastructure and thousands of new jobs and homes. These initiatives shall invigorate Hong Kong competitiveness and provide new impetus to the economy. With the reopening of borders between Mainland China and Hong Kong in early January, it is anticipated that business travel between Hong Kong and Mainland China will gradually normalise, which will bring back additional leasing demand from Mainland Chinese corporates over time. Meanwhile, the Group continued to enhance our portfolio to increase our competitiveness. Landmark South and One North are two of the Group's new projects which utilise best-in-class building specifications and accredited green features. Both properties have obtained the Occupation Permits, standing ready to attract occupiers seeking high quality and sustainable office spaces.

As at 31st December, 2022, the Group has approximately 12.7 million square feet of attributable floor area of investment properties and hotels in Mainland China, Hong Kong, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 63.2%, industrial 12.7%, car parks 12.3%, hotels 9.2%, and residential 2.6%.

### (5) Hotels

For the Interim Period, the Group's hotel revenue, including attributable share from associates and joint ventures, was HK\$692.8 million compared to HK\$247.7 million last interim period, and the corresponding operating profit was HK\$229.2 million (2021: HK\$12.6 million).

During the Interim Period, The HKSAR Government has made swift and decisive refinements in COVID-19 measures and eased travel restrictions for international and visitors from Mainland China in an orderly manner, leading to a noticeable increase in tourist arrivals in Hong Kong in recent months. This indicates a likely normalisation in business environment as we enter 2023, and suggests signs of bottoming out of the hotel industry in Hong Kong. Management is particularly encouraged by the meaningful recovery observed at our Singapore and Sydney operations since the easing of travel restrictions and resumption of international travel in early 2022.

The Group remained mindful of the fluid situation brought-about by COVID-19 and remained vigilant on cost controls, while proactively finding new strategies to enhance quality of hotel services and improve efficiency to ensure our guests have enjoyable experiences during their stays in the hotels. Conrad Hong Kong joined the government's Designated Quarantine Hotel scheme ("DQH") since 1st June, 2022, which boosted the hotel's performance greatly. The DQH scheme ended on 26th September, 2022 after the change in quarantine model from "3+4" to "0+3". The pickup in occupancy became more apparent following the reopening of borders between Mainland China and Hong Kong in early 2023 with a visible uptick in business travellers demand. The Group opened The Fullerton Ocean Park Hotel Hong Kong in July 2022. Positive responses and feedbacks were received from our discerning guests since the soft opening of the hotel. With the anticipated return of leisure travellers back to the city, we remain optimistic about the growing demand for luxury hospitality in our core markets. The Olympian Hong Kong was closed for enhancement works since December 2021 and the Group intends to reopen the hotel with new commercial and operational strategies.

# Chairman's statement (Continued)

## Business review (Continued)

### (5) Hotels (Continued)

As at 31st December, 2022, the Group's portfolio of hotels comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, The Fullerton Ocean Park Hotel Hong Kong, Conrad Hong Kong, The Fullerton Hotel Sydney and The Olympian Hong Kong.

### (6) Mainland China business

During the Interim Period, the Central Government stayed committed to opening up in an orderly manner and continued to utilise key national strategies to create long term sustainable economic growth. The key mission is to build a strong foundation for an all-round well-off society and to expand the middle-income class to support domestic consumption as laid out in the "dual circulation" strategy under the 14th Five-Year Plan.

The Central Government accelerated liquidity easing for property developers and local government launched further property easing policies since the third quarter of 2022. The 16-Point Plan aims to channel liquidity by extending loans to developers and ensure completion of unfinished home projects. Such stimulus packages are bringing positive momentum to the property sector and indicate a gradual recovery in property sales. The Group remains confident on the outlook for the mainland property market over the medium-to-long term.

As at 31st December, 2022, the Group had approximately 4.5 million attributable square feet of land bank in Mainland China. Of the total, approximately 2.7 million square feet are projects under development and the remaining are mainly investment properties. There are four key projects under development, out of which two are in Qianhai in the Greater Bay Area, including a 50% interest in a serviced apartment project and 30% interest in a commercial development site. The other two projects are the 100% interest in Dynasty Park Phase IV in Zhangzhou, and 20% interest in The Palazzo in Chengdu.

Other than the matters mentioned above, there has been no material change from the information published in the report and accounts for the year ended 30th June, 2022.

## Finance

The Group's financial position remains strong. As at 31st December, 2022, the Group had cash and bank deposits of HK\$44,462.6 million. After netting off total borrowings of HK\$3,227.7 million, the Group had net cash of HK\$41,234.9 million as at 31st December, 2022. The Group is in net cash position, therefore gearing ratio, calculated on the basis of net debt to equity attributable to the Company's shareholders, is not applicable. Of the total borrowings, 69.0% repayable within one year and the remaining between two and three years. All of the Group's borrowings are subject to floating interest rates. Total assets and shareholders' funds of the Group were HK\$179,390.8 million and HK\$159,323.3 million, respectively. Net book value of the Group attributable to the Company's shareholders was HK\$19.76 per share as at 31st December, 2022 (HK\$20.39 per share as at 30th June, 2022).

As at 31st December, 2022, the majority of the Group's debts are denominated in Hong Kong dollars. Other than the above-mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars with a portion in Renminbi, Australian dollars and US dollars.

The Group has maintained a sound financial management policy and foreign exchange exposure has been prudently kept at a minimal level.

## Corporate governance

The Group places great importance on corporate integrity, business ethics and good governance. With the objective of practising good corporate governance, the Group has formed Audit, Compliance, Remuneration and Nomination Committees. The Group is committed to maintaining corporate transparency and disseminates information about new developments through various channels, including press releases, its corporate website, results briefings, non-deal roadshows, site visits and participation in investor conferences.

### Customer service

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

### Sustainability

The Group seeks to create long-term value for stakeholders and the communities in which we operate, and to ensure that we grow more resilient together. We strive to integrate sustainability into all aspects of our business and operations, and to build a healthier and better future for all. We formulate management approaches, key goals and initiatives across the three strategic pillars of Green Living, Innovative Design and Community Spirit, to achieve our aspiration of "Creating Better Lifescapes".

Sino Land has been recognised as a Global Listed Sector Leader in the Global Real Estate Sustainability Benchmark ("GRESB") and has achieved a five-star rating in the 2022 Real Estate Assessment, which marks a milestone in Sino Land's ongoing efforts to build a more sustainable future. During the Interim Period, Sino Land received a B rating in the Climate Change Assessment 2022 by CDP and remained a constituent member of the Hang Seng Corporate Sustainability Benchmark Index, with an AA Rating. In addition, Sino Land was recognised as a Top 10 (Achiever) in the Greater Bay Area Business Sustainability Index, which evaluates the sustainability practices of the constituents of the Hang Seng Stock Connect Hong Kong Greater Bay Area Index. In recognition of Sino Land's collective efforts in promoting sustainability, Sino Land was awarded the Grand Award, Distinction Award, and Excellence in Environmental Sustainability Initiative award in the large-sized organisation category at the Hong Kong Sustainability Awards 2022, organised by

The Hong Kong Management Association. In addition, the Fullerton Ocean Park Hotel Hong Kong received Gold Awards in both the Best Hotel and Tourism Development, and Best Green Development categories at the prestigious MIPIM Asia Awards 2022, while Landmark South won the Silver Award in the Best Office Development category. Also, Fullerton Heritage has received the inaugural Architectural Heritage Legacy Award at the 2022 Urban Redevelopment Authority of Singapore's Architectural Awards to encourage best practices in conservation.

Subsequent to the end of the Interim Period, Sino Land has become the first developer in Hong Kong to be recognised among the Global 100 Most Sustainable Corporations by Corporate Knights, marking a milestone for the sustainability development of the local property industry. Also, Sino Land has been included in S&P Global Sustainability Yearbook 2023 member for the first time, in recognition of its enhancement in corporate sustainability. In addition, Sino Land has been recognised as a Regional Top-rated ESG Performer by Sustainalytics, which showcases the Group's effectiveness in managing ESG-driven risk.

During the Interim Period, we published our stand-alone sustainability report, which was independently verified by the Hong Kong Quality Assurance Agency and prepared in accordance with GRI Standards (core option) and Hong Kong Exchanges and Clearing Limited's 'Environmental, Social and Governance Reporting Guide' under Appendix 27 to the Main Board Listing Rules. It also addresses the requirements outlined in the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, the Sustainability Accounting Standards Board ("SASB") Standard for the Real Estate Sector, and the World Economic Forum ("WEF") Stakeholder Capitalism Metrics. We are one of the first developers in Hong Kong to join the global coalition of business leaders in implementing the Stakeholder Capitalism Metrics, advocated by WEF.

### Sustainability (Continued)

Climate change has emerged as one of the global community's most critical issues. We have formulated a holistic Decarbonisation Blueprint and devised specific decarbonisation strategies to achieve significant reductions in the carbon emissions associated with our business, focusing on the three key areas of development, operations and collaboration. We have announced our target to reduce Scope 1 and 2 greenhouse gas ("GHG") emissions per square metre by 53.1% by 2030 from our 2018 baseline and set a new target to reduce Scope 3 GHG emissions in line with SBTi methodology.

The Group recognises the importance of understanding and effectively managing the ecosystems surrounding our urban properties. Sino Land is one of the first developers in Hong Kong to be a member of the Taskforce on Nature-related Financial Disclosures ("TNFD") Forum. Together with over 800 Forum members in the global multi-disciplinary group, we are committed to supporting the technical work of the Taskforce, which aims to facilitate the reporting of and action on evolving nature-related risks among organisations.

Fully aware of the importance of urban biodiversity, Sino Group and the Hong Kong Innovation Foundation, in partnership with Ocean Park Corporation, Archireef Limited, and The Fullerton Ocean Park Hotel Hong Kong, announced CORAL REEFStoration Project – Hong Kong's first cross-sector collaborative project ("the Project") for local coral preservation and restoration. The Project leverages Ocean Park's marine conservation expertise and uses the world's first 3D-printed reef tiles to rehabilitate the coral reef habitat in Hong Kong's southern waters. The 'CORAL REEFStoration Ambassador Programme' has also been launched to engage schools and students in spreading the message of marine conservation.

During the Interim Period, the Group organised the Upcycled Christmas Tree Campaign to promote the concept of a circular economy, with around 800 creative Christmas ornaments made out of recycled materials collected from colleagues and the community. The Group also collaborated with an upcycling product designer in Hong Kong to tailor-make upcycled Christmas trees at Tsim Sha Tsui Centre, Landmark South and The Fullerton Ocean Park Hotel Hong Kong, by utilising waste collected from previous festivals. To encourage the public to embrace recycling and groom the community's young designers, benches fabricated from upcycled plastic waste were introduced to Landmark South. The Group also partnered with The Hong Kong Polytechnic University School of Design to develop upcycled public seating solutions for pedestrians and shoppers at Lee Tung Avenue.

The Group is committed to exploring innovative technologies and supporting local and overseas start-ups. Sino Group and Hongkong Land, co-chairs of the Hong Kong PropTech Alliance, joined forces to promote PropXTech 2022 and attracted more than 3,000 solutions from 70 countries and territories. Sino Inno Lab aims at advancing PropTech solutions and services, and has been awarded the 2021-22 Hong Kong Awards for Industries: Innovation and Creativity Award by the Hong Kong General Chamber of Commerce, affirming its technological contributions to the real estate industry.

### Sustainability (Continued)

In collaboration with the Ng Teng Fong Charitable Foundation ("NTFCF"), the School of Nursing, LKS Faculty of Medicine, The University of Hong Kong and 11 non-governmental organisations ("NGOs"), Sino Group launched the two-year 'Generations Connect' Project that will see nursing students provide community intervention and behavioural coaching to 10,000 elderly people. Supporting less-resourced members of the community helps us build a more inclusive society for all. The Group collaborated with local NGOs and social enterprises for Diversity and Inclusion Week to organise interactive experiential workshops showcasing the talent and lives of people with varying abilities, enabling our colleagues to gain new perspectives on social inclusion, diversity and equality.

Sino Group and The Fullerton Ocean Park Hotel Hong Kong have joined hands with community partners to support boat dwellers and families in need by distributing 200 care packs and hosting cruises along Victoria Harbour and the Southern District. Sino Group has also launched a summer programme with the NTFCF to provide immediate support for the less resourced amid the heatwave. Sino Caring Friends, the Group's volunteer team, and community partners J Life Foundation and Pei Ho (Ming Gor) Charity Foundation, came together to distribute 200,000 cans of Yeo's drinks and 10,000 nutritious meals to people living in sub-divided units. For the 18th year in a row, the Group has supported Operation Santa Claus to help the less resourced in the community. This year, we invited children with their families from the Hong Kong Children in Need Foundation to join us for a meaningful and fun-filled Christmas celebration at the Fullerton Ocean Park Hotel Hong Kong.

### Prospects

During the Interim Period, the global economic environment continued to face challenges, including interest rate hikes, inflation, volatility in the foreign exchange market as well as dampened consumer sentiment. In particular, the intermittent waves of resurgence of the pandemic in Mainland China and Hong Kong further impeded the pace of economic recovery. The Group remained focused on improving business performance and operational efficiencies during the uncertain time. On the positive side, the world has become better at responding to the pandemic thanks to the concerted efforts on vaccination alongside the improved medical treatments, while businesses have become more agile and adaptive to leverage on new technologies to enhance productivity and quality. Macro headwinds in the global economy started to recede as countries began to relax pandemic-related restrictions, boosting global economic activities and stimulating international travel. With the recent full border reopening between Mainland China and Hong Kong as well as removal of travel curbs, cultural exchanges and economic activities between the two markets is expected to resume and thrive, leading to an appreciable economic recovery.

### Prospects (Continued)

Under President Xi's leadership, Mainland China stays committed to opening up, and will continue to drive forward and create an even brighter future through key national strategies such as the 14th Five-Year Plan, the Belt and Road Initiative, and the development of the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"). Moreover, the Central Government accelerated liquidity easing for property developers and local government launched further property easing policies. The provincial governments have also introduced a wide range of relief measures and support schemes to expedite development and economic recovery. Long-term sustainable growth remains intact, buoyed by these supportive measures, continued urbanisation, growing domestic consumption, and pent-up travel demand. Mainland China will undoubtedly remain an important growth engine for the global economy.

Backed by the strong support of the Central Government and the unique advantages of the "One Country, Two Systems" arrangement, Hong Kong continued to advance from stability to prosperity while celebrating the 25th anniversary of its return to the Motherland. Hong Kong is set to reinforce its position as an international financial centre with enhanced interconnectivity and integrated trade development among the GBA cities. The Northern Metropolis Development strategy will strengthen our links with the GBA and provide a new commercial centre for the city with innovation and technology facilities and infrastructure. Hong Kong will continue to serve as a powerful hub for cross-border trade and leisure travels as the economies of the GBA cities continue to expand.

During 2022, there was a marked improvement in vaccination rate in Hong Kong, enabling the resumption of business and social activities. The HKSAR Government has made swift and decisive refinements in COVID-19 measures and eased travel restrictions for international and visitors from Mainland China in an orderly manner, leading to a noticeable increase in tourist arrivals in Hong Kong in recent months. Hong Kong's new global promotional campaign "Hello Hong Kong", an aspiring drive to attract tourists and businesses to the city with enticing offers such as free air tickets, spending vouchers and special events tailored for travellers from around the world, is welcomed by businesses. The campaign promotes the city's new economic prospects, new cultural vision as well as new tourism and mega event experiences to visitors. This initiative will facilitate a normalisation in business environment. The Group is fully supportive of the government's strategies and plans, and we are proactively preparing our businesses to welcome Mainland and international travellers back to the city from both corporate and leisure sectors.

The HKSAR Government has put in place new institutional set-ups and initiated an array of schemes targeted at attracting talents and businesses to Hong Kong. Apart from actively nurturing and retaining local talents, the new initiatives include the launch of the Top Talent Pass Scheme, streamlining the General Employment Policy and the Admission Scheme for Mainland Talents and Professionals, suspending the annual quota under the Quality Migrant Admission Scheme, relaxing the Immigration Arrangements for Non-local Graduates, and enhancing the Technology Talent Admission Scheme. These timely measures not only enable eligible incoming talents to enhance Hong Kong's competitiveness, when they become permanent residents, they may also apply for a refund of the extra stamp duty paid for purchasing residential properties in Hong Kong, lending further support to the local property market. Fuelled by the government's efforts to attract talents globally, the Group maintains a cautiously optimistic view of the property market in Hong Kong.

### Prospects (Continued)

The Group stands ready for normalisation after almost three years of COVID-19 controls; meanwhile we also acknowledge the pandemic has reshaped the way people live, work and learn. It is notable that customers are increasingly prioritising quality and sustainability. The Group is a devoted corporate citizen and stays committed to our mission of Creating Better Lifescapes, reflected by our efforts and goals to decarbonise, reduce greenhouse gas emissions, preserve architectural and cultural heritage, building caring and vibrant communities that support healthy living, developing environmentally certified buildings, and helping those in need to make our community a more compassionate place. The efforts to bring our quality projects to life have earned us recognitions from local and international communities. The Fullerton Ocean Park Hotel Hong Kong, the first Fullerton-branded hotel in Hong Kong, opened in July 2022, is the first WELL™-accredited hotel project in Hong Kong and Mainland China thanks to the array of sustainability measures and wellness programmes. The hotel has also won Gold Awards in the Best Hotel and Tourism Development and Best Green Development categories at MIPIM Asia Awards 2022, one of the most sought-after awards in the region, while Landmark South has received Silver Award in the Best Office Development category. Management will stay abreast of the latest digitalisation developments to enhance business development and operational efficiency, including the use of our digital loyalty platforms of Sino Club and S+ REWARDS to enhance customer engagement. We will continue to provide support to the society where necessary, and deliver long-term value to our shareholders, customers, business partners and employees.

As we enter 2023, the Group is pleased to observe positive developments in various markets and sectors, while acknowledging the importance of staying vigilant in monitoring the changing markets while getting prepared for a meaningful recovery. The expected tapering of interest rate hike cycle and the reopening of China's borders will provide support for the residential market in Hong Kong. We are well prepared for near-term normalisation in the operating environment, whilst setting our sights on long-term sustainable growth. Together with our strong financial position and sustainable business growth strategy, the Group is well positioned to meet challenges and capture opportunities that may arise.

### Staff and management

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

**Robert NG Chee Siong**

*Chairman*

Hong Kong, 21st February, 2023



# Consolidated statement of profit or loss

For the six months ended 31st December, 2022

	Notes	Six months ended	
		31st December, 2022 HK\$ (Unaudited)	31st December, 2021 HK\$ (Unaudited)
Revenue	3, 4	6,382,562,292	10,892,121,664
Cost of sales		(2,461,092,528)	(4,209,708,398)
Direct expenses		(1,140,769,197)	(1,145,975,586)
Gross profit		2,780,700,567	5,536,437,680
Change in fair value of investment properties	13	(14,323,017)	(87,756,470)
Other income and other gains or losses		9,981,284	72,753,916
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		3,829,544	(1,809,751)
Gain on disposal of investment properties		161,000	1,047,650
Administrative expenses		(490,411,227)	(488,480,204)
Other operating expenses		(92,161,262)	(91,121,081)
Finance income	5	605,190,723	154,595,068
Finance costs	6	(51,116,311)	(25,543,873)
Less: interest capitalised	6	26,939,042	8,456,731
Finance income, net		581,013,454	137,507,926
Share of results of associates	7	20,986,874	396,646,652
Share of results of joint ventures	8	114,718,291	(148,340,440)
Profit before taxation	9	2,914,495,508	5,326,885,878
Income tax expense	10	(454,223,762)	(934,689,555)
Profit for the period		2,460,271,746	4,392,196,323
Profit for the period attributable to:			
The Company's shareholders		2,459,821,495	4,225,517,118
Non-controlling interests		450,251	166,679,205
		2,460,271,746	4,392,196,323
Earnings per share			
Basic	12(a)	0.31	0.56

The notes on pages 23 to 41 form part of these condensed consolidated financial statements. Details of dividends payable to equity shareholders of the Company are set out in Note 11.

# Consolidated statement of profit or loss and other comprehensive income

For the six months ended 31st December, 2022

	Six months ended	
	31st December, 2022 HK\$ (Unaudited)	31st December, 2021 HK\$ (Unaudited)
Profit for the period	<u>2,460,271,746</u>	<u>4,392,196,323</u>
<b>Other comprehensive income</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")	<u>(62,888,506)</u>	<u>13,565,484</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of hedging instruments designated as cash flow hedges	–	19,074,476
Reclassification of fair value adjustment to profit or loss on an interest rate swap	<u>(6,386,091)</u>	5,108,301
Exchange differences arising on translation of foreign operations	<u>(156,291,193)</u>	89,284,732
Change in fair value of debt instruments at FVTOCI	<u>(1,525,650)</u>	<u>(565,240)</u>
	<u>(164,202,934)</u>	<u>112,902,269</u>
Other comprehensive income for the period	<u>(227,091,440)</u>	<u>126,467,753</u>
Total comprehensive income for the period	<u>2,233,180,306</u>	<u>4,518,664,076</u>
Total comprehensive income attributable to:		
The Company's shareholders	<u>2,232,730,055</u>	4,351,984,871
Non-controlling interests	<u>450,251</u>	<u>166,679,205</u>
	<u>2,233,180,306</u>	<u>4,518,664,076</u>

The notes on pages 23 to 41 form part of these condensed consolidated financial statements.

# Consolidated statement of financial position

At 31st December, 2022

	<i>Notes</i>	31st December, 2022 HK\$ (Unaudited)	30th June, 2022 HK\$ (Audited)
<b>Non-current assets</b>			
Investment properties	13	64,884,096,656	61,790,227,731
Hotel properties		1,713,509,881	1,674,104,057
Property, plant and equipment	14	114,740,003	126,855,812
Right-of-use assets		1,217,891,264	1,158,432,452
Interests in associates	15	17,037,387,801	17,869,483,624
Interests in joint ventures	16	6,022,745,085	5,864,756,573
Equity and debt instruments	24	941,238,069	997,168,164
Advances to associates	15	3,954,189,337	3,868,401,498
Advances to joint ventures	16	12,854,360,551	11,350,113,778
Long-term loans receivable		3,101,161,686	2,854,595,811
Deferred taxation		12,206,832	4,451,104
Other asset		300,000	300,000
		<u>111,853,827,165</u>	<u>107,558,890,604</u>
<b>Current assets</b>			
Properties under development		7,527,029,526	18,060,607,882
Stocks of completed properties		8,609,555,855	2,315,935,589
Hotel inventories		13,046,883	13,662,642
Equity and debt instruments	24	9,150,485	7,943,405
Amounts due from associates	15	2,259,696,730	1,890,933,034
Amounts due from joint ventures	16	2,882,905,087	2,709,936,156
Amounts due from non-controlling interests		14,024,915	58,788,202
Trade and other receivables	17	1,631,152,458	1,364,093,474
Current portion of long-term loans receivable		52,294,469	80,586,293
Taxation recoverable		75,546,324	138,024,397
Time deposits and restricted bank deposits	18	41,083,645,867	41,191,388,913
Bank balances and cash	18	3,379,024,026	3,593,085,200
		<u>67,537,072,625</u>	<u>71,424,985,187</u>
<b>Current liabilities</b>			
Trade and other payables	19	5,638,844,559	5,335,167,306
Lease liabilities		40,711,812	31,180,353
Contract liabilities		1,070,823,520	2,586,016,080
Amounts due to associates	15	789,160,293	885,932,545
Amounts due to non-controlling interests		906,226,518	861,793,341
Taxation payable		3,158,248,767	3,151,001,035
Bank borrowings – due within one year	20	2,230,528,000	2,253,528,000
		<u>13,834,543,469</u>	<u>15,104,618,660</u>
<b>Net current assets</b>		<u>53,702,529,156</u>	<u>56,320,366,527</u>
<b>Total assets less current liabilities</b>		<u>165,556,356,321</u>	<u>163,879,257,131</u>

## Consolidated statement of financial position (Continued)

At 31st December, 2022

	<i>Notes</i>	31st December, 2022 <i>HK\$</i> (Unaudited)	30th June, 2022 <i>HK\$</i> (Audited)
<b>Capital and reserves</b>			
Share capital	21	59,338,758,740	56,403,833,044
Reserves		<u>99,984,571,375</u>	<u>100,993,467,055</u>
<b>Equity attributable to the Company's shareholders</b>		<b>159,323,330,115</b>	<b>157,397,300,099</b>
<b>Non-controlling interests</b>		<u>767,665,619</u>	<u>831,215,368</u>
<b>Total equity</b>		<b><u>160,090,995,734</u></b>	<b><u>158,228,515,467</u></b>
<b>Non-current liabilities</b>			
Bank borrowings – due after one year	20	997,248,752	996,632,901
Lease liabilities		35,896,328	13,550,745
Deferred taxation		2,692,468,859	2,693,939,581
Advances from associates	22	1,602,248,456	1,804,212,761
Advances from non-controlling interests	23	<u>137,498,192</u>	<u>142,405,676</u>
		<u>5,465,360,587</u>	<u>5,650,741,664</u>
		<b><u>165,556,356,321</u></b>	<b><u>163,879,257,131</u></b>

The notes on pages 23 to 41 form part of these condensed consolidated financial statements.

# Consolidated statement of changes in equity

For the six months ended 31st December, 2022

	Attributable to the Company's shareholders						Non-controlling interests	Total
	Share capital	Investment revaluation reserve	Hedging reserve	Exchange reserve	Retained profits	Total		
Notes	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1st July, 2021	53,211,962,913	(550,004,076)	(16,763,368)	617,589,346	101,896,912,213	155,159,697,028	1,648,902,596	156,808,599,624
Profit for the period	-	-	-	-	4,225,517,118	4,225,517,118	166,679,205	4,392,196,323
Other comprehensive income for the period	-	13,000,244	24,182,777	89,284,732	-	126,467,753	-	126,467,753
Total comprehensive income for the period	-	13,000,244	24,182,777	89,284,732	4,225,517,118	4,351,984,871	166,679,205	4,518,664,076
Shares issued in lieu of cash dividends	21	2,184,836,946	-	-	-	2,184,836,946	-	2,184,836,946
Final dividend declared and paid – 2021	11	-	-	-	(3,032,389,290)	(3,032,389,290)	-	(3,032,389,290)
Special dividend declared and paid – 2021	11	-	-	-	(2,070,900,003)	(2,070,900,003)	-	(2,070,900,003)
At 31st December, 2021 (unaudited)	55,396,799,859	(537,003,832)	7,419,409	706,874,078	101,019,140,038	156,593,229,552	1,815,581,801	158,408,811,353
At 1st July, 2022	56,403,833,044	(534,138,315)	34,915,255	105,455,653	101,387,234,462	157,397,300,099	831,215,368	158,228,515,467
Profit for the period	-	-	-	-	2,459,821,495	2,459,821,495	450,251	2,460,271,746
Other comprehensive income for the period	-	(64,414,156)	(6,386,091)	(156,291,193)	-	(227,091,440)	-	(227,091,440)
Total comprehensive income for the period	-	(64,414,156)	(6,386,091)	(156,291,193)	2,459,821,495	2,232,730,055	450,251	2,233,180,306
Shares issued in lieu of cash dividend	21	2,934,925,696	-	-	-	2,934,925,696	-	2,934,925,696
Final dividend declared and paid – 2022	11	-	-	-	(3,241,625,735)	(3,241,625,735)	-	(3,241,625,735)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(64,000,000)	(64,000,000)
At 31st December, 2022 (unaudited)	59,338,758,740	(598,552,471)	28,529,164	(50,835,540)	100,605,430,222	159,323,330,115	767,665,619	160,090,995,734

The notes on pages 23 to 41 form part of these condensed consolidated financial statements.

# Condensed consolidated statement of cash flows

For the six months ended 31st December, 2022

	Six months ended	
	31st December, 2022 HK\$ (Unaudited)	31st December, 2021 HK\$ (Unaudited)
<b>Net cash generated from operating activities</b>	<b>1,830,125,544</b>	<b>4,205,482,124</b>
<b>Net cash used in investing activities</b>		
Advances to associates	(744,095,291)	(59,645,645)
Advances to joint ventures	(1,900,954,840)	(1,534,845,935)
Advances to non-controlling interests	(7,205,717)	(102,676,752)
Additions to investment properties	(80,414,823)	(83,291,539)
Additions to property, plant and equipment	(15,239,523)	(28,151,373)
Increase in time deposits with original maturity over three months and charge over deposits	(8,887,723,527)	(4,185,016,043)
Dividend received from associates	909,991,652	29,175,000
Dividend received from joint ventures	83,063,168	–
Decrease/(increase) in restricted bank deposits	1,097,563	(26,930,040)
Proceeds from disposal of investment properties	2,576,000	2,547,650
Repayments from associates	284,863,091	125,263,226
Repayments from joint ventures	350,869,941	497,896,278
Repayments from non-controlling interests	51,969,004	29,267
Purchase of equity and debt instruments	(12,713,387)	(12,124,498)
Acquisition of interests and capital injection in associates	(78,494,500)	(582,496,526)
Capital injection in joint ventures	(356,555,943)	(8,550)
Other investing activities	178,987,977	304,318,519
	<b>(10,219,979,155)</b>	<b>(5,655,956,961)</b>
<b>Net cash used in financing activities</b>		
Advances from associates	49,913,941	91,776,488
Advances from non-controlling interests	46,143,893	20,877,021
Repayments of bank borrowings	(23,000,000)	(2,000,000,000)
Repayments of lease liabilities	(28,887,110)	(28,454,090)
Repayments to associates	(353,216,868)	(11,742,655)
Repayments to non-controlling interests	(6,618,200)	(1,531,195)
Dividend paid to ordinary shareholders of the Company	(306,700,039)	(2,918,452,347)
Dividend paid to non-controlling interests	(64,000,000)	–
Interest paid	(49,762,109)	(20,618,473)
Other financing activities	(7,151)	(15,265)
	<b>(736,133,643)</b>	<b>(4,868,160,516)</b>

## Condensed consolidated statement of cash flows (Continued)

For the six months ended 31st December, 2022

	Six months ended	
	31st December, 2022 HK\$ (Unaudited)	31st December, 2021 HK\$ (Unaudited)
Net decrease in cash and cash equivalents	(9,125,987,254)	(6,318,635,353)
Cash and cash equivalents at the beginning of the period	17,617,776,607	28,578,786,293
Effect of foreign exchange rate changes	(82,442,930)	36,576,911
Cash and cash equivalents at the end of the period	<u>8,409,346,423</u>	<u>22,296,727,851</u>
<b>Analysis of the balances of cash and cash equivalents</b>		
Restricted bank deposits	24,648,763	26,930,040
Time deposits	41,058,997,104	38,225,269,397
Bank balances and cash	<u>3,379,024,026</u>	<u>3,811,729,374</u>
Deposits, bank balances and cash in the consolidated statement of financial position	44,462,669,893	42,063,928,811
Less: Time deposits with original maturity over three months and charge over deposits	(36,028,674,707)	(19,740,270,920)
Restricted bank deposits	<u>(24,648,763)</u>	<u>(26,930,040)</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>8,409,346,423</u>	<u>22,296,727,851</u>

The notes on pages 23 to 41 form part of these condensed consolidated financial statements.

# Notes to the unaudited condensed consolidated financial statements

For the six months ended 31st December, 2022

## 1. Basis of preparation

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

The condensed consolidated financial statements are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 51.

The financial information relating to the financial year ended 30th June, 2022 that is included in the condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 30th June, 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

## 2. Principal accounting policies

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

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31st December, 2022 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2022.

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, which are effective for the annual period beginning on or after 1st July, 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	<i>Business Combinations: 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>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual improvements to HKFRSs 2018-2020 cycle	

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



## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 3. Revenue

	Six months ended	
	31st December, 2022 HK\$	31st December, 2021 HK\$
Sales of properties	3,947,351,849	8,685,166,816
Property management and other services	591,321,795	587,687,253
Hotel operations	455,151,150	194,913,796
	<hr/>	<hr/>
Revenue from goods and services	4,993,824,794	9,467,767,865
Rental income from operating leases	1,356,230,715	1,384,072,628
Interest revenue from loans receivable	23,246,743	32,430,252
Dividend income		
– Listed investments	9,260,040	7,739,469
– Unlisted investments	–	111,450
	<hr/>	<hr/>
	<b>6,382,562,292</b>	<b>10,892,121,664</b>
	<hr/>	<hr/>
<b>Geographical market:</b>		
Hong Kong	5,691,244,110	10,280,759,703
Mainland China	187,431,050	387,422,899
Singapore	503,887,132	223,939,062
	<hr/>	<hr/>
	<b>6,382,562,292</b>	<b>10,892,121,664</b>
	<hr/>	<hr/>

For the six months ended 31st December, 2022, revenue from contracts with customers recognised over time mainly consists of property management and other service fee income and hotel room revenue of HK\$591,321,795 and HK\$247,845,659 (six months ended 31st December, 2021: HK\$587,687,253 and HK\$103,675,080) respectively. The revenue recognised at a point in time mainly consists of income from sales of properties and income from hotel food and beverage sales of HK\$3,947,351,849 and HK\$207,305,491 (six months ended 31st December, 2021: HK\$8,685,166,816 and HK\$91,238,716) respectively.

# Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

## 4. Segment information

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

Six months ended 31st December, 2022

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue HK\$	Results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property sales	3,947,351,849	1,196,721,397	382,918	(64,068,215)	3,947,734,767	1,132,653,182
Property rental	1,356,230,715	1,165,426,574	384,906,039	326,680,443	1,741,136,754	1,492,107,017
	5,303,582,564	2,362,147,971	385,288,957	262,612,228	5,688,871,521	2,624,760,199
Property management and other services	591,321,795	122,959,709	57,281,597	7,753,121	648,603,392	130,712,830
Hotel operations	455,151,150	206,009,341	237,692,262	23,271,441	692,843,412	229,280,782
Investments in securities	9,260,040	9,260,040	1,950	1,950	9,261,990	9,261,990
Financing	23,246,743	23,246,743	3,556,918	3,556,918	26,803,661	26,803,661
	<u>6,382,562,292</u>	<u>2,723,623,804</u>	<u>683,821,684</u>	<u>297,195,658</u>	<u>7,066,383,976</u>	<u>3,020,819,462</u>

Six months ended 31st December, 2021

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue HK\$	Results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property sales	8,685,166,816	4,122,023,410	132,234,741	13,603,093	8,817,401,557	4,135,626,503
Property rental	1,384,072,628	1,193,045,481	425,970,542	374,953,537	1,810,043,170	1,567,999,018
	10,069,239,444	5,315,068,891	558,205,283	388,556,630	10,627,444,727	5,703,625,521
Property management and other services	587,687,253	104,473,272	56,829,909	9,498,644	644,517,162	113,971,916
Hotel operations	194,913,796	26,676,935	52,842,471	(14,044,534)	247,756,267	12,632,401
Investments in securities	7,850,919	7,850,919	1,950	1,950	7,852,869	7,852,869
Financing	32,430,252	32,430,252	4,255,714	4,255,714	36,685,966	36,685,966
	<u>10,892,121,664</u>	<u>5,486,500,269</u>	<u>672,135,327</u>	<u>388,268,404</u>	<u>11,564,256,991</u>	<u>5,874,768,673</u>

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 4. Segment information (Continued)

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

#### Reconciliation of profit before taxation

	Six months ended	
	31st December, 2022 HK\$	31st December, 2021 HK\$
Segment profit	3,020,819,462	5,874,768,673
Change in fair value of investment properties	(14,323,017)	(87,756,470)
Other income and other gains or losses	9,154,419	71,523,710
Change in fair value of financial assets at FVTPL	3,829,544	(1,809,751)
Gain on disposal of investment properties	161,000	1,047,650
Administrative expenses and other operating expenses	(523,330,359)	(528,295,055)
Finance income, net	579,674,952	137,369,313
Results shared from associates and joint ventures		
– Other income and other gains or losses	345,628,156	206,554,337
– Change in fair value of investment properties	(341,544,808)	(34,544,168)
– Administrative expenses and other operating expenses	(151,475,857)	(221,446,267)
– Finance costs, net	(28,556,237)	(53,950,247)
– Income tax credit/(expense)	14,458,253	(36,575,847)
	<u>(161,490,493)</u>	<u>(139,962,192)</u>
Profit before taxation	<u>2,914,495,508</u>	<u>5,326,885,878</u>

During the six months ended 31st December, 2022, inter-segment sales of HK\$43,647,762 (six months ended 31st December, 2021: HK\$73,178,256) were not included in the segment of "property management and other services". There were no inter-segment sales in other operating segments. Inter-segment sales were charged on a cost plus margin basis as agreed between the parties involved.

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 5. Finance income

	Six months ended	
	31st December, 2022 HK\$	31st December, 2021 HK\$
Interest income on bank deposits	570,073,566	128,977,915
Interest income on advances to associates and joint ventures and imputed interest income on non-current interest-free advances to associates and joint ventures	<u>35,117,157</u>	<u>25,617,153</u>
	<u><b>605,190,723</b></u>	<u><b>154,595,068</b></u>

### 6. Finance costs

	Six months ended	
	31st December, 2022 HK\$	31st December, 2021 HK\$
Interest on bank and other borrowings	51,344,257	15,314,674
Interest on lease liabilities	968,773	558,573
Imputed interest expense on non-current interest-free advances from associates	4,566,370	4,145,750
Loan facility arrangement fees and finance charges	<u>623,002</u>	<u>416,575</u>
	57,502,402	20,435,572
Fair value adjustment on an interest rate swap reclassified from hedging reserve to profit or loss	<u>(6,386,091)</u>	<u>5,108,301</u>
	51,116,311	25,543,873
Less: Amounts capitalised to properties under development	<u>(26,939,042)</u>	<u>(8,456,731)</u>
	<u><b>24,177,269</b></u>	<u><b>17,087,142</b></u>

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 7. Share of results of associates

Share of results of associates included the Group's share of decrease in fair value of investment properties of the associates of HK\$177,485,429 (six months ended 31st December, 2021: HK\$8,704,217) recognised in the statement of profit or loss of the associates.

### 8. Share of results of joint ventures

Share of results of joint ventures included the Group's share of decrease in fair value of investment properties of the joint ventures of HK\$164,059,379 (six months ended 31st December, 2021: HK\$25,839,951) recognised in the statement of profit or loss of the joint ventures.

### 9. Profit before taxation

	Six months ended	
	31st December, 2022 HK\$	31st December, 2021 HK\$
Profit before taxation has been arrived at after charging/(crediting):		
Cost of properties sold	2,461,092,528	4,209,708,398
Cost of hotel inventories recognised as direct expenses	49,406,528	26,246,379
Depreciation of hotel properties	16,515,001	17,733,154
Depreciation of property, plant and equipment	29,656,409	36,731,339
Depreciation of right-of-use assets	39,180,833	39,116,882
Loss/(gain) on disposal of property, plant and equipment	85,901	(23,479)
Impairment loss on trade receivables, net of reversal	11,821,141	7,240,063

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 10. Income tax expense

	Six months ended	
	31st December, 2022 HK\$	31st December, 2021 HK\$
Tax charge comprises:		
Current taxation		
Hong Kong Profits Tax	283,162,013	758,922,457
Other jurisdictions	121,709,017	51,974,551
Land Appreciation Tax ("LAT") in Mainland China	32,603,644	75,811,641
	<u>437,474,674</u>	<u>886,708,649</u>
Deferred taxation	16,749,088	47,980,906
	<u>454,223,762</u>	<u>934,689,555</u>

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated weighted average annual tax rate used is 16.5% (six months ended 31st December, 2021: 16.5%).

Taxes on profits assessable in Singapore and Mainland China are recognised based on management's best estimate of the weighted average annual income tax rates prevailing in the countries and the regions in which the Group operates. The estimated weighted average annual tax rates used are 17% in Singapore and 25% in Mainland China (six months ended 31st December, 2021: 17% in Singapore and 25% in Mainland China).

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

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

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 11. Dividend paid

	Six months ended	
	31st December, 2022 HK\$	31st December, 2021 HK\$
Final dividend paid for the year ended 30th June, 2022 of HK42 cents per share (six months ended 31st December, 2021: HK41 cents per share for the year ended 30th June, 2021), with a scrip dividend option	3,241,625,735	3,032,389,290
Special dividend paid for the year ended 30th June, 2022 of nil per share (six months ended 31st December, 2021: HK28 cents per share for the year ended 30th June, 2021), with a scrip dividend option	–	2,070,900,003
	<u>3,241,625,735</u>	<u>5,103,289,293</u>

Subsequent to the end of the reporting period, the Directors determined that an interim dividend for the six months ended 31st December, 2022 of HK15 cents (six months ended 31st December, 2021: HK15 cents) per share amounting to HK\$1,209,189,324 (six months ended 31st December, 2021: HK\$1,142,268,702) would be paid to the Company's shareholders whose names appear on the Register of Members on 10th March, 2023.

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 12. Earnings per share

#### (a) Reported earnings per share

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

	Six months ended	
	31st December, 2022 HK\$	31st December, 2021 HK\$
Earnings for the purpose of basic earnings per share	<u>2,459,821,495</u>	<u>4,225,517,118</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>7,768,503,535</u>	<u>7,427,024,614</u>

No diluted earnings per share has been presented for the periods ended 31st December, 2022 and 2021 as there were no potential ordinary shares outstanding during the current and prior periods.

#### (b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, underlying earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK\$2,802,368,922 (six months ended 31st December, 2021: HK\$4,367,900,512) is also presented, excluding the net effect of changes in fair value of investment properties of the Group and its associates and joint ventures and including realised fair value gain on interest in an associate upon sales of its properties and realised fair value gain on investment properties disposed of during the period, taking into account tax effect and the amount attributable to the Company's shareholders. The denominators used are the same as those detailed above for reported earnings per share.



## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 12. Earnings per share (Continued)

#### (b) Underlying earnings per share (Continued)

A reconciliation of profit is as follows:

	Six months ended	
	31st December, 2022 HK\$	31st December, 2021 HK\$
Earnings for the purpose of basic earnings per share	<u>2,459,821,495</u>	<u>4,225,517,118</u>
Change in fair value of investment properties	14,323,017	87,756,470
Effect of corresponding deferred tax	536,786	6,031,181
Share of results of associates		
– Change in fair value of investment properties	177,485,429	8,704,217
– Effect of corresponding deferred tax	(2,970,000)	–
Share of results of joint ventures		
– Change in fair value of investment properties	164,059,379	25,839,951
– Effect of corresponding deferred tax	117,318	51,773
	<u>353,551,929</u>	<u>128,383,592</u>
Amount attributable to non-controlling interests	<u>(12,894,502)</u>	<u>1,663,755</u>
Unrealised change in fair value of investment properties attributable to the Company's shareholders	340,657,427	130,047,347
Realised fair value gain on investment properties disposed of during the period, net of taxation	1,890,000	1,173,228
Realised fair value gain on interest in an associate upon sales of its properties during the period	–	11,162,819
	<u>342,547,427</u>	<u>142,383,394</u>
Underlying profit attributable to the Company's shareholders	<u>2,802,368,922</u>	<u>4,367,900,512</u>
Underlying earnings per share	<u>0.36</u>	<u>0.58</u>

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 13. Investment properties

The Group's investment properties at 31st December, 2022 and 30th June, 2022 were fair-valued by Knight Frank Petty Limited and Knight Frank Pte Ltd., independent valuers not connected with the Group. The valuations for completed properties were arrived at by reference to market evidence of recent transaction prices for similar properties and/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. For investment properties under redevelopment, the valuations had been arrived at by adopting direct comparison approach with reference to comparable transactions in the locality and assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations had also taken into account the relevant future cost of development, including construction costs, finance costs, professional fees and developer's profit as of completion, which duly reflected the risks associated with the development of the properties.

The resulting fair value loss on investment properties of HK\$14,323,017 has been recognised directly in profit or loss for the six months ended 31st December, 2022 (six months ended 31st December, 2021: HK\$87,756,470). During the six months ended 31st December, 2022, a property under development with the carrying amount of HK\$3,078,376,336 was completed and transferred to investment properties with a fair value gain of HK\$521,623,664 recognised.

### 14. Property, plant and equipment

During the six months ended 31st December, 2022, additions to property, plant and equipment amounted to HK\$15,239,523 (six months ended 31st December, 2021: HK\$28,151,373).

### 15. Interests in associates/Advances to associates/Amounts due from/to associates

	31st December, 2022 HK\$	30th June, 2022 HK\$
Interests in associates	<u>17,037,387,801</u>	<u>17,869,483,624</u>
Advances to associates	5,353,493,189	5,267,870,933
Less: Allowance	<u>(1,399,303,852)</u>	<u>(1,399,469,435)</u>
	<u>3,954,189,337</u>	<u>3,868,401,498</u>

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 15. Interests in associates/Advances to associates/Amounts due from/to associates (Continued)

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 31st December, 2022, out of the Group's advances to associates net of allowance, HK\$1,181,257,593 (30th June, 2022: HK\$1,167,944,397) bear interest and the remaining balance is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

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

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

### 16. Interests in joint ventures/Advances to joint ventures/Amounts due from joint ventures

	31st December, 2022 HK\$	30th June, 2022 HK\$
Interests in joint ventures	<u>6,022,745,085</u>	<u>5,864,756,573</u>
Advances to joint ventures	13,696,656,344	12,138,146,702
Less: Allowance	<u>(842,295,793)</u>	<u>(788,032,924)</u>
	<u>12,854,360,551</u>	<u>11,350,113,778</u>

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 31st December, 2022, out of the Group's advances to joint ventures, HK\$5,066,999,154 (30th June, 2022: HK\$8,841,625,752) bear interest and the remaining balance is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The amounts due from joint ventures of the Group classified under current assets are unsecured and are expected to be repaid within one year from the end of the reporting period. At 31st December, 2022, out of the Group's amounts due from joint ventures, HK\$86,759,886 (30th June, 2022: HK\$80,099,160) bear interest and the remaining balance is interest-free.

## 17. Trade and other receivables

At 31st December, 2022, included in trade and other receivables of the Group are trade receivables (net of allowance for credit losses) of HK\$260,571,171 (30th June, 2022: HK\$318,928,233). Trade receivables mainly comprise rental receivables and property management and other services. Rental receivables are billed and payable in advance by tenants.

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

	31st December, 2022 HK\$	30th June, 2022 HK\$
Current or up to 30 days	133,280,347	133,279,262
31 – 60 days	22,244,374	46,484,350
61 – 90 days	12,447,576	35,514,705
Over 90 days	92,598,874	103,649,916
	<u>260,571,171</u>	<u>318,928,233</u>

Other receivables and prepayments mainly comprise receivables in relation to utility and other deposits paid of HK\$201,713,213 (30th June, 2022: HK\$195,410,909), prepayments for operating expenses of HK\$77,917,905 (30th June, 2022: HK\$60,216,860), other payments in advance of HK\$92,831,952 (30th June, 2022: HK\$146,082,076) which is mainly related to property development projects, interest receivables of HK\$550,650,815 (30th June, 2022: HK\$139,092,973) and prepayment for sales commissions of HK\$11,777,041 (30th June, 2022: HK\$42,582,680), which is recognised as contract assets.

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 18. Time deposits and restricted bank deposits/Bank balances and cash

At 31st December, 2022, time deposits of HK\$2,616,330,763 (30th June, 2022: HK\$3,015,161,051) were charged for finance undertakings issued by banks for certain subsidiaries of the Company. The balance includes cash held by stakeholders of HK\$1,950,731,870 (30th June, 2022: HK\$2,619,978,153), which are restricted for payments related to property development projects or will be released by stakeholders after completion of the relevant assignments.

The restricted bank deposits of HK\$24,648,763 (30th June, 2022: HK\$25,746,326) represented deposits placed with banks, which were used as a guarantee for a construction contract.

### 19. Trade and other payables

At 31st December, 2022, included in trade and other payables of the Group are trade payables of HK\$176,292,058 (30th June, 2022: HK\$154,359,104).

The following is an ageing analysis of trade payables presented based on the invoice date at the reporting date:

	31st December, 2022 HK\$	30th June, 2022 HK\$
1 – 30 days	123,030,912	123,505,091
31 – 60 days	20,617,051	6,823,758
61 – 90 days	9,685,178	2,106,255
Over 90 days	22,958,917	21,924,000
	<u>176,292,058</u>	<u>154,359,104</u>

Other payables mainly comprise accrual of construction cost of HK\$1,805,862,779 (30th June, 2022: HK\$1,713,821,701), rental and utilities deposits received of HK\$736,111,963 (30th June, 2022: HK\$744,090,663), receipt in advance of HK\$1,676,303,548 (30th June, 2022: HK\$1,680,997,769) which is mainly related to property development projects, and rental receipt in advance of HK\$141,731,682 (30th June, 2022: HK\$157,344,674).

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 20. Bank borrowings

During the six months ended 31st December, 2022, the Group did not obtain any new bank loan (six months ended 31st December, 2021: nil). All of the bank borrowings carry interest at contracted interest rates (which are also the effective interest rates) at Hong Kong Interbank Offered Rate plus a margin per annum. The bank borrowings of the Group are guaranteed by the Company in proportion to the Group's equity interest in the subsidiaries (Note 25), and a bank borrowing is also secured by the share of a subsidiary of the Company.

### 21. Share capital

	2022		2021	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Ordinary shares issued and fully paid with no par value:				
At 1st July	7,718,156,511	56,403,833,044	7,396,071,440	53,211,962,913
Issue of shares in lieu of cash dividends	343,105,646	2,934,925,696	219,053,233	2,184,836,946
At 31st December	<u>8,061,262,157</u>	<u>59,338,758,740</u>	<u>7,615,124,673</u>	<u>55,396,799,859</u>

On 5th December, 2022, the Company issued and allotted a total of 343,105,646 ordinary shares at an issue price of HK\$8.554 per ordinary share to the shareholders in lieu of cash for the 2022 final dividend.

On 6th December, 2021, the Company issued and allotted at an issue price of HK\$9.974 per share a total of 134,700,143 ordinary shares in lieu of cash for the 2021 final dividend and a total of 84,353,090 ordinary shares in lieu of cash for the 2021 special dividend in respect of the financial year ended 30th June, 2021.

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

### 22. Advances from associates

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

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 23. Advances from non-controlling interests

The advances from non-controlling interests of the Group amounting to HK\$67,823,031 (30th June, 2022: HK\$71,923,803) are unsecured, bear interest at 6.25% (30th June, 2022: 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$69,675,161 (30th June, 2022: HK\$70,481,873) is unsecured, interest-free and has no fixed repayment terms. The non-controlling shareholders have agreed not to demand repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

### 24. Fair value measurements of financial instruments

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

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

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

	Fair value as at		Fair value hierarchy
	31st December, 2022 HK\$	30th June, 2022 HK\$	
<b>Financial assets</b>			
Equity instruments at FVTOCI			
– Listed equity securities (Note a)	677,044,910	737,367,382	Level 1
– Listed perpetual bonds (Note b)	33,922,516	36,488,550	Level 2
Debt instruments at FVTOCI			
– Listed debt securities (Note b)	32,277,571	33,458,728	Level 2
Unlisted investments (Note c)	197,993,072	189,853,504	Level 3
Financial assets at FVTPL			
– Listed equity securities (Note a)	9,150,485	7,943,405	Level 1

# Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

## 24. Fair value measurements of financial instruments (Continued)

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

Notes:

- (a) The fair values of all listed equity securities are determined with reference to quoted market prices in an active market as at 31st December, 2022 and 30th June, 2022.
- (b) The fair values of all listed perpetual bonds and debt securities are determined with reference to quoted market prices provided by financial institutions as at 31st December, 2022 and 30th June, 2022.
- (c) The fair values of all unlisted investments at FVTPL and FVTOCI are determined based on their net asset value, representing the fair value of the funds reported by respective fund managers, and relevant factors if deemed necessary, as at 31st December, 2022 and 30th June, 2022, except those where the Directors of the Company consider cost approximates their fair value.

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

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

### Reconciliation of Level 3 fair value measurements of financial assets

	2022 HK\$	2021 HK\$
<b>Unlisted investments</b>		
At 1st July	189,853,504	96,702,563
Net investment	12,713,387	12,124,498
Fair value changes	2,622,463	–
Exchange realignment	(7,196,282)	1,766,613
	<hr/>	<hr/>
At 31st December	197,993,072	110,593,674



## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 25. Financial guarantee contracts

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

	31st December, 2022 HK\$	30th June, 2022 HK\$
Guarantees given to banks in respect of:		
Banking facilities of associates and joint ventures attributable to the Group		
– Utilised	7,673,001,519	8,202,027,181
– Unutilised	3,567,322,468	3,881,171,599
	<u>11,240,323,987</u>	<u>12,083,198,780</u>

At 31st December, 2022 and 30th June, 2022, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates and joint ventures. At the end of both reporting periods, the Group did not recognise any liabilities in respect of such corporate financial guarantees as the Directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant. The amounts of loss allowances determined in accordance with Hong Kong Financial Reporting Standard 9, *Financial Instruments* ("HKFRS 9") at the end of the reporting periods are insignificant.

Guarantees are given to banks with respect to loans procured by certain purchasers of the Group's properties. Such guarantees will be released by banks upon completion of the relevant mortgage properties registration. In the opinion of the Directors, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the Directors consider that the possibility of default of the parties involved is remote; accordingly, no value has been recognised at the inception of these guarantee contracts and at the end of each reporting period. The amounts of loss allowances determined in accordance with HKFRS 9 at the end of the reporting periods are insignificant.

## Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2022

### 26. Commitments

Capital commitments outstanding at 31st December, 2022 not provided for in the condensed consolidated financial statements were as follows:

	31st December, 2022 HK\$	30th June, 2022 HK\$
Contracted for	88,531,108	63,255,003
Authorised but not contracted for	83,500	102,177
	<u>88,614,608</u>	<u>63,357,180</u>

The Group's share of capital commitments of joint ventures and associates outstanding at 31st December, 2022 not provided for in the condensed consolidated financial statements were as follows:

	31st December, 2022 HK\$	30th June, 2022 HK\$
Contracted for	104,469,560	201,230,039
Authorised but not contracted for	50,017,102	19,519,550
	<u>154,486,662</u>	<u>220,749,589</u>

### 27. Material related party transactions

There were no new material related party transactions during the six months ended 31st December, 2022 save as those disclosed in the Group's audited annual financial statements for the year ended 30th June, 2022.

## Closure of register of members

The register of members of the Company will be closed from Wednesday, 8th March, 2023 to Friday, 10th March, 2023, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Friday, 10th March, 2023.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share Registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 7th March, 2023.

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

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

## Directors' interests

As at 31st December, 2022, the interests and short positions held by the Directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

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

Name of Director	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Robert Ng Chee Siong	4,720,566,903 (Note)	Beneficial owner of 279,532 shares, spouse interest in 5,555,000 shares and trustee interest in 4,714,732,371 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	58.55%
The Honourable Ronald Joseph Arculli	1,191,997	Beneficial owner	0.01%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Daryl Ng Win Kong	160,226	Beneficial owner	≈ 0%
Mr. Ringo Chan Wing Kwong	382,199	Beneficial owner	≈ 0%
Mr. Gordon Lee Ching Keung	100,000	Beneficial owner	≈ 0%
Mr. Thomas Tang Wing Yung	–	–	–
Mr. Victor Tin Sio Un	51,376	Beneficial owner	≈ 0%

## Directors' interests (Continued)

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

Note:

The trustee interest in 4,714,732,371 shares comprises:

- (a) 1,979,510,317 shares which were held by Tsim Sha Tsui Properties Limited, which was 72.06% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
- (b) (i) 64,399,948 shares which were held by Orchard Centre Holdings (Private) Limited, in which Nam Lung Properties Development Company Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited, had a 95.23% control; and  
(ii) 2,457,257,002 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 157,377,796 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 262,367 shares by Fanlight Investment Limited, 251,612 shares by Garford Nominees Limited, 56,624,967 shares by Karaganda Investments Inc., 24,422,105 shares by Orient Creation Limited, 11,869,729 shares by Strathallan Investment Limited, 35,775,613 shares by Strong Investments Limited, 27,414,910 shares by Tamworth Investment Limited and 756,493 shares by Transpire Investment Limited; and
- (d) 56,187,308 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

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

#### (i) Holding Company

##### Tsim Sha Tsui Properties Limited

Name of Director	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Robert Ng Chee Siang	1,474,010,001 (Note)	Beneficial owner of 791,576 shares and trustee interest in 1,473,218,425 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.10%
The Honourable Ronald Joseph Arculli	60,000	Beneficial owner	≈ 0%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Daryl Ng Win Kong	–	–	–
Mr. Ringo Chan Wing Kwong	–	–	–
Mr. Gordon Lee Ching Keung	–	–	–
Mr. Thomas Tang Wing Yung	–	–	–
Mr. Victor Tin Sio Un	–	–	–

Note:

The trustee interest in 1,473,218,425 shares comprises:

- (a) 1,356,948,266 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 140,647,659 shares by Fanlight Investment Limited, 190,598,098 shares by Nippomo Limited, 4,379,735 shares by Orient Creation Limited, 374,866,362 shares by Strathallan Investment Limited, 559,402,396 shares by Tamworth Investment Limited and 87,054,016 shares by Transpire Investment Limited; and
- (b) 116,270,159 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

## Directors' interests (Continued)

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

#### (ii) Associates and joint ventures

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

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

#### Notes:

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

Save as disclosed above, as at 31st December, 2022, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Substantial shareholders' and other shareholders' interests

As at 31st December, 2022, the interests and short positions of the substantial shareholders and other shareholders (other than Directors of the Company) in the shares and underlying shares of the Company as notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

### Long positions in shares of the Company

Name of substantial shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Philip Ng Chee Tat	4,731,503,127 <i>(Notes 1, 2, 3, 4, 5 and 6)</i>	Interest of controlled corporations in 17,252,756 shares and trustee interest in 4,714,250,371 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	58.69%
Tsim Sha Tsui Properties Limited	4,500,685,267 <i>(Notes 2(a), 2(b), 3, 4 and 6)</i>	Beneficial owner of 1,979,510,317 shares and interest of controlled corporations in 2,521,174,950 shares	55.83%

  

Name of other shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Spangle Investment Limited	554,468,257 <i>(Notes 3 and 6)</i>	Beneficial owner	6.87%
Ka Fai Land Investment Limited	421,996,094 <i>(Notes 4 and 6)</i>	Beneficial owner	6.19%

# Substantial shareholders' and other shareholders' interests

(Continued)

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

Notes:

- 17,252,756 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 5,324,531 shares by Far East Capital Pte. Ltd. (formerly known as Far East Ventures Pte. Ltd.) and 11,928,225 shares by Western Properties Pte Ltd.
- The trustee interest in 4,714,250,371 shares comprises:
  - 1,979,510,317 shares which were held by Tsim Sha Tsui Properties Limited, which was 72.06% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
  - 64,399,948 shares which were held by Orchard Centre Holdings (Private) Limited, in which Nam Lung Properties Development Company Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited, had a 95.23% control; and
    - 2,456,775,002 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 554,468,257 shares held by Spangle Investment Limited (Note 3) and 515,591,954 shares held by Ka Fai Land Investment Limited (Note 4));
  - 157,377,796 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 262,367 shares by Fanlight Investment Limited, 251,612 shares by Garford Nominees Limited, 56,624,967 shares by Karaganda Investments Inc., 24,422,105 shares by Orient Creation Limited, 11,869,729 shares by Strathallan Investment Limited, 35,775,613 shares by Strong Investments Limited, 27,414,910 shares by Tamworth Investment Limited and 756,493 shares by Transpire Investment Limited; and
  - 56,187,308 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
- Spangle Investment Limited is a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and its shareholding was duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
- Ka Fai Land Investment Limited is a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and its shareholding was duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
- The trustee interest of Mr. Philip Ng Chee Tat was duplicated in the trustee interest of Mr. Robert Ng Chee Siong as disclosed under the section headed "Directors' interests" above as the co-executors of the estate of the late Mr. Ng Teng Fong.
- The number and the percentage of shares as disclosed are based on the substantial shareholder notices filed with the Stock Exchange.

Save as disclosed above and so far as the Directors of the Company are aware, as at 31st December, 2022, no other person (other than Directors of the Company) had an interest or short position in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder of the Company.

## Disclosure pursuant to Rule 13.22 of the Listing Rules

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

	At 31st December, 2022 HK\$	At 30th June, 2022 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	7,673,001,519	9,610,555,181
Advances from the Group	<u>22,977,850,145</u>	<u>23,817,704,470</u>
	<u>30,650,851,664</u>	<u>33,428,259,651</u>
The Group's share of capital commitments of its affiliated companies		
– Contracted for	104,469,560	201,230,039
– Authorised but not contracted for	<u>50,017,102</u>	<u>19,519,550</u>
	<u>154,486,662</u>	<u>220,749,589</u>
The Group's share of contingent liabilities of its affiliated companies	<u>–</u>	<u>–</u>

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



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

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of the Directors since the publication of the 2022 Annual Report and up to 21st February, 2023 (being the approval date of this Interim Report) are set out below:

## Directors' updated biographical details

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

### Mr. Robert Ng Chee Siong

- appointed as a member of the 14th National Committee of the Chinese People's Political Consultative Conference.

### The Honourable Ronald Joseph Arculli

- retired as a Board Member and the Vice-Chairman of the Board of The West Kowloon Cultural District Authority and the Chairman of its Executive Committee and Development Committee.

### Mr. Adrian David Li Man-kiu

- appointed as a member of the Shanghai Committee of the Chinese People's Political Consultative Conference;
- appointed as a member of the Election Committee responsible for electing deputies of the HKSAR to the 14th National People's Congress; and
- ceased as a member of the Anhui Provincial Committee of the Chinese People's Political Consultative Conference.

### Mr. Daryl Ng Win Kong

- appointed as a member of the Standing Committee of the 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference;
- appointed as a member of the Court of The Hong Kong University of Science and Technology; and
- ceased as a member of the Cyberport Advisory Panel of Hong Kong Cyberport Management Company Limited.

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

## Change in Directors' emoluments

With effect from 1st January, 2023, the annual salaries of Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong, Mr. Gordon Lee Ching Keung, Mr. Thomas Tang Wing Yung and Mr. Victor Tin Sio Un are HK\$990,120, HK\$5,418,480, HK\$7,444,620, HK\$5,750,460 and HK\$6,371,400 and the discretionary bonuses paid to Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong, Mr. Gordon Lee Ching Keung, Mr. Thomas Tang Wing Yung and Mr. Victor Tin Sio Un for the year 2022 were HK\$160,990, HK\$660,790, HK\$2,572,316, HK\$701,275 and HK\$1,219,000 respectively.

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

## Remuneration Committee

The Company has established its Remuneration Committee with written terms of reference which are available at the Company's website [www.sino.com](http://www.sino.com) and the Stock Exchange's website.

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

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

## Nomination Committee

The Company has established its Nomination Committee with written terms of reference which are available at the Company's website [www.sino.com](http://www.sino.com) and the Stock Exchange's website.

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

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

## Audit Committee

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

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

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

In the first quarter of 2023, the Audit Committee has reviewed the accounting policies and practices adopted by the Company and the interim report for the six months ended 31st December, 2022.

## Compliance Committee

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

## Codes for dealing in the Company's securities

The Company has adopted its own code for dealing in the Company's securities by Directors ("Directors Dealing Code") on terms no less exacting than the required standard set out in the Model Code. The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the six months ended 31st December, 2022. The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of inside information in relation to the securities of the Company, on no less exacting terms than the Model Code.

## Compliance with Corporate Governance Code

The Company has complied with all the code provisions as set out in Appendix 14 to the Listing Rules applicable to the Company for the six months ended 31st December, 2022, except that there was no separation of the roles of the chairman and the chief executive, both of the roles are currently undertaken by the Chairman of the Board.

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

By Order of the Board

**Fanny CHENG Siu King**

*Company Secretary*

Hong Kong, 21st February, 2023

# Report on review of condensed consolidated financial statements



## Review report to the board of directors of Sino Land Company Limited

*(Incorporated in Hong Kong with limited liability)*

## Introduction

We have reviewed the condensed consolidated financial statements set out on pages 16 to 41 which comprise the consolidated statement of financial position of Sino Land Company Limited (the “Company”) as of 31st December, 2022 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to form a conclusion, based on our review, on the condensed consolidated financial statements and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements as at 31st December, 2022 are not prepared, in all material respects, in accordance with HKAS 34.

### KPMG

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

21st February, 2023

