

ANNUAL REPORT 2023



Creating Better Lifescapes

 SINO LAND COMPANY LIMITED

This annual report (“Annual Report”) is available in both English and Chinese. Shareholders who have received either the English or the Chinese version of the Annual Report may request a copy in the language different from that has been received by writing to the Company’s Share Registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

The Annual Report (in both English and Chinese versions) has been posted on the Company’s website at www.sino.com. Shareholders who have chosen to rely on copies of the Corporate Communications (including but not limited to annual report, summary financial report (where applicable), interim report, summary interim report (where applicable), notice of meeting, listing document, circular and proxy form) posted on the Company’s website in lieu of any or all the printed copies thereof may request printed copy of the Annual Report.

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

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.

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Corporate information

Board of Directors

Executive Directors

Robert Ng Chee Siong, Chairman
Daryl Ng Win Kong, SBS, JP, Deputy Chairman
Ringo Chan Wing Kwong
Gordon Lee Ching Keung
Thomas Tang Wing Yung, Group Chief Financial Officer
Victor Tin Sio Un

Non-Executive Directors

Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP
Nikki Ng Mien Hua (*appointed on 10th August, 2023*)

Independent Non-Executive Directors

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

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

Investor Relations Contact

Telephone : (852) 2132 8480
Fax : (852) 2137 5907
Email : investorrelations@sino.com

Registered Office

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

Listing Information

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

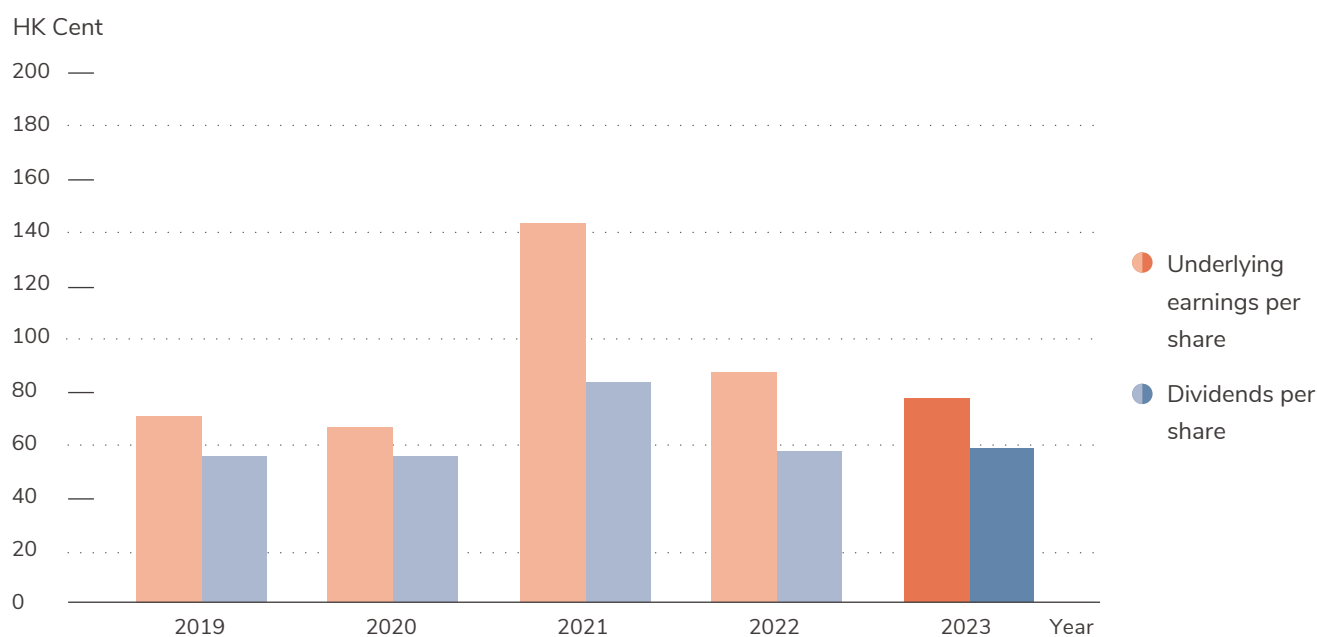
Shareholders' Calendar

Closure of Register of Members for entitlement to attend and vote at Annual General Meeting	19th October, 2023 to 25th October, 2023 (both dates inclusive)
Annual General Meeting	25th October, 2023
Closure of Register of Members for dividend entitlement	31st October, 2023 to 1st November, 2023 (both dates inclusive)
Record Date for final dividend entitlement	1st November, 2023
Last Day for lodging form of election for scrip dividend	23rd November, 2023 4:30 p.m.
Interim Dividend Paid	HK15 cents per share 17th April, 2023
Final Dividend Payable	HK43 cents per share 4th December, 2023

Group financial summary

	2019 HK\$	2020 HK\$	2021 HK\$	2022 HK\$	2023 HK\$
Turnover	<u>8,009,912,578</u>	<u>5,886,888,002</u>	<u>24,545,345,720</u>	<u>15,554,174,570</u>	<u>11,881,285,263</u>
Underlying net profit from operations	<u>4,671,078,053</u>	<u>4,557,049,804</u>	<u>10,315,827,756</u>	<u>6,530,663,998</u>	<u>6,088,207,820</u>
Profit attributable to the Company's shareholders	<u>6,914,903,934</u>	<u>1,688,050,428</u>	<u>9,646,036,990</u>	<u>5,735,396,549</u>	<u>5,849,379,302</u>
Underlying earnings per share (cents)	69.68	65.89	142.92	86.58	76.71
Reported earnings per share (cents)	103.15	24.41	133.64	76.03	73.70
Dividends per share (cents)					
Interim dividend	14.0	14.0	14.0	15.0	15.0
Final dividend	41.0	41.0	41.0	42.0	43.0
Special dividend	—	—	28.0	—	—
	<u>55.0</u>	<u>55.0</u>	<u>83.0</u>	<u>57.0</u>	<u>58.0</u>

Underlying earnings & dividends per share

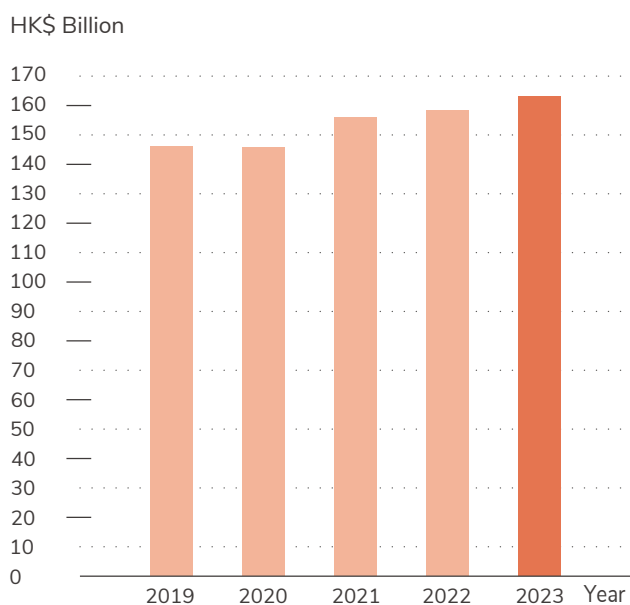


Group financial summary (Continued)

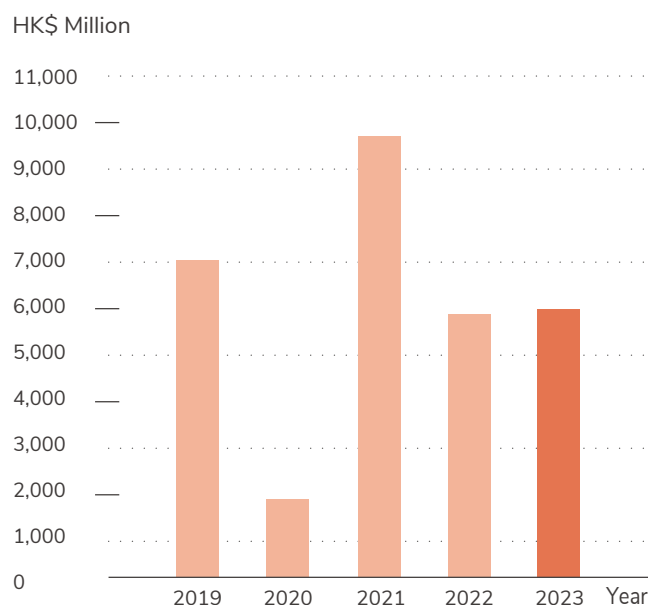
Consolidated statement of financial position

	2019	2020	2021	2022	2023
	HK\$	HK\$	HK\$	HK\$	HK\$
Non-current assets	106,204,235,953	106,332,352,941	106,906,825,650	107,558,890,604	111,628,634,501
Current assets	74,544,144,431	80,391,448,913	74,808,371,628	71,424,985,187	67,642,638,682
Current liabilities	(25,385,564,491)	(32,319,376,427)	(17,965,728,139)	(15,104,618,660)	(10,902,268,852)
	<u>155,362,815,893</u>	<u>154,404,425,427</u>	<u>163,749,469,139</u>	<u>163,879,257,131</u>	<u>168,369,004,331</u>
Share capital	47,324,776,293	49,806,148,516	53,211,962,913	56,403,833,044	60,441,204,098
Reserves	<u>97,969,236,460</u>	<u>95,109,732,783</u>	<u>101,947,734,115</u>	<u>100,993,467,055</u>	<u>101,907,607,960</u>
Shareholders' funds	145,294,012,753	144,915,881,299	155,159,697,028	157,397,300,099	162,348,812,058
Non-controlling interests	868,091,612	843,307,789	1,648,902,596	831,215,368	756,031,441
Non-current liabilities	<u>9,200,711,528</u>	<u>8,645,236,339</u>	<u>6,940,869,515</u>	<u>5,650,741,664</u>	<u>5,264,160,832</u>
	<u>155,362,815,893</u>	<u>154,404,425,427</u>	<u>163,749,469,139</u>	<u>163,879,257,131</u>	<u>168,369,004,331</u>
Shareholders' funds at book value per share	<u>21.31</u>	<u>20.57</u>	<u>20.98</u>	<u>20.39</u>	<u>19.87</u>

Shareholders' funds

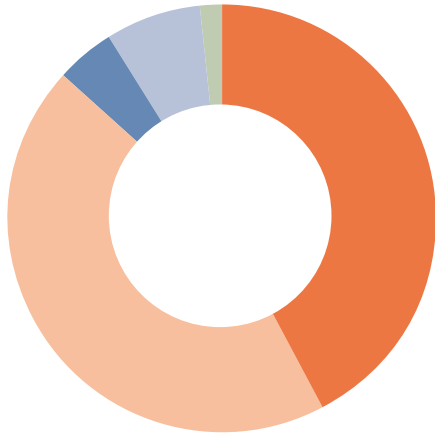


Profit attributable to the Company's shareholders



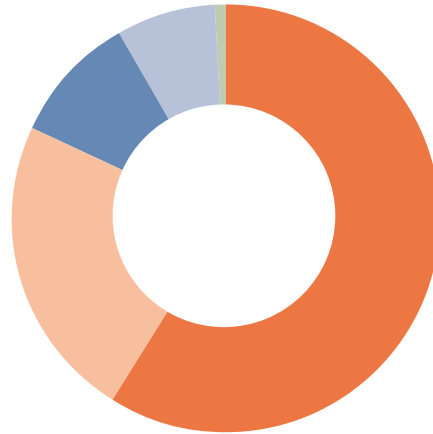
The Company and its subsidiaries (the “Group”)

Breakdown of segment results
for the year ended 30th June, 2023



- Property sales **42.3%**
- Property rental **44.5%**
- Property management and other services **4.5%**
- Hotel operations **7.1%**
- Investments in securities and financing **1.6%**

Breakdown of segment revenue
for the year ended 30th June, 2023

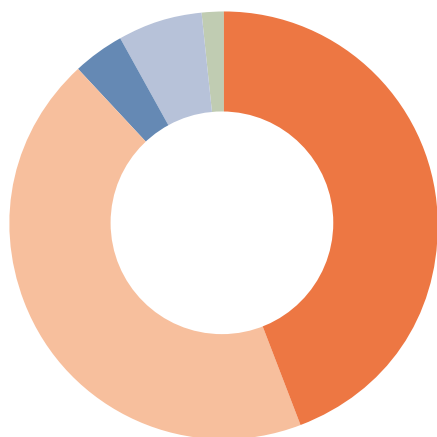


- Property sales **58.9%**
- Property rental **23.1%**
- Property management and other services **9.9%**
- Hotel operations **7.4%**
- Investments in securities and financing **0.7%**

Group financial summary (Continued)

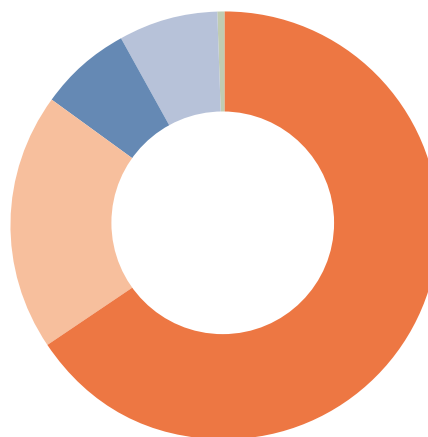
The Group and attributable share from associates and joint ventures

Breakdown of segment results
for the year ended 30th June, 2023



- Property sales **44.4%**
- Property rental **43.9%**
- Property management and other services **3.7%**
- Hotel operations **6.6%**
- Investments in securities and financing **1.4%**

Breakdown of segment revenue
for the year ended 30th June, 2023



- Property sales **65.8%**
- Property rental **19.2%**
- Property management and other services **7.0%**
- Hotel operations **7.5%**
- Investments in securities and financing **0.5%**

I am pleased to present 2022/2023 Annual Report to the shareholders.

Final results

The Group's underlying profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the year ended 30th June, 2023 ("Financial Year") was HK\$6,088.2 million (2021/2022: HK\$6,530.6 million). Underlying earnings per share was HK\$0.76 (2021/2022: HK\$0.86).

After taking into account the revaluation loss (net of deferred taxation) on investment properties of HK\$163.3 million (2021/2022: revaluation loss of HK\$770.8 million), which is a non-cash item, the Group reported a net profit attributable to shareholders of HK\$5,849.3 million for Financial Year (2021/2022: HK\$5,735.3 million). Earnings per share for the Financial Year was HK\$0.73 (2021/2022: HK\$0.76).

Final dividend

The Directors have resolved to recommend a final dividend of HK43 cents per share in respect of the Financial Year.

The final dividend will be payable to shareholders whose names appear on the Register of Members of the Company on 1st November, 2023. Together with the interim dividend of HK15 cents per share paid on 17th April, 2023, the total dividend for the Financial Year is HK58 cents per share.

The Directors propose that shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on 25th October, 2023; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be dispatched to shareholders together with the form of election for scrip dividend on or about 8th November, 2023. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 4th December, 2023.

Business review

(1) Sales activities

Total revenue from property sales for the Financial Year, including property sales of associates and joint ventures, attributable to the Group was HK\$11,937.3 million (2021/2022: HK\$10,841.8 million).

Total revenue from property sales comprises mainly the sales of residential units and carparking spaces in the project completed during the Financial Year namely La Marina in Wong Chuk Hang, Grand Victoria I in South West Kowloon, 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, The Mediterranean in Sai Kung, 133 Portofino in Sai Kung, and The Dynasty in Zhangzhou.

During the Financial Year, the Group launched one new residential project in Hong Kong for sale, namely Villa Garda II in Tseung Kwan O (23.6% sold). In addition, certain units of the remaining stocks of projects launched in previous periods have been launched for sale. These projects are Villa Garda I in Tseung Kwan O (78.5% sold), Silversands in Ma On Shan (80.6% sold), St. George's Mansions in Ho Man Tin (22.3% sold), and Grand Victoria I in South West Kowloon (88.0% sold).

Chairman's statement (Continued)

Business review (Continued)

(1) Sales activities (Continued)

Looking ahead, the Group has a pipeline of new projects to be launched. In addition to Villa Garda III in Tseung Kwan O, Grand Mayfair III in Yuen Long, ONE CENTRAL PLACE in Central and La Montagne in Wong Chuk Hang which have obtained pre-sale consents, the Group expects to obtain pre-sale consent for another residential project in financial year 2023/2024, namely Yau Tong Ventilation Building Property Development. The timing for launching these projects for sale will depend on when the pre-sale consents are received and the prevailing market conditions. Subsequent to the Financial Year, certain units of La Montagne and Villa Garda III were launched for sale in July 2023 and August 2023 respectively.



Grand Victoria

Commanding a coveted urban waterfront location with panoramic harbour views, Grand Victoria provides 1,437 exquisite units across three phases.

(2) Land bank

As at 30th June, 2023, the Group had a land bank of approximately 19.5 million square feet of attributable floor area in Mainland China, Hong Kong, Singapore and Sydney which comprises a balanced portfolio of properties of which 46.8% is commercial; 27.9% residential; 11.3% industrial; 8.0% car parks and 6.0% hotels. In terms of breakdown of the land bank by status, 4.8 million square feet were properties under development, 12.9 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.

During the Financial Year, 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

Business review (Continued)

(3) Property development

During the Financial Year, the Group obtained Certificate of Compliance or Consent to Assign for the following projects in Hong Kong. Details of the projects are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
Silversands 8 Yiu Sha Road, Ma On Shan, New Territories, Hong Kong	Residential	100%	119,351
St. George's Mansions 24A Kadoorie Avenue, Ho Man Tin, Kowloon, Hong Kong	Residential	Joint Venture	309,707
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
Grand Victoria Phase 1 6 Lai Ying Street, South West Kowloon, Kowloon, Hong Kong	Residential	29.25%	104,321
38 Wing Kei Road 38 Wing Kei Road, Kwai Chung, New Territories, Hong Kong	Industrial	100%	176,906
			1,098,479

Chairman's statement (Continued)

Business review (Continued)

(3) Property development (Continued)

In Mainland China, the Group completed Block 10 of Dynasty Park Phase III in Zhangzhou during the Financial Year. 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



ONE SOHO

Located at the heart of Mongkok, ONE SOHO provides 322 beautifully presented residential units. From the interior design to amenities, a sense of modernity is expressed in every detail.

Business review (Continued)

(3) Property development (Continued)

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

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
Landmark South 39 Yip Kan Street, Wong Chuk Hang, Hong Kong	Commercial	60%	141,698
La Marina 11 Heung Yip Road, Wong Chuk Hang, Hong Kong	Residential	Joint Venture	246,496
One North 8 Hong Yip Street, Yuen Long, New Territories, Hong Kong	Commercial	100%	497,620
38 Wing Kei Road 38 Wing Kei Road, Kwai Chung, New Territories, Hong Kong	Industrial	100%	176,906
Grand Victoria Phase 1, Phase 2 and Phase 3 6 and 8 Lai Ying Street, South West Kowloon, Kowloon, Hong Kong	Residential	29.25%	288,935
ONE SOHO 32B Shantung Street, Mongkok, Kowloon, Hong Kong	Residential	Joint Venture	67,311
			1,418,966

Chairman's statement (Continued)

Business review (Continued)

(3) Property development (Continued)

Subsequent to the Financial Year, 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)
Grand Victoria Phase 2 and Phase 3 8 Lai Ying Street, South West Kowloon, Kowloon, Hong Kong	Residential	29.25%	184,614
ONE SOHO 32B Shantung Street, Mongkok, Kowloon, Hong Kong	Residential	Joint Venture	67,311
One North 8 Hong Yip Street, Yuen Long, New Territories, Hong Kong	Commercial	100%	497,620
			<hr/> 749,545 <hr/>

Business review (Continued)

(4) Rental activities

For the Financial Year, the Group's attributable gross rental revenue, including share from associates and joint ventures, was HK\$3,504.8 million (2021/2022: HK\$3,546.1 million), representing a decrease of 1.1% year-on-year. The decline in rental income was mainly due to the decrease in occupancy and negative rental reversion for the office sector, partially offset by the improvement for retail sector, driven by a combination of lower level of rental concession provided to tenants, increase in occupancy, and the higher contribution from turnover rent. The net rental income for the Financial Year was HK\$2,985.7 million (2021/2022: HK\$3,101.6 million), representing a decrease of 3.7% year-on-year. The slightly higher decline in net rental income than the reduction in gross rental income was mainly due to the Group's continuous efforts on assets enhancement works, as well as the additional leasing expenses incurred on our three new buildings, namely Landmark South, One North and 38 Wing Kei Road.

Overall occupancy of the Group's investment property portfolio was 91.2% for the Financial Year (2021/2022: 90.8%), an increase of 0.4 percentage point when compared with the same period last year. Among the different sectors, retail recorded the biggest improvement with its occupancy rate increased by 2.1 percentage points to 95.0% (2021/2022: 92.9%), followed by industrial's 2.0 percentage points increase to 87.7% (2021/2022: 85.7%), while occupancy rate for the office and residential portfolios were 86.6% (2021/2022: 89.7%) and 82.0% (2021/2022: 84.8%), respectively.

Macro headwinds in the economy started to recede as the HKSAR Government began to relax pandemic-related measures and restrictions, boosting local economic and social activities. Together with the full border reopening between Mainland China and Hong Kong in early 2023, as well as the effective initiatives rolled out by the HKSAR Government to revive the tourism industry and the launch of a new round of Government's Consumption Vouchers Schemes, business and consumer sentiment have gradually recovered, bringing optimism to the overall business environment. To capitalise on the return of tourists to the city and the improved consumer sentiment locally, the Group engaged with our customers through a series of online and offline promotional activities to help tenants' sales and hosted various events in our shopping malls, such as "Goal Together" and "CoComelon Playground Fun", to stimulate traffic. Apart from partnering with major payment gateways, business partners and tenants incentivised consumers to use their Consumption Vouchers in our shopping malls. Relentless efforts were made to optimise tenant mix as well as leveraging on our "S+ REWARDS" and "SINO CLUB" digital programmes to enhance customers' shopping experience and increase customer loyalty. Overall, footfall and tenant sales at our flagship malls have marked a visible improvement from the low of the pandemic.



Goal Together

Olympian City, tmtplaza and Citywalk have broadcast World Cup matches live, welcoming over 100,000 guests to enjoy the exciting matches together.

Chairman's statement (Continued)

Business review (Continued)

(4) Rental activities (Continued)

Demand for office space remained slow amid the hybrid working model adopted by certain corporates, with challenges magnified by the increase in available office space in the market. As a result, both occupancy and rental remained under pressure. Nonetheless, Hong Kong is poised to benefit from Central Government's support to deepen its economic integration with the country, and it is well-positioned to take advantage of the development of the Greater Bay Area as the economies of the relevant cities continue to expand. The successful launch of the talent acquisition programmes by the HKSAR Government as well as the overwhelming response by applicants reflect the attractiveness of the city for talents and businesses to grow. It is anticipated that business activities and demand for office space will gradually normalise, bringing back leasing demand from Mainland Chinese corporates over time. Leveraging on the Invigorating Island South Initiative and the Northern Metropolis Development Strategy, Landmark South and One North are the Group's latest projects which recently obtained Certificate of Compliance. Riding on the infrastructure improvements made under these development schemes with our enhanced portfolio utilising best-in-class building specifications and accredited green features, the Group stands ready to attract occupiers seeking high quality and sustainable office spaces.

As at 30th June, 2023, the Group has approximately 12.9 million square feet of attributable floor area of investment properties and hotels in Mainland China, Hong Kong, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 62.2%, industrial 13.9%, car parks 12.2%, hotels 9.1%, and residential 2.6%.

(5) Hotels

For the Financial Year, the Group's hotel revenue, including attributable share from associates and joint ventures, was HK\$1,375.5 million compared to HK\$582.7 million last year, and the corresponding operating profit was HK\$451.7 million (2021/2022: HK\$92.9 million).

Since the easing of travel restrictions and resumption of international travel in early 2022 for certain countries, our Singapore and Sydney operations have experienced a meaningful and consistent recovery, with continuous improvement in operational performances. Management is particularly encouraged by the performance of our Singapore operations, where room rates have exceeded the pre-pandemic levels, as normalisation started to emerge. During the second half of the Financial Year, the reopening of borders between Mainland China and Hong Kong coupled with a series of effective initiatives and events implemented by the HKSAR Government boosted economic activities and the tourism industry. Visitor arrivals reached 3.6 million in July 2023, the highest level since the onset of COVID-19 in 2020. Alongside the gradual resumption of airlines' passenger capacity and normalisation of airfares, the hotel industry is set to benefit from the expected improvement in international arrivals, as mass tourists resume with their travels.

Business review (Continued)

(5) Hotels (Continued)

The Group has been proactively managing our hotels to capitalise on the return of visitors. Management remained vigilant on cost controls against the inflationary environment, while continuously developing new strategies to enhance the quality of hotel services and improve efficiency to ensure that our guests have enjoyable experiences during their stays in the hotels. Conrad Hong Kong discontinued the Designated Quarantine Hotel arrangement when the scheme ended on 26th September, 2022. A marked improvement in monthly room rate and occupancy was observed, particularly in the second half of the Financial Year, aided by the gradual increase in business and leisure travellers on mega events such as Art Basel and Rugby Sevens, and the resumption of physical exhibitions, events and local banquets. First opened in July 2022, The Fullerton Ocean Park Hotel Hong Kong experienced noticeable improvement in the second half of the Financial Year as we approached the traditional peak season for resort hotels in the summer, as well as the uplift in food and beverage performance as more events were hosted at the hotel following the lifting of social distancing measures. The Olympian Hong Kong was closed for enhancement works since December 2021 and the Group intends to reopen the hotel in the fourth quarter of 2023 with new commercial and operational strategies.

As at 30th June, 2023, 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.



The Fullerton Ocean Park Hotel Hong Kong

Nestled by the enchanting waters of Island South and vis-à-vis verdant greenery, The Fullerton Ocean Park Hotel Hong Kong opened doors in July 2022. All of the 425 hotel rooms and suites command mesmerising views of the South China Sea, and the hotel is an ideal base for business and leisure travellers.

(6) Mainland China business

During the Financial Year, the Central Government fully reopened its borders and policymakers have emphasised growth to be the main priority through aligning fiscal, monetary, social, and technology policies to promote growth across different sectors. The latest politburo meeting indicated that in order to boost post-pandemic recovery, China will step up economic policy adjustments in a precise and forceful manner, focusing on expanding domestic demand by boosting residents' incomes to enable consumption to drive economic growth, boost confidence and preventing risks, while it will adjust property policies in a timely manner to optimise the supply and demand relationship in the property market. The Central Government remains committed 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.

Chairman's statement (Continued)

Business review (Continued)

(6) Mainland China business (Continued)

The Central Government accelerated liquidity easing for property developers and local government launched further property easing policies since the third quarter of 2022. On top of the 16-Point Plan with an aim to channel liquidity to developers to ensure completion of unfinished home projects, new measures were recently announced by authorities to extend credit support for developers, alleviating the existing concerns on the property sector while driving up sentiment of home buyers. 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 30th June, 2023, the Group had approximately 4.1 million attributable square feet of land bank in Mainland China. Of the total, approximately 2.3 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 30th June, 2023, the Group at subsidiary level had cash and bank deposits of HK\$43,932.2 million. After netting off total borrowings of HK\$1,964.5 million, the Group had net cash of HK\$41,967.7 million as at 30th June, 2023. 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, 57.6% is repayable within one year and the remaining between two and three years. All of the Group's borrowings are subject to floating interest rates. The Group is a beneficiary of the interest rate hike environment due to our net cash position. Total assets and shareholders' funds of the Group were HK\$179,271.2 million and HK\$162,348.8 million, respectively. Net book value of the Group attributable to the Company's shareholders was HK\$19.87 per share as at 30th June, 2023 (HK\$20.39 per share as at 30th June, 2022).

As at 30th June, 2023, 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 Financial Year. The majority of the Group's cash are denominated in Hong Kong dollars with a portion in Renminbi, US dollars and Australian 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 services so that improvements can be made on a continuous basis.

Sustainability

The Group strives to integrate sustainability into every aspect of its operations through three interconnected areas under our vision of "Creating Better Lifescapes", namely Green Living, Innovative Design and Community Spirit. The Group also seeks to create long-term value for stakeholders and the communities in which we operate. Our annual sustainability report highlights our corporate sustainability footprints and initiatives, and has been prepared in accordance with Global Reporting Initiative ("GRI") Standards, the requirements outlined in the Environmental, Social and Governance Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX ESG Reporting Guide"), the World Economic Forum Stakeholder Capitalism Metrics and the Sustainability Accounting Standards Board ("SASB") Standards for the Real Estate Sector. In addition, our climate actions are disclosed in the report with reference to the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, while our nature-related performance is disclosed with reference to the Taskforce on Nature-related Financial Disclosures ("TNFD") framework recommendations. The report is also prepared with reference to the International Sustainability Standards Board's ("ISSB") new IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures published in June 2023.

Chairman's statement (Continued)

Sustainability (Continued)

We continue to make strides in our sustainability journey. During this Financial Year, Sino Land has remained a constituent company of the Hang Seng Corporate Sustainability Benchmark Index Series, with an AA Rating, and has been recognised as a Top 10 (Pace-setter) in the Greater Bay Area Business Sustainability Index. Sino Land has been recognised as a Global Listed Sector Leader, Regional Listed Sector Leader (Asia) and Regional Sector Leader (Asia) in the Global Real Estate Sustainability Benchmark ("GRESB") and achieved a five-star rating in the 2022 Real Estate Assessment. 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. Sino Land has been recognised as a Regional Top-rated ESG Performer by Sustainalytics and has had its MSCI ESG Rating upgraded to "AA". Furthermore, Sino Land has been selected as a constituent of the Dow Jones Sustainability Asia/Pacific Index and included in the S&P Global Sustainability Yearbook 2023 and the S&P Global Sustainability Yearbook (China) 2023.



Sino Land has been recognised among the Global 100 Most Sustainable Corporations by Corporate Knights, becoming the first developer in Hong Kong to receive the honour.

In recognition of our collective efforts and ongoing commitment to promoting ESG and sustainability, Sino Land has received the Grand Award in the large-sized organisation category at the Hong Kong Sustainability Award 2022, organised by The Hong Kong Management Association. Furthermore, The Fullerton Ocean Park Hotel Hong Kong won Gold Awards in both the Best Hotel and Tourism Development and Best Green Development categories at the prestigious MIPIM Asia Awards 2022, which celebrates excellence and innovation among outstanding projects across the region. Sino Inno Lab has also 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.



MIPIM Asia Awards 2022

The Fullerton Ocean Park Hotel Hong Kong won Gold Awards in the 'Best Hotel and Tourism Development' and 'Best Green Development' categories at the prestigious MIPIM Asia Awards 2022, while Landmark South won Silver Award in the 'Best Office Development' category.

Climate change has emerged as one of the global community's most crucial issues. Sino Land has become one of the first real estate conglomerates in Asia to engage an external consultancy (PricewaterhouseCoopers Limited) to use a climate risk assessment tool for performing ESG and climate risk assessments, covering over 170 existing and new buildings. Sino Land is also one of the pioneer developers in Hong Kong to publish a standalone Climate Action Report, formulated in alignment with Task Force on Climate-related Financial Disclosures ("TCFD") recommendations with the aim of disclosing efforts to identify, assess and manage climate-related risks and opportunities that are material to the business.

Sustainability (Continued)

Fully aware of the importance of urban biodiversity, the Group and the Hong Kong Innovation Foundation, in partnership with Ocean Park Corporation, Archireef Limited and The Fullerton Ocean Park Hotel Hong Kong, launched the CORAL REEFStoration project, which is the first cross-sector collaborative project in Hong Kong 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 in terracotta from Archireef to rebuild 20 square metres of the reef in Hong Kong's southern waters. To engage the public in protecting marine ecosystems, the CORAL REEFStoration Ambassador programme recruited 100 students to participate in coral conservation learning activities. Ten standout students were selected as "Star Coral REEFStorators" to gain deeper knowledge of coral conservation through interactive experiences. This summer, the public is also invited to a new rehabilitation facility for rescued coral fragments, the CORAL REEFStoration Centre, for guided tours, interactive STEAM experiments, in addition to other educational and experiential activities.



The CORAL REEFStoration project, supported by the Group, the Hong Kong Innovation Foundation in partnership with Archireef, Ocean Park and The Fullerton Ocean Park Hotel Hong Kong, achieved a meaningful milestone with the opening of the CORAL REEFStoration Centre, a rehabilitation facility for rescued coral fragments and community engagement.

The Group is committed to exploring innovative technologies and supporting local and overseas startups. The Group organised PropXTech 2022/2023, a proptech acceleration programme that brings together start-ups and established companies from around the world to advance the long term and sustainable development of the real estate industry in Asia. The programme attracted more than 3,000 applications from 70 countries and territories. Ten finalists were invited to present their solutions and business plans to over 100 industry professionals and investors on the Showcase Day.

The Hong Kong University of Science and Technology ("HKUST") and the Group have long been devoted to nurturing the entrepreneurial spirit of the next generation. The HKUST-Sino One Million Dollar Entrepreneurship Competition 2023 introduced the "Sustainability Impact Awards" as a new initiative to encourage sustainability-driven start-up enterprises. This year, the competition attracted a record-breaking 234 teams from the HKUST faculty, students and alumni, as well as members of other local institutions, further strengthening Hong Kong's innovation and entrepreneurship ecosystem.

To encourage the younger generation to cultivate an innovative mindset, the Group supported the Hong Kong Innovation Foundation as a strategic partner in the staging of the second Hong Kong Science Fair, which received more than 400 project submissions from students and teachers-in-charge of local and international schools. Young innovators from 120 shortlisted teams showcased their outstanding innovative projects at the Hong Kong Convention and Exhibition Centre with the 10 award-winning teams announced at the award presentation ceremony. The Science Fair received an overwhelming response from the public, attracting over 20,000 attendees, advancing its desire to enhance the overall Innovation and Technology (I&T) atmosphere in the community.

Chairman's statement (Continued)

Sustainability (Continued)

The Group is committed to youth development, especially for children from underprivileged families, and is delighted to support the HKSAR Government's Strive and Rise Programme. We partnered with various organisations to curate around 20 unique group activities related to innovative technology, cultural heritage, life planning and sustainable development, with colleagues invited to serve as voluntary mentors of the Programme. Around 500 mentees and mentors enrolled or participated in the activities designed to help students broaden their horizons, reinforce their self-confidence, and inspire them to explore more possibilities for personal development.

The Group and the Ng Teng Fong Charitable Foundation ("NTFCF") in collaboration with the School of Nursing, LKS Faculty of Medicine of the University of Hong Kong, and charitable organisations and non-governmental organisations launched the "Generations Connect" project to connect young people and the elderly through community intervention and behavioural coaching. Over 1,000 student healthcare professionals are expected to participate, providing services to 10,000 elderly people and assisting them in adapting to post-pandemic life while taking care of their physical, psychological, and mental health and well-being.

The Group and the NTFCF joined hands with the Pei Ho (Ming Gor) Charity Foundation to support the opening of a vegetarian restaurant, "Veggies Lotus", as a Community Canteen in Tuen Mun. This Community Canteen targets to provide 2,000 free vegetarian meal boxes every month to those in need and continue the spirit of Ming Gor's well-known social enterprise, "Pei Ho Counterparts".



Generations Connect Project

The Group and the Ng Teng Fong Charitable Foundation collaborate with the School of Nursing, LKS Faculty of Medicine of the University of Hong Kong and community partners on 'Generations Connect', a two-year project connecting different generations and helping to enhance medical literacy of the elderly through behavioural coaching.

Prospects

The year of 2023 marks a year of significance with appreciable improvements in social and economic activities following relaxation of pandemic-related measures and restrictions, and the World Health Organization declared that COVID-19 no longer constituted a public health emergency. Thanks to the HKSAR Government's swift and decisive actions on the reopening of borders between Mainland China and Hong Kong in early 2023, as well as a series of effective initiatives to boost social and economic activities, the increasingly favourable operating environment is giving an impetus to Hong Kong's economic growth. The emergence of positive signals has prompted us to proactively prepare our business units for normalisation. Acknowledging the uncertainties faced by the financial markets, clouded by recessionary fears, high inflation, higher-for-longer interest rates, exchange rates volatility and geopolitical concerns, the Group stays focused on our core businesses while seeking to enhance operational efficiency and quality through adopting new technologies and being alerted to the changes in trade and market conditions. The Group is well positioned to capitalise on economic recovery while standing prepared to meet challenges.

Under President Xi's leadership, Mainland China fully reopened its borders in early 2023 and policymakers have re-affirmed growth as the main priority through fiscal, monetary, social, and technology policies to promote growth across different sectors. Major steps are in place with the Politburo pledging to step up policy support for the economy. The Politburo have also implemented measures to ensure fair operating environment in several sectors, including real estate, to buoy domestic demand. On top of the 16-Point Plan announced in November 2022, with measures ranging from addressing the liquidity issues faced by developers to loosening down-payment requirements for home buyers, new measures, such as extending developers' existing loans by 12 months and allowing commercial banks to redesignate project-based special loans to a lower-risk category, were launched in July 2023 to lend further support to the property sector. Mainland China has enormous development resilience and potential, and the long-term positive fundamentals remains intact.

The 14th Five-Year Plan has supported the development of Hong Kong in eight key areas, including the international financial centre, international innovation and technology centre, East-meets-West centre for international cultural exchange, international trade centre, international shipping centre, international aviation hub, centre for international legal and dispute resolution services in the Asia Pacific region as well as regional intellectual property trading centre. Together with the "One Country, Two Systems" principle, as well as visionary initiatives such as the Belt and Road Initiative, the development of the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"), and the Northern Metropolis, 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.

Notable improvements in macro and economic backdrops were noted in the second half of the Financial Year, following the reopening of borders between Mainland China and Hong Kong. The HKSAR Government has launched successful campaigns such as "Hello Hong Kong" – an aspiring drive to attract tourists and businesses to the city with enticing offers, "Happy Hong Kong" – a campaign featuring a wide range of fun and interesting activities ranging from large-scale gourmet markets in various districts to carnivals and events focusing on pop culture, sports and music for citizens aimed to boost the economy, as well as the launches of new rounds of Consumption Voucher Schemes in April and July 2023, both tourist arrivals to Hong Kong and local consumption have registered a significant uptick in recent months. The Group is highly appreciative of all new measures implemented and good actions taken by the HKSAR Government that are conducive to the long-term well-being and development of Hong Kong. We have confidence in the long-term and sustainable development of Hong Kong.

Prospects (Continued)

To address the labour shortage issue and to enhance the city's international competitiveness, 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. The government has recently expanded the Talent List from 13 professions to 51, in order to support the high-quality economic and social development of Hong Kong. There were more than 100,000 applications during the first six months of 2023, of which, around 60 percent of applications are expected to be approved. Such an overwhelming response reflects the strength of Hong Kong and showcases that the city remains an attractive place for overseas talents to grow and prosper. The incoming talents will not only further develop Hong Kong's competitiveness, when they become permanent residents, they can 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. Moreover, the recently relaxed loan-to-value for Hong Kong residential and commercial mortgages could help to boost sentiment of buyers. Together with the rebound in Hong Kong's population to 7.5 million at mid-2023, from 7.3 million at mid-2022, which is very encouraging news, the Group maintains a cautiously optimistic outlook for the property market in Hong Kong. The pandemic over the past three years has altered and reshaped consumers' preferences and behaviours, with an increasing emphasis on quality and sustainability. As a responsible corporate citizen, the Group is committed to our vision of Creating Better Lifescapes by upholding quality excellence as well as delivering the best possible products and services to our customers. Technology and innovation are crucial to our future, and the Group is actively looking for new solutions to improve productivity, enhance customer experience and build a more sustainable environment. New technologies are applied to our businesses to improve efficiency and quality, with concrete steps taken to drive green innovations and digitalisation. The efforts to bring our quality projects to life have earned us recognitions from local and international communities.

Sino Land has been selected as a constituent of the Dow Jones Sustainability™ Asia/Pacific Index (DJSI Asia Pacific), recognising our sustainability efforts among the top 20% of the region. The Group has also had its MSCI ESG (Environment, Social and Governance) Rating upgraded to "AA", being honoured in the S&P Global Sustainability Yearbook for the first time, and been rated a Regional Top-rated ESG Performer by Sustainalytics. We will continue to provide support to those in need, and deliver long-term value to our shareholders, customers, business partners and employees.

As we step into the second half of 2023, the Group is encouraged by the positive developments in various markets and sectors, while staying alert and agile to the changing market conditions. The gradually normalising business environment, together with increasing clarity on interest rate outlook will add impetus to market recovery and lend support to the residential market in Hong Kong. Combined with the Group's strong financial position, sustainable business growth strategies and solid foundation, we are well-positioned to capture opportunities that may arise.

Staff and management

I would like to welcome Ms. Nikki Ng Mien Hua who joined the Board as Non-Executive Director with effect from 10th August, 2023.

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, 29th August, 2023

(1) Land bank

As at 30th June, 2023, the Group had a land bank of approximately 19.5 million square feet. This land bank consisted of a diversified and balanced portfolio of properties, comprising: commercial 46.8%, residential 27.9%, industrial 11.3%, car parks 8.0% and hotels 6.0%. Developments currently under construction are generally situated in good locations and are conveniently served by various modes of transport, including railway and subway lines.

During the Financial Year, 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 shown in the Chairman's Statement on page 8.

The Group's commercial, industrial buildings, car parks and hotels are held mainly for long-term investment and to generate a stable stream of recurrent income. The tables below show the detailed breakdown of the Group's land bank as at 30th June, 2023.

By status and usage

(Floor area in square feet)	Commercial	Residential	Industrial	Car Park	Hotel	Total Area	Percentage
Properties under Development	772,240	4,020,282	–	–	–	4,792,522	24.6%
Investment Properties and Hotels	8,037,717	330,010	1,797,819	1,568,490	1,171,885	12,905,921	66.1%
Completed Properties for Sale	318,888	1,090,419	415,959	–	–	1,825,266	9.3%
Total	9,128,845	5,440,711	2,213,778	1,568,490	1,171,885	19,523,709	100.0%
Percentage	46.8%	27.9%	11.3%	8.0%	6.0%	100.0%	

By location and usage

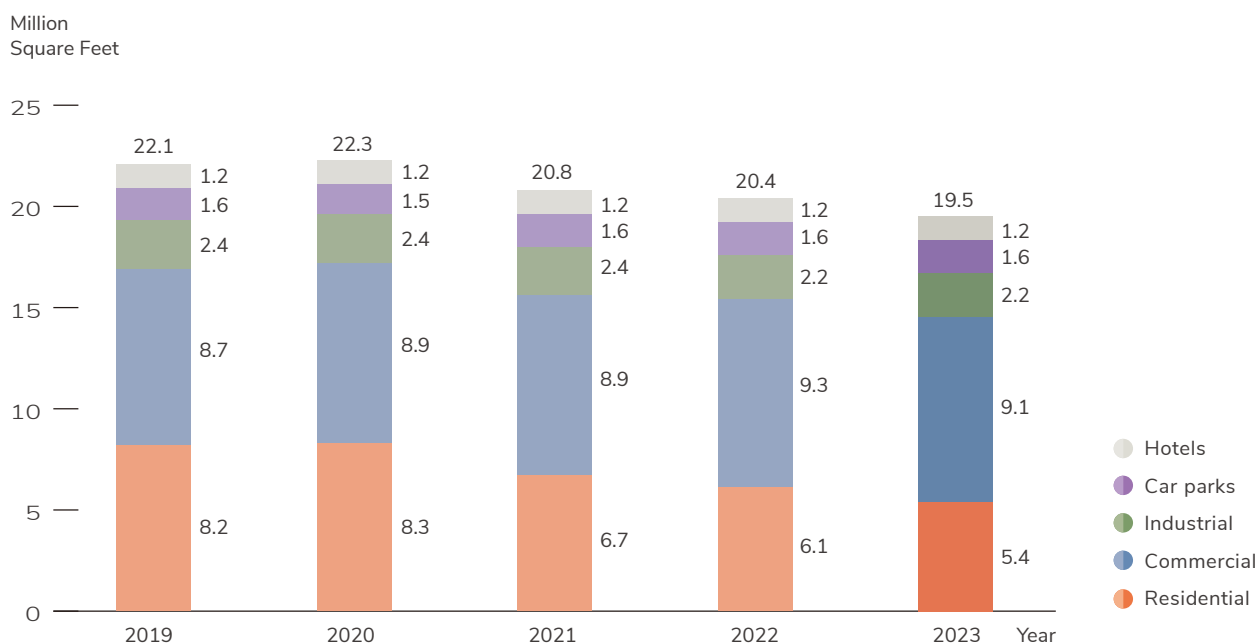
(Floor area in square feet)	Commercial	Residential	Industrial	Car Park	Hotel	Total Area	Percentage
Mainland China	1,722,001	2,375,938	–	–	–	4,097,939	21.0%
New Territories	2,735,228	1,368,313	787,223	1,144,043	–	6,034,807	30.9%
Kowloon	2,999,003	980,122	1,426,555	364,145	43,779	5,813,604	29.8%
Hong Kong Island	1,347,642	527,526	–	60,302	427,526	2,362,996	12.1%
Singapore	295,249	188,812	–	–	545,510	1,029,571	5.3%
Sydney, Australia	29,722	–	–	–	155,070	184,792	0.9%
Total	9,128,845	5,440,711	2,213,778	1,568,490	1,171,885	19,523,709	100.0%

Review of operations (Continued)

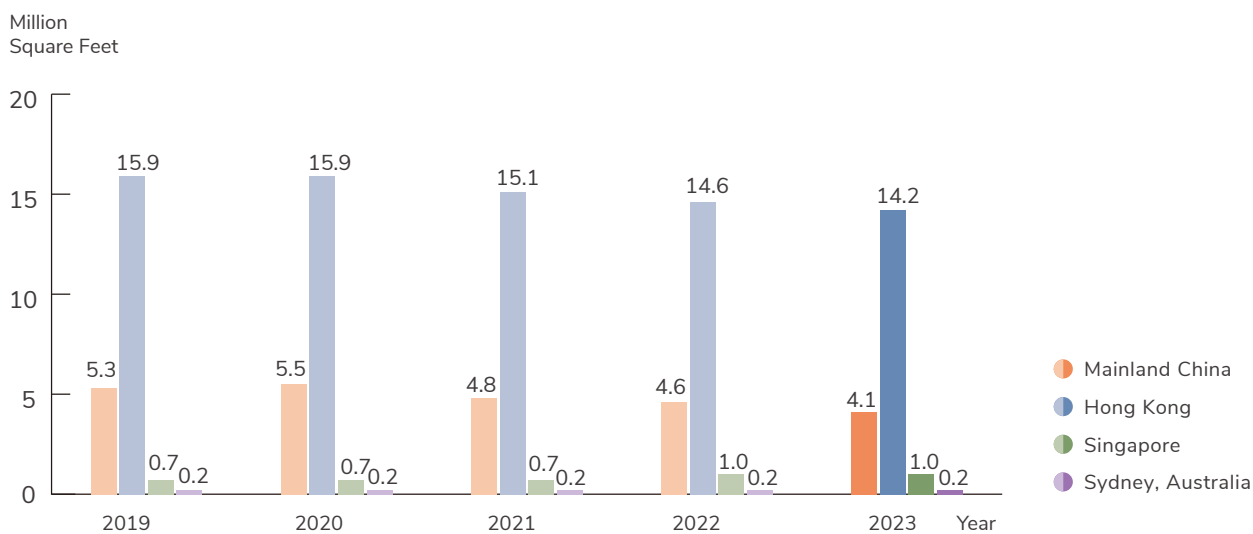
(1) Land bank (Continued)

The following charts show the changes of the Group's land bank by usage and geographical location over the last five financial years:

Land bank – breakdown by usage as at 30th June



Land bank – breakdown by geographical location as at 30th June



(2) Property Development

As at 30th June, 2023, the Group has 18 projects under development with a total attributable floor area of 4.8 million square feet in Hong Kong, Mainland China, and Singapore.

The Group launched one new residential project in Hong Kong for sale, namely Villa Garda II in Tseung Kwan O. In addition, certain units of the remaining stocks of projects launched in previous periods have been launched for sale. These projects are Villa Garda I in Tseung Kwan O, Silversands in Ma On Shan, St. George's Mansions in Ho Man Tin, and Grand Victoria I in South West Kowloon.

Looking ahead, the Group has a pipeline of new projects to be launched. In addition to Villa Garda III in Tseung Kwan O, Grand Mayfair III in Yuen Long, ONE CENTRAL PLACE in Central and La Montagne in Wong Chuk Hang which have obtained pre-sale consents, the Group expects to obtain pre-sale consent for another residential project in financial year 2023/2024, namely Yau Tong Ventilation Building Property Development. The timing for launching these projects for sale will depend on when the pre-sale consents are received and the prevailing market conditions.

Below are the descriptions of the Group's major development projects in Hong Kong, Mainland China and Singapore.

Major development projects completed during the Financial Year

Details of the Group's major development projects in Hong Kong and Mainland China completed during the Financial Year are as follows:

Silversands (100% owned)



8 Yiu Sha Road, Ma On Shan, Sha Tin, New Territories, Hong Kong

The site was acquired at a government tender for residential development in July 2017. It has a site area of approximately 49,729 square feet. The project provides a total of approximately 119,351 square feet of attributable gross floor area in 160 units. The Occupation Permit for the project was obtained in May 2022 and the Certificate of Compliance for the project was obtained in October 2022. The pre-sale consent was obtained in December 2020. To date, approximately 80.6% of the units have been sold. Total proceeds derived from the sale have reached HK\$1.6 billion.

Review of operations (Continued)

(2) Property Development (Continued)

St. George's Mansions (joint venture)

24A Kadoorie Avenue, Ho Man Tin, Kowloon, Hong Kong

The Group was awarded the development right to redevelop the previous head office site of CLP in Ho Man Tin in December 2017. The site of 61,941 square feet is in the heart of Kowloon with picturesque view of Kadoorie Hill. It is a true rarity, which commands one of the most sought-after locations in Hong Kong's legendary neighbourhood with rich history, traditions and a coveted school network. The Clock Tower building has been opened to the public since May 2023. The project provides a total of 309,707 square feet of residential plot ratio area in 175 residences. The Occupation Permit for the project was obtained in May 2022 and the Certificate of Compliance was obtained in November 2022. The pre-sale consent was obtained in July 2020. To date, approximately 22.3% of the units have been sold. Total proceeds derived from the sale have reached HK\$4.4 billion.

La Marina, The Southside (joint venture)

11 Heung Yip Road, Hong Kong

The joint venture company to which the Group has 50% equity interest was awarded the rights to develop a residential project atop of the MTR Wong Chuk Hang Station from MTR Corporation Limited in December 2017. The project overlooks The Aberdeen Marina Club at Shum Wan with Singapore International School and the Ocean Park nearby. It provides a total of approximately 492,991 square feet of residential plot ratio area (246,496 square feet attributable to the Group) on the site with an area of approximately 92,269 square feet. A total of 600 apartments have been built. The Occupation Permit and Consent to Assign for the project was obtained in August 2022 and May 2023 respectively. The pre-sale consent was obtained in July 2021. To date, approximately 84.3% of the units have been sold. Total proceeds derived from the sale have reached HK\$12.4 billion.

Landmark South (60% owned)



39 Yip Kan Street, Wong Chuk Hang, Hong Kong

The commercial site of AIL 462 in Wong Chuk Hang was acquired from a government tender in October 2016. The site is in a few minutes' walk from Wong Chuk Hang Station, which is two stations from Admiralty Station. With the MTR South Island Line commenced operations in December 2016 connecting the Central to Southern part of Hong Kong Island, Wong Chuk Hang has become a desirable location for corporations to set up offices and the area has been undergoing a transformation from a traditional industrial area into a hub of commercial, industrial and residential district, making it a diversified and interesting area for work, entertainment and living. The project has a site area of 18,996 square feet. It provides approximately 141,698 square feet of plot ratio area attributable to the Group, as well as the development of an Arts and Cultural Centre handed over to the HKSAR Government. With the total plot ratio area, approximately 87% will be designated for the development of office and the rest for retail. The Occupation Permit for the project was obtained in July 2022 and the Certificate of Compliance for the project was obtained in May 2023.

(2) Property Development (Continued)

Grand Victoria Phase 1 (29.25% owned)

6 Lai Ying Street, South West Kowloon, Kowloon, Hong Kong

The development site of approximately 208,262 square feet was acquired at a government tender in November 2017. The plot commands a coveted urban waterfront location enjoying panoramic harbour views while having the West Kowloon Cultural District and Guangzhou – Shenzhen – Hong Kong Express Rail Link Terminus in the vicinity. It enjoys excellent connectivity with MTR stations and lines linking Central, airport, the Express Rail Link Terminus and all the commercial hubs in the city. Grand Victoria Phase 1 provides a total of approximately 356,653 square feet of residential plot ratio area in 524 units. The plot ratio area which is attributable to the Group is 104,321 square feet. The Occupation Permit and Consent to Assign for Grand Victoria Phase 1 were obtained in December 2022 and May 2023 respectively. The pre-sale consent was obtained in February 2021. To date, approximately 87.8% of the units in Grand Victoria Phase 1 have been sold. Total proceeds derived from the sale of Grand Victoria Phase 1 have reached HK\$7.2 billion.

38 Wing Kei Road (100% owned)

38 Wing Kei Road, Kwai Chung, New Territories, Hong Kong

The Group acquired an industrial site in Kwai Chung at a government tender in May 2017. The site has an area of approximately 18,623 square feet. The project provides a total of approximately 176,906 square feet of plot ratio area for industrial use, which allows different industries including media design and production, laboratory, inspection and testing centre, information technology and telecommunications industries and so forth. The Occupation Permit and Certificate of Compliance for the project were obtained in February 2023 and June 2023 respectively.

One North (100% owned)



8 Hong Yip Street, Yuen Long, New Territories, Hong Kong

The Group acquired the site in Yuen Long for commercial development from a government tender in December 2015. The site is approximately 99,524 square feet and is within walking distance from the MTR Long Ping Station. A total of approximately 497,620 square feet of plot ratio commercial area has been built, in which approximately 77% is designated for office use and the rest for retail use. The Occupation Permit and Certificate of Compliance of the project were obtained in October 2022 and August 2023 respectively.

Review of operations (Continued)

(2) Property Development (Continued)

Properties under development in Hong Kong

As at 30th June, 2023, the Group has approximately 2.1 million attributable square feet of projects under development in Hong Kong comprising 11 projects. The Group's projects under development in Hong Kong are at different area throughout the territory including prime locations near MTR stations. Details of the Group's major development projects in Hong Kong are as follows:

ONE SOHO (joint venture)

32B Shantung Street, Mongkok, Kowloon, Hong Kong

The Group was awarded the development right of this residential project from the URA in December 2017. The project is located at the shopping area of Mongkok and is within walking distance from Mong Kok Station. The site area of the project is approximately 14,961 square feet. Upon completion, the project will provide 112,185 square feet of residential plot ratio area in 322 residential units. The plot ratio area attributable to the Group is 67,311 square feet. The Occupation Permit for the project was obtained in March 2023. Subsequent to the Financial Year, the Certificate of Compliance for the project was obtained in July 2023. The pre-sale consent was obtained in April 2021. To date, approximately 59.3% of the units have been sold. Total proceeds derived from the sale have reached HK\$1.3 billion.

Grand Victoria Phase 2 and Phase 3 (29.25% owned)



8 Lai Ying Street, South West Kowloon, Kowloon, Hong Kong

The development site of approximately 208,262 square feet was acquired at a government tender in November 2017. Grand Victoria Phase 2 and Phase 3 provides a total of approximately 631,159 square feet of residential plot ratio area in 913 units. The plot ratio area which is attributable to the Group is 184,614 square feet. The Occupation Permit for Grand Victoria Phase 2 and Phase 3 was obtained in February 2023. Subsequent to the Financial Year, the Certification of Compliance for Grand Victoria Phase 2 and Phase 3 was obtained in July 2023. The pre-sale consent was obtained in February 2021. To date, approximately 61.2% of the units in Grand Victoria Phase 2 and Phase 3 have been sold. Total proceeds derived from the sale of Grand Victoria Phase 2 and Phase 3 have reached HK\$9.2 billion.

(2) Property Development (Continued)

Lot no. 765 in demarcation district no. 332 (100% owned)

South Lantau Road, Cheung Sha, Lantau Island, New Territories, Hong Kong

The Group acquired a residential site in Cheung Sha, Lantau Island through a government tender in December 2018. Upon completion of the construction, the project will provide a total of approximately 11,582 square feet of residential plot ratio area. Both the Occupation Permit and Certificate of Compliance for the project are expected to be obtained in the financial year 2023/2024. The project is under construction stage.

ONE CENTRAL PLACE (joint venture)

33 Gage Street, 23 and 25 Peel Street, Hong Kong

The Group was awarded the right to develop Site A at Peel Street in Central at a tender from URA in March 2017. The project has a site area of approximately 9,607 square feet. Upon completion, the Group will build approximately 84,261 square feet of residential plot ratio area in 121 residential units as well as retail area and a multi-purpose activities hall and a public open space. The retail area, the multi-purpose activities hall and the public open space will be handed over to the URA upon completion of the project. The Occupation Permit and the Certificate of Compliance for the project are expected to be obtained in the financial year 2023/2024 and 2024/2025 respectively. The construction of the superstructure is in progress. The pre-sale consent was obtained in November 2021.

Grand Mayfair (joint venture)



29 Kam Ho Road, Yuen Long, New Territories, Hong Kong

In May 2017, the joint venture company to which the Group has 33.33% equity interest was awarded the development right by the MTR Corporation Limited to develop the residential property at the site adjacent to Kam Sheung Road Station. The Station is along the Tuen Ma Line and between Tsuen Wan West and Yuen Long Stations. The site with a total area of approximately 448,719 square feet lies in between Kam Ho Road and Tung Wui Road. Upon completion, the site will provide a total of approximately 1,236,741 square feet of residential plot ratio area in 2,200 units. The development of the project is divided into three phases. The number of residential units for Phases 1A, 1B and 2 are 715, 805 and 680 respectively. As the Group has 33.33% equity interest in the development right of the project, the total residential plot ratio area attributable to the Group is approximately 412,247 square feet. The Occupation Permit and Consent to Assign for both Phase 1A and Phase 1B are expected to be obtained in the financial year 2023/2024 and 2024/2025 respectively. The Occupation Permit and Certificate of compliance for Phase 2 are expected to be obtained in the financial year 2024/2025 and

Review of operations (Continued)

(2) Property Development (Continued)

2025/2026 respectively. The project is currently under superstructure construction stage. The pre-sale consents for both Phase 1A and Phase 1B were obtained in April 2022 and that for Phase 2 was obtained in September 2022. To date, approximately 90.1% of the units in Phases 1A and 1B have been sold. Total proceeds derived from the sale have reached HK\$12.5 billion.

Villa Garda (joint venture)



1 Lohas Park Road, Tseung Kwan O, New Territories, Hong Kong

The Group was awarded the right to develop the residential project which is also known as LOHAS Park Package Eleven Property Development Project by MTR Corporation Limited in April 2019. The project has a site area of 177,359 square feet and is atop the retail mall, it will provide a total of approximately 956,468 square feet of residential plot ratio area in 1,880 units. The Group has 40% equity interest in the project, the plot ratio area attributable to the Group will be 382,587 square feet. The project is under construction stage. It is expected that the Occupation Permit and the Consent to Assign will be obtained in the financial year 2023/2024 and 2024/2025, respectively. The pre-sale consent was obtained in June 2022. To date, 49.9% of the units have been sold. Total proceeds derived from the sale have reached HK\$5.3 billion.

NKIL 6602 (joint venture)

Yau Tong Ventilation Building Property Development, Ko Chiu Road, Yau Tong, Kowloon, Hong Kong

The joint venture company to which the Group has 80% equity interest was awarded the development rights to build a residential project over the Yau Tong Ventilation Building from MTR Corporation Limited in May 2018. The site is approximately 8 minutes' walk from Yau Tong Station. The project commands one of the most coveted locations in a fast-growing, urban neighbourhood with amenities and high potential. Yau Tong Station is one of the only four MTR stations directly connected to Hong Kong Island, alongside Kowloon Station, Tsim Sha Tsui Station and Hung Hom Station. There are well-established amenities in the vicinity, it is one stop from Quarry Bay Station on the Island Line, two stops from Kwun Tong Station on the Kwun Tong Line and connects residents to all other major business hubs with the city's efficient transport network. The project has a site area of 43,379 square feet. Upon completion, the project will provide a total of approximately 325,342 square feet of residential plot ratio area in 792 apartments. The plot ratio area which is attributable to the Group is 260,274 square feet. Both the Occupation Permit and Certificate of Compliance for the project are expected to be obtained in the financial year 2025/2026. The superstructure work is currently in progress.

(2) Property Development (Continued)

La Montagne (joint venture)

Wong Chuk Hang Station Package Four Property Development, Wong Chuk Hang, Aberdeen, Hong Kong

The joint venture company to which the Group has 25% equity interest was awarded the right to develop a residential project atop of the MTR Wong Chuk Hang Station from MTR Corporation Limited in October 2019. The project is a few minutes' walk from The Aberdeen Marina Club at Shum Wan, Singapore International School, Canadian International School and with Ocean Park nearby. Upon completion, the project will provide a total of approximately 638,305 square feet of residential plot ratio area (159,576 square feet attributable to the Group) on the site with an area of approximately 65,015 square feet. It is expected that a total of 800 apartments will be built. Both the Occupation Permit and Consent to Assign for the project are expected to be obtained in the financial year 2025/2026. The superstructure works is currently in progress.

Site KL of the Remaining Portion of Tseung Kwan O Town Lot no. 70 (joint venture)

LOHAS Park Package Thirteen Property Development, Tseung Kwan O, New Territories, Hong Kong

The Group was awarded the right to develop the residential project which is also known as LOHAS Park Package Thirteen Property Development Project by MTR Corporation Limited in October 2020. The project has a site area of 130,675 square feet, which is the largest waterfront project atop LOHAS Park Station in recent years. Located on the scenic Tseung Kwan O waterfront, the final phase of the LOHAS Park community will yield a total of approximately 1,546,722 square feet of residential plot ratio area in approximately 2,550 units. The Group has 25% equity interest in the project, the plot ratio area attributable to the Group will be 386,681 square feet. The project is under construction stage. It is expected that the Occupation Permit and the Consent to Assign will be obtained in the financial year 2025/2026 and 2026/2027 respectively.

KIL 11285 (joint venture)

Wing Kwong Street/Sung On Street Development, To Kwa Wan, Kowloon, Hong Kong

The Group was awarded the development right of this residential project from the URA in October 2022. The site area of the project is approximately 30,957 square feet. With To Kwa Wan Station on the doorstep, the waterfront plot is three stops from Exhibition Centre Station. The new development will create synergies with the neighbourhood with place-marking and sustainability initiatives, including plans to link up the precinct with pedestrian links, making it an exhilarating and walkable destination. Upon completion, the project will provide plot ratio area of approximately 232,179 square feet for residential area and 46,436 square feet for retail space. The plot ratio area attributable to the Group is 185,278 square feet. Both the Occupation Permit and Certificate of Compliance for the project are expected to be obtained in the financial year 2027/2028. The project is under planning stage.

Properties under development in Mainland China

As at 30th June, 2023, the Group has approximately 2.3 million attributable square feet of projects under development in Mainland China comprising four key projects. Two of the projects under development in Mainland China 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 under development in Mainland China are the 100% interest in Dynasty Park Phase IV in Zhangzhou, and 20% interest in The Palazzo and Chengdu International Community in Chengdu. Details of the Group's major development projects in Mainland China are as follows:

Review of operations (Continued)

(2) Property Development (Continued)

Dynasty Park, Zhangzhou, Fujian Province, PRC (100% owned)

No. 298, Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, PRC

The development site of Dynasty Park was acquired in 2005. Named Dynasty Park, the project has a total of approximately 4.4 million square feet of plot ratio area with 4.2 million square feet of residential area in approximately 3,856 units, the remaining commercial area and resident communal facilities. In respect of sales, a total of 2,917 residential units, comprising 602 units in Phase I, 1,047 units in Phase II and 1,268 units in Phase III, have been launched for sale since September 2012 and to date, approximately 96% of these units launched have been sold. In respect of the progress of the construction, Phase I comprising residential plot ratio area of approximately 660,000 square feet in 602 units and commercial plot ratio area of 25,919 square feet was completed in the financial year 2013/2014. Phase II comprising residential plot ratio area of approximately 1.3 million square feet in 1,047 units and commercial plot ratio area of 47,095 square feet was completed in the financial year 2017/2018. Phase III comprises residential plot ratio area of approximately 1.2 million square feet in 1,268 units and commercial plot ratio area of 72,041 square feet. One out of seven blocks of Phase III comprising attributable floor area of 131,595 square feet in 96 units were completed in this Financial Year. Phase IV comprising approximately 1.0 million square feet of residential area in approximately 939 units and 20,215 square feet of commercial space are expected to be completed in phases in the next few years.

T102-0262 (50% owned)

Land Parcel 04, Unit 7, Qianwan Area, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, PRC

The Group acquired 50% equity interest in a development project in Qianhai, Shenzhen in May 2017. The project has a total site area of approximately 80,485 square feet. The project will be completed by the end of 2023. It provides a total of approximately 495,144 square feet of plot ratio area of commercial area. The project will be developed into serviced apartments. The Group has 50% equity interest in the project, the commercial plot ratio area which is attributable to the Group is approximately 247,572 square feet.

T102-0261 (30% owned)

Land Parcel 03, Unit 7, Qianwan Area, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, PRC

The Group acquired 30% equity interest in a commercial development project in Qianwan Area in Qianhai, Shenzhen in July 2019. The project is opposite to the site of T102-0262, Land Parcel 04, unit 7. It has a total site area of approximately 183,842 square feet. Upon completion of the project, the total plot ratio area will be 861,120 square feet. In terms of the breakdown of usage, approximately 87% of the total plot ratio area will be office and the remaining will be retail and public and transport facilities. The Group has 30% equity interest in the project, total attributable plot ratio area will be 258,336 square feet. The project is expected to be completed in 2024.

(2) Property Development (Continued)

Properties under development in Singapore

The Reserve Residences (20% owned)



Lot 2852K Mukim 16, Jalan Anak Bukit, Singapore

In August 2021, the Group acquired 20% interest in a commercial and residential site located in Jalan Anak Bukit, Singapore with a total gross floor area of approximately 1,004,420 square feet. The development to be built on top of the site will have a dynamic mix of uses including residential, serviced residences, retail, food and beverage outlets and offices, integrated with a variety of community uses including childcare services. A new bus interchange and an underground pedestrian link to Beauty World MRT Station will also be integrated within the development, providing convenience for commuters and residents.

Golden Mile Complex (25% owned)

Lot 359T of Town Subdivision 15, 5001 Beach Road, Singapore

In May 2022, the Group acquired 25% interest in Golden Mile Complex which is currently erected on 5001 Beach Road, Singapore with an existing total gross floor area of approximately 609,791 square feet. The project involves the re-development of the property into a new mixed-use development which may comprise residential, office, retail and other components by constructing new building as well as conserving and revitalising the existing building.

Review of operations (Continued)

(3) Properties for Investment and hotels

The Group has 12.9 million square feet of investment properties and hotels as at 30th June 2023. Details are shown in the table below.

The portfolio comprises properties of diversified usage

Use	Floor area (square feet)	Percentage
Office/Retail	8,037,717	62.2%
Industrial	1,797,819	13.9%
Car parks	1,568,490	12.2%
Hotels	1,171,885	9.1%
Residential	330,010	2.6%
	<u>12,905,921</u>	<u>100.0%</u>

Investment Properties

Macro headwinds in the economy started to recede as the HKSAR Government began to relax pandemic-related measures and restrictions, boosting local economic and social activities. Together with the full border reopening between Mainland China and Hong Kong in early 2023, as well as the effective initiatives rolled out by the HKSAR Government to revive the tourism industry and the launch of a new round of Government's Consumption Vouchers Schemes, business and consumer sentiment have gradually recovered, bringing optimism to the overall business environment. To capitalise on the return of tourists to the city and the improved consumer sentiment locally, the Group engaged with our customers through a series of online and offline promotional activities to help tenants' sales and hosted various events in our shopping malls, such as "Goal Together" and "CoComelon Playground Fun", to stimulate traffic. Apart from partnering with major payment gateways, business partners and tenants incentivised consumers to use their Consumption Vouchers in our shopping malls. Relentless efforts were made to optimise tenant mix as well as leveraging on our "S+ REWARDS" and "SINO CLUB" digital programmes to enhance customers' shopping experience and increase customer loyalty. Overall, footfall and tenant sales at our flagship malls have marked a visible improvement from the low of the pandemic.

Looking ahead, the Group's recurring rental income is expected to be further supported by key additions in the next few years. Project details are shown in the section under property development.

Below are the highlights of the Group's major investment properties in Hong Kong, Mainland China and Singapore.

(3) Properties for Investment and hotels (Continued)

tmtplaza Phase I (100% owned)



1 Tuen Shun Street and 1 Tuen Shing Street, Tuen Mun, New Territories, Hong Kong

tmtplaza Phase I is a major retail mall and landmark in North-West New Territories. It provides approximately 1.1 million square feet of floor area. The mall offers a wide spectrum of business mix with over 300 shops and restaurants catering to a diverse customer base. A good transport network including the Tuen Ma Line, the Light Rail System and buses, connection of Kong Sham Western Highway and Tuen Mun – Chek Lap Kok Tunnel as well as increasing number of residential developments in the region over the years are the major contributory factors to support a good shopper flow to the mall. Trade mix is reviewed and refreshed from time to time to cater to the evolving catchment. Thanks to a balanced trade mix combined with the Group's thematic promotional and marketing events, the customers visiting the mall find it appealing. The Group will continue its efforts in providing an engaging and interactive shopping experience for its customers.

Olympian City 1 and 2 (joint venture)

11 Hoi Fai Road and 18 Hoi Ting Road, Olympic Station, Kowloon, Hong Kong

Olympian City 1 and 2 combined offers in excess of 650,000 square feet of retail area and they are conveniently accessed by MTR and other public transport modes. These two malls are inter-connected and linked to Olympic Station by footbridges. The malls have become the landmarks in the region which are desirable for major events during holiday seasons or special occasions such as Christmas, New Year and international events. Olympian City 1 and 2, with its three levels of shops, an open piazza, variety of retail and a cinema, offer shoppers a wide range of entertainment and shopping options, and the opportunity to dine on a wide selection of cuisines. Both malls maintained high occupancy throughout the year under review.

Olympian City 3 (50% owned)

1 Hoi Wang Road, South West Kowloon, Hong Kong

Olympian City 3 is the shopping mall at the residence of The Hermitage and it is adjacent to Olympian City 2 and Central Park, which are also developed by the Group. The shopping mall has a total of approximately 118,000 square feet of retail area. It is also connected to Mongkok area by a covered footbridge, which enhances the accessibility of the mall and shoppers' flow. Extending the Olympian City 1 and 2 shopping malls, the entire Olympian City shopping mall is home to an attractive trade mix. The Group strives to develop its malls as favourite family destinations by providing a pleasant shopping environment and an exciting programme of special events and entertainment. The occupancy rate of Olympian City 3 stayed at high level during the year under review. The mall received a Merit award in the Best Landscape Award for Private Property Development 2018 and 2022 by Leisure and Cultural Services Department of The Government of HKSAR.

Review of operations (Continued)

(3) Properties for Investment and hotels (Continued)

Hong Kong Pacific Centre (100% owned)

28 Hankow Road, Tsim Sha Tsui, Kowloon, Hong Kong

Located in the centre of Tsim Sha Tsui's vibrant retail neighbourhood, this commercial development comprises a high-rise office tower and a shopping centre podium with a total area of 219,853 square feet. Most of the shops enjoy extensive street frontage with a heavy pedestrian flow at Hankow Road, and from nearby Haiphong Road and Nathan Road. The building is only a few minutes' walk from Tsim Sha Tsui Station on the Tsuen Wan Line and also in proximity to the East Tsim Sha Tsui Station on the Tuen Ma Line. In year 2019, the building was awarded a Platinum rating in accordance with the BEAM Plus certification program by the Hong Kong Green Building Council (HKGBC).

The Centrium (70% owned)

60 Wyndham Street, Central, Hong Kong

This Grade A commercial development is located near Lan Kwai Fong and SoHo. It is known for its cosmopolitan lifestyle, entertainment and dining. The retail space complements the lively atmosphere and popular restaurants nearby.

China Hong Kong City (25% owned)



33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

China Hong Kong City is a development encompassing a retail mall, offices, a 673-room hotel named Royal Pacific Hotel, a public transport interchange as well as a ferry terminal, located on the waterfront of western Tsim Sha Tsui. The gold curtain wall cladding and China Ferry Terminal passenger facilities have led to its recognition as the 'Golden Gateway to China'. With the commencement of High Speed Rail Station connecting to the Mainland's national high-speed rail network and the West Kowloon Cultural District, all these factors have made China Hong Kong City a desirable property for businesses, shoppers, business travellers and tourists. Excluding the hotel, China Hong Kong City offers a total of over 1.2 million square feet of area of offices and retail, to which the Group has 25% equity interest. Therefore, the plot ratio area attributable to the Group is approximately 308,308 square feet. China Hong Kong City received a Gold award in the Best Landscape Award for Private Property Development 2018 by Leisure and Cultural Services Department of The Government of HKSAR.

(3) Properties for Investment and hotels (Continued)

Tsim Sha Tsui Centre (45% owned)



Salisbury Road, Tsim Sha Tsui East, Kowloon, Hong Kong

Tsim Sha Tsui Centre is conveniently accessed by various transport options. A well-developed public transport network, which includes Tsim Sha Tsui Station on the Tsuen Wan Line, East Tsim Sha Tsui Station on the Tuen Ma Line and the Tsim Sha Tsui East (Mody Road) bus terminus has helped increase shopper's flow in the area. Tsim Sha Tsui Centre has a total area of approximately 514,020 square feet. The Group has 45% equity interest, the floor area attributable to the Group is 231,309 square feet. Located on the seafront of Tsim Sha Tsui East overlooking panoramic views of Hong Kong Island, most of the tenants can enjoy the view of the Victoria Harbour and food and beverage tenants can provide alfresco dining experience. The mall attracts locals and overseas visitors. The occupancy of the property maintained at a high level during the year under review. In year 2020, the building was awarded a Platinum rating in accordance with the BEAM Plus certification program by the Hong Kong Green Building Council (HKGBC).

Skyline Tower (50% owned)

39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong

The development is located next to Kwun Tong Bypass and provides a total of approximately 824,000 square feet of commercial area with 412,000 square feet attributable to the Group. The building maintained high occupancy during the year under review; in 2021, Skyline Tower attained Final Platinum Rating in the BEAM Plus Existing Buildings V2.0 Comprehensive Scheme. The certification honored the efforts of investing in existing infrastructure and adopting green building operations as well as our commitment to pursuing environmental excellence for a more sustainable future. Alongside the HKSAR Government's plan to develop Kowloon East as new core business district with new transport infrastructure as support, the development will be positive to the leasing market.

Citywalk (joint venture)

1 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong

Opened in January 2008, Citywalk is an award-winning and environmentally friendly shopping mall which offers approximately 245,000 square feet of retail area. The development is located in the heart of Tsuen Wan, with footbridges connecting to Tsuen Wan Station of Mass Transit Railway Tsuen Wan Line and Tsuen Wan West Station on the Tuen Ma Line as well as other developments. A landmark shopping attraction, Citywalk includes a piazza, a Vertical Garden, an optimal tenant mix, good floor layouts, ample car park facilities and high accessibility via public transport networks. In 2022, Citywalk has also received a Platinum rating from the Hong Kong Building Environmental Assessment Method Society (HK-BEAM Society) and Gold Award of the Best Landscape Award from Leisure & Cultural Services Department. Comprehensive promotion and marketing programmes helping to attract both shoppers and tenants are carried out on a regular basis. The occupancy rate of Citywalk maintained at high level during the year under review.

Review of operations (Continued)

(3) Properties for Investment and hotels (Continued)

Citywalk 2 (joint venture)

18 Yeung Uk Road, Tsuen Wan, New Territories

Citywalk 2 is a contemporary three-storey shopping mall with approximately 180,000 square feet of plot ratio area. Both Citywalk 2 and Citywalk are connected by a footbridge and offer customers and local residents a complete spectrum of dynamic shopping, dining and entertainment.

Central Plaza (10% owned)



18 Harbour Road, Wan Chai, Hong Kong

Central Plaza is one of the tallest buildings in Asia. It is a 78-storey smart Grade A office tower, with panoramic views of Victoria Harbour. The building has a total of approximately 1.4 million square feet of floor area with 140,000 square feet attributable to the Group. With Hong Kong Convention & Exhibition Centre connected with a footbridge and an extensive transport network on the doorstep, this office property has attracted many multinational corporations tenants and consulate-generals. Occupancy maintained at a high level during the year under review.

148 Electric Road (100% owned)

148 Electric Road, North Point, Hong Kong

This is a prime commercial development near Fortress Hill Station and the Cross-Harbour Tunnel. The development caters to a wide range of businesses and is within walking distance of international hotels. The project has an attributable area of 197,400 square feet.

Futura Plaza (100% owned)

111-113 How Ming Street, Kwun Tong, Hong Kong

This 26-storey building provides 225,396 square feet of plot ratio area, is only a few minutes' walk from Kwun Tong Station. The property has been converted from industrial use to office use. The project was completed in November 2001. Kwun Tong has been going through a significant improvement in terms of its commercial and residential landscape. The Kwun Tong Town Centre Development project is the largest redevelopment initiative ever undertaken by the Urban Renewal Authority of Hong Kong. It comprises residential units, hotel, shopping mall, commercial buildings and a public transport interchange. Combining the HKSAR Government's development programme to enhance the infrastructure of Kowloon East, Kwun Tong, Kowloon Bay and the Old Kai Tak Airport, it will benefit from this world-class integrated mixed-used development.

(3) Properties for Investment and hotels (Continued)

Pacific Plaza (100% owned)

418 Des Voeux Road West, Hong Kong

Pacific Plaza is situated in the popular Western district near HKU Station and the Western Harbour Tunnel. The building provides approximately 153,037 square feet of office area and 14,562 square feet of shopping podium. The entire retail portion is upgraded to a modern and contemporary style as focal point in the area.

The Hennessy (100% owned)

256 Hennessy Road, Wan Chai, Hong Kong

The Hennessy is conveniently located in a vibrant business area near Wan Chai Station, a stone's throw from the Causeway Bay entertainment hub and only minutes from the Central Business District. The building has been designed with full-height windows offering panoramic Victoria Harbour views, a 4.8-metre floor-to-floor height and flexible layout. The first three floors of retail space are encased in a 15-metre glass curtain providing excellent visibility from the street. The aptly named Sky Garden reaches a colossal 6-metre floor-to-floor height. The rooftop floor, with its stunning panoramic views of the harbour and the city, offers a visually spectacular setting for alfresco dining. The building contains a total of 71,862 square feet of commercial area and the occupancy was maintained at high level during the year under review.

The Staunton (100% owned)

22 Staunton Street, Central, Hong Kong

The development is situated at the heart of a vibrant area with a number of heritage establishments, including a section of the Dr. Sun Yat-sen Historical Trail, the Central Police Station Compound, Man Mo Temple, Wing Lee Street and the original site of the Central School in Hollywood Road. It is also next to the SoHo entertainment area, where upmarket restaurants, boutiques, café and shops abound. It can be accessed by the Central-Mid-levels escalators and various transportation. The Occupation Permit for the project was obtained in 2017. This project provides a total of approximately 37,629 square feet of plot ratio area comprising approximately 28,439 square feet of residential plot ratio area in 57 exquisite serviced apartments and approximately 9,190 square feet of retail area. Named The Staunton, the project is held for lease.

Island Resort Mall (45% owned)

28 Siu Sai Wan Road, Siu Sai Wan, Hong Kong

With 189,190 square feet of retail area over three levels and supported by ample parking spaces, Island Resort Mall offers a good consumer choice. The ground floor comprises a public transport interchange. Served by different bus companies with more than 20 routes, it links popular locations across the city and helps increase shoppers' flow. The mall features a food and beverage hub to serve the immediate area in Siu Sai Wan and the relaxed appeal of a spacious promenade with views of Victoria Harbour.

Review of operations (Continued)

(3) Properties for Investment and hotels (Continued)

Lee Tung Avenue (joint venture)



200 Queen's Road East, Wan Chai, Hong Kong

Lee Tung Avenue features a 200-metre tree-lined pedestrianised boulevard connecting Johnston Road and Queen's Road East in Wan Chai. It is directly connected to Wan Chai Station with a dedicated subway. It was completed in April 2015 and opened in November 2015. It provides a total plot ratio area of approximately 87,720 square feet and houses approximately 50 tenants offering a wide spectrum of business mix including cafes, confectioneries, fine restaurants as well as international and home-grown brands. With its history as a centre for printing and selling wedding cards and other wedding-related items before the redevelopment, public transport network, business surroundings in the area and creative marketing activities, Lee Tung Avenue has established itself as a popular place for all walks of life.

Riverwalk (100% owned)



6 Ngan Kwong Wan Road, Mui Wo, Lantau, New Territories, Hong Kong

The Group acquired the site Lot 726 in Demarcation District 4 in Mui Wo, Lantau Island, at a government tender in December 2011. The site has an area of 24,327 square feet and is located next to the Mui Wo section of the Nature Heritage Trail. The Occupation Permit for the project was issued in November 2015 whilst the Certificate of Compliance was obtained in July 2016. Named Riverwalk, the project provides a total of approximately 47,607 square feet of plot ratio area comprising 32,400 square feet of residential area in 50 units and 15,207 square feet of retail area. The project is held for lease and it generates 95% occupancy.

(3) Properties for Investment and hotels (Continued)

Paloma Bay (100% owned)



18 Peng Lei Road, Peng Chau, New Territories, Hong Kong

The site of Lot 676 in Demarcation District Peng Chau was acquired at a government tender in March 2012. It has a site area of 49,127 square feet and is designated for residential development. The Occupation Permit for the project was issued in June 2016 whilst the Certificate of Compliance was obtained in February 2017. Named Paloma Bay, the project provides approximately 36,845 square feet of residential plot ratio area in 54 units. It is held for lease and enjoyed close to full occupancy during the year under review.

Mayfair Lane (100% owned)

21 Fo Chun Road, Tai Po, New Territories, Hong Kong

Located in Pak Shek Kok and a mere 5-minute drive from University Station, Mayfair Lane is an exquisite arcade providing a combination of lifestyle offerings and services for residents and the broader Pak Shek Kok neighbourhood. There are a Chinese Restaurant, a café, quality education centres, a beauty salon, ATMs and a convenience store to the mix.

Paloma Cove (100% owned)

8 Ho King Street, Peng Chau, New Territories, Hong Kong

The site of Lot 674 in Demarcation District Peng Chau was acquired through a government tender in September 2012. It has a site area of approximately 19,163 square feet. The Occupation Permit for the project was issued in December 2016 whilst the Certificate of Compliance was obtained in August 2017. Named Paloma Cove, the project provides a total of approximately 14,372 square feet of residential plot ratio area in 10 houses. The project is held for lease and enjoyed close to full occupancy during the year under review.

Coronation Circle (45% owned)

1 Yau Cheung Road, South West Kowloon, Hong Kong

Coronation Circle is the commercial part of the residential development named The Coronation. It is conveniently located in South West Kowloon, close to the West Kowloon terminus of the Express Rail Link which connects the railway systems in Mainland China and Hong Kong as well as Yau Ma Tei Station and Austin Station of the Mass Transit Railway. The mall has a total of 86,758 square feet of plot ratio area. As the Group has 45% equity interest in the project, the floor area attributable to the Group is approximately 39,041 square feet. It features fine retail, restaurant and quality education centres to serve the residents in the region.

Review of operations (Continued)

(3) Properties for Investment and hotels (Continued)

The Fullerton Heritage (100% owned)



Singapore

Embracing the important history and heritage of the conserved buildings in the heart of Singapore's Central Business District, and the prime location of the promenade along Marina Bay, the Group has developed and transformed the precinct into a major destination for hospitality, dining, retail and entertainment. The development has been named The Fullerton Heritage which comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, One Fullerton, The Fullerton Waterboat House, Clifford Pier, Customs House and The Fullerton Pavilion. The Fullerton Heritage offers a memorable lifestyle experience for locals and tourists, it also promotes the conservation of heritage buildings in line with the Group's ongoing commitment to corporate social responsibility.

One Fullerton (100% owned)

1 Fullerton Road, Singapore

Developed in 2001, the site is adjacent to Merlion Park across from The Fullerton Hotel Singapore. It has been developed into a modern two-storey building providing over 80,000 square feet of commercial area. Named One Fullerton, it houses some of Singapore's best restaurants, bars and entertainment concepts, from Michelin-star restaurants to chic cafes and fine-dining alfresco restaurants serving cuisines from around the globe, paired with panoramic views of the Marina Bay. One Fullerton is connected with The Fullerton Hotel Singapore by an underpass. It is also a well-placed vantage point for the Formula One Grand Prix circuit in Singapore.

Customs House (100% owned)



70 Collyer Quay, Singapore

Customs House, also part of The Fullerton Heritage, is a two-storey heritage building with a total floor area of approximately 14,800 square feet. It is located in Marina Bay, Singapore's Central Business District, arts, culture, and heritage waterfront area. Built in the '60s, Customs House was formerly home to the Customs Police. The building commands direct waterfront views of Marina Bay, and is now a dining destination with several chic restaurants. The project was completed in February 2010.

(3) Properties for Investment and hotels (Continued)

The Fullerton Waterboat House (100% owned)

3 Fullerton Road, Singapore

The Fullerton Waterboat House is a historic landmark that was formerly a dockyard where vessels refilled potable water. It was built in the 1940s and acquired by the Group in May 2002. The property has a total of 21,743 square feet of area.

The Fullerton Pavilion (100% owned)

82 Collyer Quay, Singapore

An addition to The Fullerton Heritage that was completed in May 2012, The Fullerton Pavilion is a first-of-its-kind floating, dome-shaped pod set on the waters of Marina Bay between One Fullerton and Clifford Pier. It features views of the bay, and the internal area of close to 4,500 square feet is leased to a leading restaurant.

Sino International Plaza, Fuzhou, PRC (100% owned)



137 Wusi Road, Fuzhou, PRC

Sino International Plaza is located in the central business district of Fuzhou city, the capital city of Fujian Province. Conveniently accessible through an extensive transport network, the development is in a desirable location for local and multinational firms. A number of local attractions, namely West Lake Park and Fujian Museum are also within the catchment area. The development, which provides approximately 493,177 square feet of commercial area, features environmentally friendly architectural characteristics. The project achieved high occupancy during the year under review.

Review of operations (Continued)

(3) Properties for Investment and hotels (Continued)

Raffles City Shanghai (22.4% owned)

Plot 105 A & B, 228 Xizang Road Central, Huangpu District, Shanghai, PRC

Jointly developed by several international property developers, this commercial building comprising prime office tower and a shopping mall is located in the central business area of Huangpu District and surrounded by boutique shops that attract heavy pedestrian flows. The project was completed in October 2003, yielding a total of approximately 1.3 million square feet of floor area with approximately 0.3 million square feet attributable to the Group. The building enjoyed high occupancy during the year under review.

Hotels

Since the easing of travel restrictions and resumption of international travel in early 2022 for certain countries, our Singapore and Sydney operations have experienced a meaningful and consistent recovery. During the second half of the Financial Year, the reopening of borders between China and Hong Kong coupled with a series of effective initiatives and events implemented by the HKSAR Government boosted economic activities and the tourism industry, with progressive improvement observed for hotels locally.

Management remained vigilant on cost controls against the inflationary environment, while continuously developing new strategies to enhance the quality of hotel services and improve efficiency to ensure that our guests have enjoyable experiences during their stays in the hotels. Together with the gradual resumption of airlines' passenger capacity and normalisation of airfares, the hotel industry is set to benefit from the expected improvement in international arrivals, as mass tourists resume with their travels.

Below are the descriptions of the Group's hotels in Hong Kong, Singapore and Sydney.

The Fullerton Hotel Singapore (100% owned)



1 Fullerton Square, Singapore

Characterised by its unique heritage architecture with distinguished Doric columns and monumental porte cocheres, the Fullerton Building, unveiled in 1928, represents the pinnacle of Palladian architecture in Singapore. The Fullerton Building underwent a major makeover and was transformed into a prestigious, 5-star hotel with 400 guest rooms and suites. Named The Fullerton Hotel Singapore, it officially opened on 1st January 2001.

The former Fullerton Building, which houses The Fullerton Hotel Singapore, was gazetted as Singapore's 71st National Monument on 7th December 2015, signifying the highest form of preservation and national recognition, serving as a timely reflection on the trail of history it had left on Singapore's landscape.

(3) Properties for Investment and hotels (Continued)

The Fullerton Hotel Singapore (100% owned) (Continued)

Located by the scenic Marina Bay, the hotel is well situated in the heart of the Singapore's financial and business district. The hotel is linked by an underpass to adjacent commercial developments, namely One Fullerton, Clifford Pier, The Fullerton Bay Hotel Singapore, Customs House, The Fullerton Pavilion and offices. With its prime location and comprehensive facilities including a spa, the hotel is ideal for both business and leisure travellers. The Fullerton Waterboat House is just as easily accessible as it is located across the road from the hotel.

The Fullerton Hotel Singapore received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2022/2023. These awards included (i) Travel + Leisure Luxury Awards Asia Pacific 2023 – Top 10 Hotels in Singapore, (ii) Business Traveller Asia-Pacific Awards 2022 – The Fullerton Hotels and Resorts: Best Independent Hotel Brand, (iii) Condé Nast Traveler Readers' Choice Awards 2022 – Top 10 Hotels in Singapore, (iv) Destinasian Magazine Readers' Choice Awards – Top 10 Hotels in Singapore and (v) BCA Green Mark GoldPlus Award 2022 – The Fullerton Hotel Singapore.

The hotel has previously received a number of awards in recognition of its quality of service as well as its architectural design and interior concepts. These awards included Awards of Excellence by Urban Land Institute (2004), FIABCI Prix d'Excellence – Winner, Leisure Category (2003), Urban Redevelopment Authority Architectural Heritage Award (2001) and The Singapore Institute of Architects Architectural Design Award – Conservation Category (2001).

The Fullerton Bay Hotel Singapore (100% owned)



80 Collyer Quay, Singapore

Completed in July 2010, The Fullerton Bay Hotel Singapore is exclusively built on the waters of Marina Bay – Singapore's focal destination for both business and leisure.

The hotel sits on a prime waterfront location within the Central Business District, in close proximity to the Marina Bay Financial District and key attractions like the Merlion Park, Gardens by the Bay, Esplanade – Theatres on the Bay, Boat Quay and the Singapore Flyer.

(3) Properties for Investment and hotels (Continued)

The Fullerton Bay Hotel Singapore (100% owned) (Continued)

The hotel features attractive architecture and sophisticated décor that combine contemporary style and Singapore's illustrious seafaring history. Each of its 100 guest rooms further impresses with panoramic views of the vibrant Singapore skyline through full-length windows and private balconies or sundecks. Overlooking the city's landmarks from the privacy of the guestroom, guests are treated to natural light and a sense of destination. The hotel's culinary experiences include its signature restaurants and bar – The Landing Point, La Brasserie and Lantern. Serving as the hotel's main entrance, the Art Deco-inspired Clifford Pier is a historic landmark named after Sir Hugh Charles Clifford, Governor of the Straits Settlements (1927 to 1929). The pier, which was first opened on 3rd June, 1933, is defined by its notable architecture which includes a quintessential column-free Victorian wrought-iron pier.

Clifford Pier is a celebrated historic landmark and was the first port of call for visitors and immigrants arriving by ships in the early days of Singapore. A part of The Fullerton Heritage precinct, it was restored and reopened as The Clifford Pier in December 2008, a sophisticated event venue at The Fullerton Bay Hotel Singapore named in honour of the landmark's legacy. With its original architectural characteristics and charm retained, the revitalised pier affords over 10,000 square feet of commercial space and commands the panorama of the Marina Bay developments. The Clifford Pier was named winner of Best Heritage Solemnisation Venue, Best Wedding Dinner Venue and Best Wedding Setting & Ambience (Non-Chinese) in the Her World Brides Venue Awards (2018).

Set amidst the skyline of the Marina Bay waterfront, La Brasserie is illuminated by 33-foot floor-to-ceiling windows overlooking the sparkling waters of the bay. Furnished with layers of theatrical salons and with splendid waterfront views, La Brasserie offers classic French bistro favourites accompanied with panoramic views and personalised service.

The Landing Point is positioned alongside an indoor promenade paved in bespoke marble mosaics. With a 43-foot bar and spacious outdoor terrace, The Landing Point is designed to attract the sophisticated chic and is renowned for its refined afternoon tea experience, served daily. Lantern is a stylish rooftop bar, surrounding the hotel's 82-foot rooftop swimming pool, where guests can enjoy sweeping views of the Marina Bay waterfront and the Singapore skyline.

The Fullerton Bay Hotel Singapore received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2022/2023. These awards included (i) Condé Nast Traveler Readers' Choice Awards 2022 – Top 10 Hotels in Singapore, (ii) Tripadvisor Travellers' Choice Best of the Best Awards 2023 – Top Hotels (Singapore), (iii) Destinasian Magazine Readers' Choice Awards 2023 – Top 10 Hotels in Singapore, (iv) Expat Living Readers' Choice Awards 2023 Best Afternoon Tea – The Landing Point, Silver (Wine and Dine Category) and (v) Forbes Travel Guide Star Awards 2023 – Five-Star Rating.

(3) Properties for Investment and hotels (Continued)

Conrad Hong Kong (30% owned)



Pacific Place, 88 Queensway, Hong Kong

The flagship hotel is located atop a major shopping and entertainment complex on Hong Kong Island and is managed by a renowned international hospitality – Hilton. With its strategic location and high standard of service, Conrad Hong Kong has been placed among the most favoured hotels in the region.

In recognition of its professional service and warm hospitality demonstrated, the Hotel and its restaurants received a number of awards from respected titles and international magazines during the financial year 2022/2023. Major awards include (i) Condé Nast Traveler 2022 Readers' Choice Awards – Top 10 Hotels in Hong Kong [Rank #7], (ii) 2023 Forbes Travel Guide Four-Star Award, (iii) Travel + Leisure Asia's Best

Awards 2022 – Best Hotels in Hong Kong [Rank #8]; Best Hotel Pools in Hong Kong [Rank #5], (iv) South China Morning Post 100 Top Tables – Nicholini's (v) DestinAsian – Readers' Choice Awards 2022 Top 10 Hotels in Hong Kong [Rank #4] and (vii) 2022 Agoda Customer Review Award.

The Hotel also initiated myriads of community projects for the well-being and sustainability of guests, team members, communities and the environment. These projects encompass recycling of used soap, food trimmings and food donation with Foodlink Foundation; and 'Travel with Purpose' philosophy which constantly advocates the social and environmental impacts of our business.

The Fullerton Hotel Sydney (50% owned)



1 Martin Place, Sydney, New South Wales 2000, Australia

The Group acquired The Westin Sydney in July 2015. The Group rebranded The Westin Sydney as The Fullerton Hotel Sydney, which was officially opened on 18th October 2019. Located in the heart of Sydney's fashion and financial district, The Fullerton Hotel Sydney is a 5-star luxury hotel with 416 guest rooms and extensive conferencing facilities.

Review of operations (Continued)

(3) Properties for Investment and hotels (Continued)

The Fullerton Hotel Sydney (50% owned) (Continued)

The property is complemented by a large prime retail podium with its unparalleled location fronting Martin Place, George and Pitt Streets. With part of the redevelopment of Sydney's historic General Post Office on Martin Place, The Fullerton Hotel Sydney is surrounded by Sydney's most exclusive designer shopping, fine restaurants and theatres, and is close to much-loved attractions such as Sydney Harbour, the Sydney Opera House and the Sydney Harbour Bridge. The Fullerton Hotel Sydney received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2022/2023. These awards included (i) Condé Nast Traveler Readers' Choice Awards 2022 – Top 10 Hotels in Australia, (ii) Accommodation Australia (NSW) Awards for Excellence 2023 – Outstanding Community Contribution, Conference and Event Venue of The Year and Hotel Executive of The Year for General Manager Rob Weeden, (iii) Tripadvisor Travellers' Choice Awards 2023 – Top 1% of Listings and (iv) Destinasian Magazine Reader's Choice Awards 2023 – Top 10 Best Hotels in Australia.

The Olympian Hong Kong (100% owned)

18 Hoi Fai Road, West Kowloon, Hong Kong

The Olympian Hong Kong hotel is situated on the waterfront of West Kowloon and only a few minutes' walk from Olympian City. With approximately 43,779 square feet of plot ratio area, the hotel provides 32 guest rooms and suites which range from 463-square-foot Deluxe Olympian Room to 807-square-foot Olympian Suite, a Residence lounge and a 24-hour gymnasium. All guest rooms feature 10.8-foot ceiling height and floor-to-ceiling windows to maximise the view over Victoria Harbour or Hong Kong's skyline. It commenced operations in March 2016. The hotel has received accolades for example Caring Company Logo 2022/23 by The Hong Kong Council of Social Service.

(3) Properties for Investment and hotels (Continued)

The Fullerton Ocean Park Hotel Hong Kong (joint venture)



3 Ocean Drive, Aberdeen, Hong Kong

The Fullerton Ocean Park Hotel Hong Kong was opened in July 2022 as the first Fullerton hotel in Hong Kong and the first Fullerton resort worldwide. It is the first hotel project in Hong Kong and Mainland China to receive the WELL v2 Precertification under the WELL Building Standard™ v2 from the International WELL Building Institute™ (IWBI™) recognising its sustainable intent to implement health and wellbeing strategies. As a sustainability-minded oceanfront luxury resort, offering a relaxing and tranquil retreat for leisure and business travellers, each of the 425 well-appointed guest rooms enjoys panoramic ocean views overlooking the South China Sea. The resort hotel also features five dining destinations, an infinity pool, a kid's lagoon, an indoor kids' play zone, a gym and a luxury spa.

Aiming to be the best oceanfront luxury resort in the region, The Fullerton Ocean Park Hotel is located next to two major theme parks – The Ocean Park Hong Kong and The Water World Ocean Park Hong Kong. Wellness practices are incorporated in its operational practices as well as customer experiences, including a myriad of F.U.N. activities designed with Family, Uniqueness, Nature and Neighbourhood in mind.

The Fullerton Ocean Park Hotel received respected awards from respected organisations and magazines in recognition of its standards of service during the financial year 2022/2023. These awards included (i) Best Hotel & Tourism Development and Best Green Development Categories – Gold Awards, (ii) Ctrip most recommended hotel awards 2022 – Best View and Best Kids' Club in Hong Kong and (iii) International Hotel Awards 2022/23 – Best Luxury Hotel and Best Sustainable Hotel in Hong Kong.

(4) Corporate affairs

The Group affirms its commitment to maintaining a high degree of corporate transparency and communicating regularly with banks, research analysts and investors. The Corporate Finance Department disseminates information about the Group's latest developments through various channels, including meetings with investors, fund managers and analysts, investor conferences, site visits, results briefings and the www.sino.com website. During the financial year 2022/2023, the Group participated in a total of 12 virtual/physical investor conferences and 8 virtual non-deal roadshows reaching out to fund managers and investment advisors around the world. In addition to the meetings in the investor conferences, we had approximately 48 individual one-on-one or group meetings with investors and property analysts. During the Financial Year, the Group received the 'ESG Excellence Award' from the Chamber of Hong Kong Listed Companies, and the 'Corporate Governance Asia the 13th Asian Excellence Award' from Corporate Governance Asia magazine, for our efforts in upholding corporate governance.



The Group received the 'ESG Excellence Award' from the Chamber of Hong Kong Listed Companies in recognition of the efforts in upholding corporate governance.

Sino Land is one of the constituent stocks of the MSCI Hong Kong Index, the Hang Seng Composite Index, the Hang Seng Corporate Sustainability Benchmark Index and the Dow Jones Sustainability Asia/Pacific Index.

Established in July 1997, Sino Club is dedicated to promoting loyalty and fostering stronger relationships between the Group and its customers. The Club regularly communicates with its members through different channels, offering them a diverse selection of shopping and hospitality rewards from the Group and affiliated malls and hotels in Hong Kong, Singapore and Sydney. These incentives also include exclusive home purchase privileges. Additionally, members enjoy priority access to show flat previews and exclusive events. With the Group's ongoing expansion, encompassing both residential and commercial developments, Sino Club is poised for continued growth.



Listed Enterprise of the Year

Sino Land has been named one of the Listed Enterprises of the Year by Bloomberg BusinessWeek/Chinese Edition, in addition to winning 'Outstanding Performance – Best Development Strategy' in recognition of the Group's efforts to add value to stakeholders.

(5) Employee programmes

As at 30th June, 2023, the Group employed approximately 9,700 employees. In line with the Group's mission of being the "Preferred Choice for Customers, Investors and Employees", we have established policies and offered a wide range of programmes to ensure that employees are provided with opportunities for growth and a rewarding career. The Group seeks to retain talents through competitive remuneration packages, pay for performance reward schemes, together with a caring, respectful and supportive work environment. Employee engagement and development are always placed on top of the corporate agenda.

Employee engagement

The Group strongly believes that employee engagement is critical to organisational success and therefore a high priority is placed to ensure that two-way open communications between management and employees at all levels are established. Different forms of communication channels such as "Corporate Town Hall Meeting", "Mini-Town Hall Meeting", "On-site Staff Communication Meeting", regular site visits and company newsletters have been deployed to promote open communication and listen to the views of our employees.



Town hall meetings are held annually to enhance open communications between management and employees at different levels. More than 700 colleagues participated in the November 2022 meeting in person while more than 100 dialled in from across the region.

The Group has also launched the staff mobile app "inSino". 93% of our Hong Kong-based colleagues have downloaded inSino since the launch, and they would be able to access informative Company updates and fun sharings through inSino, which helps to strengthen the internal communication and connection of employees.

To cultivate an innovative culture, enhance work efficiency and drive quality improvement, the Group has launched the 3rd season of "Sinovation" programme to engage employees in creating and implementing innovation ideas and business solutions on the topic of energy saving. More than 40 innovative ideas were collected. 5 outstanding ideas were selected and will be implemented at our various business units.



The Group has launched 'Sinovation', a corporate incubation programme, to engage colleagues in creating and implementing innovation ideas. Themed 'energy saving', the third year attracted more than 40 innovative solutions.

Review of operations (Continued)

(5) Employee programmes (Continued)

Employee engagement (Continued)

In recognition of our commitment to people development and sustainability, the Group received three awards, namely bronze award, “Excellence in Environmental Sustainability in the Workplace” and “Excellence in Stakeholder Engagement”, at the Award for Excellence in Training and Development 2022, organised by the Hong Kong Management Association. The Group has also won the ‘Employer Branding Award’ at the JobsDB – The Hong Kong HR Awards 2022/2023 for our outstanding branding strategies to attract candidates. Ascertained as one of the best employers to work for, the Group was awarded “Employer of the Year”, “Best Corporate Social Responsibility Award” and “Best L&D Technology Implementation Award” in CTgoodjobs Best HR Awards 2022. To recognise our collaborations with social enterprises in achieving corporate social responsibilities and creating shared value, the Group was awarded the “Social Enterprise Supporter Plus Award” by Fullness Social Enterprises Society.

As a caring employer, the Group has formulated a comprehensive Employee Wellness Programme to promote physical and mental health and well-being among employees, covering a variety of initiatives spanning across 4 pillars – physical health, mental health, family relationship and happy at work. All activities aim to help employees live healthier and happier, both at work and at home. Major contents of the Programme include recreational activities, interest classes/webinars, outdoor activities, and family-friendly activities. Activities held during the financial year 2022/2023 were well-received with participant attendance figure over 4,000.

The Group also implemented family-friendly practices such as birthday laisee, birthday leave, parental leave, extended maternity leave, employee children education scholarship and bursary, financial assistance for special need education, textbook subsidy and employee children summer internship programme to extend our care and support to family members of our employees.

In support of the development of an inclusive culture, the Group partnered with five NGOs and social enterprises to organise a series of workshops for a week-long celebration of diversity and inclusion. The activity received overwhelming responses with more than 180 colleagues, their families and friends, participated to interact with people with varying abilities and know more about their special talent. Through the workshops, participants also learnt to embrace differences in the workplace.

Employee learning and development

The Group fosters a continuous learning culture and provides comprehensive training and development programmes to meet employees’ training and career development needs. The Group also sets aside budget for external education and training sponsorship to support employees’ career development.

During financial year 2022/2023, more than 156,500 training hours were provided to employees within the Group. Training focused on customer service quality and business skills development, as well as enhancing awareness of innovation and digitalisation.

(5) Employee programmes (Continued)

Employee learning and development (Continued)

The Group's well-established training "Academies" aim to help employees develop functional and professional expertise and provide quality customer service. The "Academies" offer comprehensive training with more than 120 courses covering customer service, property management, leasing operation, building maintenance, security service, clubhouse management, environmental conservation, cleaning services, and car park operation. Innovation and digitalisation seminars, technology seminars, leadership talks, design thinking and Lego® Serious Play® workshops and other soft skills training, such as negotiation skills, presentation skills, were organised throughout the year.

The Group has launched Sino Sustainability Academy in 2020 to ensure that an ethos of championing sustainability practices permeates from our leadership to frontline staff. The Academy is a Group-wide platform to engage with our colleagues and build sustainability capabilities throughout our business. A foundational "ESG in Sino" webinar provided general ESG knowledge and explained why ESG is important to the Group and individuals. Employees were also introduced to our 3 sustainability pillars, strategies, key projects, goals and targets. The comprehensive activities organised through the Sustainability Academy enabled colleagues to accumulate 8,763 learning hours.

In addition, the staff eLearning mobile app and web portal 'Sino iLearn' offers approximately 60 courses for employees to learn anytime and anywhere. Through 'Sino iLearn', employees can learn at their own pace and get access to learning materials by browsing the course list on their mobile phones or computers.

Leadership and management development

Executive and leadership development programmes were organised regularly. Apart from existing training curriculum to strengthen middle to senior managers' leadership competency aligning with Group's operation focus and direction, senior leaders are sponsored to join various reputable external courses to broaden their business and leadership perspective. Leadership development programmes are designed to support development of specific groups. Experts from different fields and professions were invited to give seminars and management talks to our executives sharing current market trends and business insights, such as ICAC Talk for Directors of Listed Company, Security Awareness Training Workshop: ChatGPT and Listing Rules Compliance Series, etc.

Talent management

The Group has taken considerable steps to strengthen its leadership pipeline to support the continuous business development in Hong Kong and Mainland China. In addition to recruiting top-tier graduates from local universities to join our Corporate Management Trainee Programme and Engineer Trainee Programme, the Group has expanded the talent base by encouraging graduates from prestigious overseas universities to join the Group's Corporate Management Trainee Programme. The Group also collaborates with renowned universities and other education institutions to sponsor students for internship in our company.

Besides, the Group has launched the Youth-Up Programme to nurture property management talents. Through work placement and comprehensive training covering broad spectrum of topics including functional, compliance knowledge and soft skills, participants have learnt practical and professional skills, as well as built rewarding career in the property management industry.

Review of operations (Continued)

(6) Sino Property Services

Talent management (Continued)

The Group's fully integrated property management service is provided by Sino Property Services (SPS) which consists of four companies, namely Sino Estates Management Limited (SEML), Sino Security Services Limited (SSSL), Best Result Environmental Services Limited (BRESL) and Sino Parking Services Limited (SPSL). Each of these companies has its own functions. SPS is set up to complement the Group's property development and investment businesses. SPS currently manages 194 projects with an aggregate floor area of 57.2 million square feet.

Property management service

By providing property management services, the Group not only manages property assets, but seeks to better serve customers, tenants and residents. SPS is an important channel that allows the Group to communicate and receive feedback from them. This two-way communication channel includes daily observations, feedback collected from various sources, daily personal contact, regular inspections, mystery shopper reports and customer satisfaction surveys. From this, continual operational improvements can be made to enhance the Group's offerings and customer satisfaction. Delivering high-quality customer services is one of the Group's key business objectives. To achieve this objective, a comprehensive recruitment process has been developed to select the right candidate. The Group cultivates a working environment that builds the sense of belonging and enables employees to work efficiently. Other initiatives that allow the Group to serve customers better include formal in-house training to enable staff to update and strengthen their skill set, mentoring and coaching programme, effective internal communications to ensure messages and experience

sharing reaches all staff levels, and building a culture of teamwork and performance driven attitudes. Regular and thorough hardware checks are crucial to effective property management and maintenance. Monitoring the maintenance process undertaken by contractors and staff, efficient supply chain processes, efficient time management, effective process control and keeping close track of maintenance record are important to ensure the smooth running of daily operations and to optimise efficiency. SPS will continue to proactively improve service quality, enhance customer satisfaction and the value of the Group's assets.



All property management companies under Sino Property Services have obtained Property Management Company Licences.

(6) Sino Property Services (Continued)

Property management service (Continued)

Our efforts in delivering quality services have been recognised. SEML has been honoured with the Hong Kong Service Awards 2023 – Property Management organised by East Week Magazine. Yue Man Square won Grand Award – Best Innovative Idea at HKIH Elite Awards 2022 whereas Exchange Tower and Yue Man Square received Excellence Awards for Outstanding Manager and Outstanding Officer respectively; Imperial Villas Phase I, Olympian City, Grand Central and Skyline Tower received Merit Awards at the same competition in the categories of Outstanding Officer and Outstanding Team. In recognition of our continuous improvement and innovation in customer services, Olympian won the Grandmaster Award (Retail) whereas Grand Central (Gold Award) and Island Resort Mall (Bronze Award) received Theme Award – Smart Technology at the Excellence in Facility Management Award (EFMA) 2022 organised by The Hong Kong Institute of Facility Management. Skyline Tower (Gold Award), Citywalk 2 (Silver Award) and Sino Plaza (Bronze Award) received the FM People Awards at the same competition in various categories. 4 properties won Distinction Awards, 26 properties won the Excellence Awards and 29 properties received the Merit Awards at the same competition in various categories. Olympian City won the Gold Award and Top 10 Young Stars Award at HKACE Customer Service Excellence Award 2022 whereas Tsim Sha Tsui Centre achieved Silver Award; Exchange Tower and Yue Man Square received Bronze Awards at the same competition. Yue Man Square won Excellence Award whereas Pacific Palisades, The Avenue, Olympian City, Hong Kong Gold Coast Phase 2 received Merit Awards at Quality Property & Facility Management Award 2022 in recognising outstanding achievements and excellence in upholding quality and professional standards.

During the reporting period, 58 managed properties, 14 managed car parks and 295 security guards won a total of 367 awards organised by the Hong Kong Police Force's various Regional Crime Prevention Offices and District Fight Crime Committees in recognising our quality security services and outstanding performance in crime prevention as well as outstanding property and car parks management.

SPS's continuous involvement in Corporate Social Responsibilities (CSR) has also been recognised. Under the Caring Company Scheme by The Hong Kong Council of Social Service, SEML achieved the 20 Years Plus Caring Company Logo while SSSL and Regentville Shopping Mall received the 15 Years Plus Caring Company Logo. SPSL, BRESL, China Hong Kong City, Avon Mall and Olympian City received the 10 Years Plus Caring Company Logo. Citywalk, Citywalk 2, Gold Coast Piazza, Island Resort Mall, Skyline Tower, Gold Coast Piazza, The Waterside Shopping Arcade were awarded the 5 Years Plus Caring Company Logo. Shatin Galleria also received the Caring Company Logo 2022/23. SEML received Volunteer Award (Corporate) at the Christian Action's 38th Anniversary Volunteer Award. SPSL, BRESL and 8 properties received SCB Logo Awards at Social Capital Building Awards 2022. With continuous efforts in improving service quality as well as enhancing the efficiency of work process, SEML, SSSL, SPSL and BRESL received different certifications, including ISO9001 (Quality), ISO14001 (Environmental), ISO10002 (Customer Satisfaction) and ISO45001 (Occupational Health and Safety), ISO41001 (Facility), and ISO50001 (Energy) Management Systems Certifications as well as Hygiene Control System Certification.

(6) Sino Property Services (Continued)

Training

Property management is a labour-intensive business. Managing and maintaining a portfolio of properties requires stringent regular controls, close communications, an efficient internal operation workflow system and an effective internal database. All these tasks required human interaction to execute. Training and good communication systems are vital to ensure staff can deliver the required standards of service, adapt to the latest changes in the working environment, and upgrade their skill set, productivity and efficiency. Training and good communications also encourage continual development, enhance job satisfaction and help ensure staff mindsets, attitudes and skill sets aligned with the interests of the Group. These all contribute to a knowledge-based management.

SPS has 11 academies designed to meet customer needs and expectations. Property management focused academies are Sino Property Management Academy, Sino Maintenance Academy, Sino Security Academy, Sino Cleaning Academy, Sino Carpark Academy, Sino Safety Academy and Sino Clubhouse Academy. Service focused academies are Sino Star Service Academy and Sino Language Academy. Sino Green Academy and Sino Landscape Academy are formed to promote green living. These academies aim at enhancing knowledge, skill and attitude of all our employees, ranging from professional property managers to frontline cleaners

and security guards. Three Module Certificate Courses of SPS Academies have been recognised by the Government's Qualifications Framework: Supervisory Skills for Property Management (Level 3), Star Service (Level 2) and Clubhouse Management (Level 2). In recognition of our commitment in providing quality security services training, SPSL was granted 2 Silver Awards in the category of Licensed Security Company – Type 1 while SSSL also received 9 Silver Awards in the same category at the 2021 Security Services Best Training Award jointly organised by the Vocational Training Council and the Hong Kong Police Force Crime Prevention Bureau.

SPS organised the Youth-up Programme by recruiting university graduates to join as Customer Experience Ambassadors. The programme aims to nurture future property managers. It offers a comprehensive month-long training session and work experience for those who are interested in joining the property management industry. During the reporting year, a craft apprentice of Exchange Tower received the Outstanding Performance Certificate whereas SEML received the Certificate of Recognition at the Youth Employment and Training Programme – The Most Improved Trainees Award 2022, organised by the Labour Department, in recognition of our caring efforts in nurturing the trainee.

(6) Sino Property Services (Continued)

Safety management

Establishing and maintaining a safe working environment is of paramount importance for SPS to increase productivity and efficiency. As a socially responsible corporation, SPS reviews and analyses work procedures and operations from time to time with the objective of maintaining a safe workplace. Safety precaution measures are also implemented in the premises where SPS manages. In addition to procedures and measures, training is also important for staff to build their mindsets and habits to pursue safety standards. SPS has been recognised and authorised by the Labour Department to run the Mandatory Basic Safety Training Courses (Construction Work) “Green Card” and the Safety Training Course for Competent Persons of Confined Spaces Operation and endorse related professional qualifications for the staff that have completed the courses. Since 2008, 7,611 staff members have completed the Green Card Training Course and 654 staff members have completed the Safety Training Course for Competent Persons of Confined Spaces Operation. During the reporting period, we installed Automated External Defibrillators (“AEDs”) at 57 of our properties in which 28 AEDs were registered under the Hong Kong Fire Services Department’s “AED Anywhere for Anyone Programme”. The locations of our AEDs are shown in an open online information platform, the “Centralized AED Registry for Emergency” to facilitate timely public access as needed. Two SEML colleagues have received commendation certificates from Fire Services Department for their quick and life-saving first-aid response to a cardiac arrest patient in Citywalk.

SPS’s commitment to providing a safe working and living environment to employees, customers and other stakeholders is also well recognised. At the 10th Best Property Safety Management Award, Skyline

Tower won the Gold Awards in the categories of “Safety Culture Award” while Yue Man Square and Exchange Tower received Silver Awards in Best Safety Enhancement Programme and Best Property Management Award – Residents’ RMAA Works Safety Enhancement respectively; Exchange Tower received Bronze Awards in Best Safety Enhancement Programme and Best Property Management Award in Occupational Safety and Health. BRESL also received Bronze Award in Best Property Contractor in Occupational Safety and Health while Kwun Tong Harbour Plaza and Yue Man Square received Merit Award (Best Property Management Award in Occupational Safety and Health) and Nomination Award respectively. At The 21st Hong Kong Occupational Safety & Health Award, Grand Central won Excellence Award (Safety Performance Award – Rookie Safety Performance Award) whereas Miami Beach Towers won Outstanding Award (Safety Performance Award – Rookie Safety Performance Award). Kwun Tong Harbour Plaza, Skyline Tower, Exchange Tower & Island Resort received Outstanding Awards (Safety Performance Award). Yue Man Square and Exchange Tower achieved Merit Awards in Organization/Enterprise – Supervisor and Organization/Enterprise – Front-line worker respectively at the 14th Hong Kong Outstanding OSH Employee Award. At Occupational Health Award 2022-23, Yue Man Square won Gold Award in Mental Health Friendly Organisation Award while Tsim Sha Tsui Centre, Skyline Tower, Sino Plaza, Empire Centre, The Avenue and One SilverSea received Outstanding Awards in Joyful@Healthy Workplace Best Practices Award and BRESL achieved the Excellence Award in the same category. Other properties received 7 Merit Awards in the same competition. These awards were organised by the Occupational Safety and Health Council.

(6) Sino Property Services (Continued)

Environmental, Social and Governance (ESG)

SPS is committed to actively participating in community services and green activities, to build a better community. SPS recognises its role in promoting environmental protection. SPS team participates in the Group's integrated green community project "Farm Together". The project unites like-minded partners to promote urban farming, bringing nature closer to our community. The urban farms at Skyline Tower, 148 Electric Road, Hong Kong Gold Coast, Pacific Palisades, Sino Plaza, Mayfair by the Sea 8 and Yue Man Square provide venues for stakeholders to experience the joy and benefits of urban farming as well as promoting a healthy lifestyle. GREENHOUSE, indoor intelligent farm with an automatic irrigation system, are installed at tmtplaza, Citywalk and Landmark South, which is another step in bringing our community towards a greener lifestyle.

Environmental protection initiatives are applied in several main focus areas in daily operations. These include proper treatment of used materials and waste; reduction of waste; use of sustainable and recyclable materials; reduction of greenhouse gases (GHGs); carbon audit and carbon footprint management; conservation of nature and landscaping. Initiatives are extended to raise the awareness of the residents and customers, as well as the younger generation. SPS supports building a sustainable environment in Hong Kong. Energy saving is also one of the main areas that can contribute to the reduction of carbon emission, and much attention has been paid to minimising power consumption in the areas of lighting, electrical appliances and equipment, air-conditioning as well as lifts and escalators. SEML installed over 4,000 photovoltaic panels on building roofs and podiums, generating 1.29 GWh/year, equivalent to the annual electricity consumption of 400 households. The Photovoltaic System in China Hong Kong City is one of the largest-scale solar panel installations made at a commercial building in the Kowloon district.

In recognition of our efforts in energy saving, 94 managed properties joined the Charter on External Lighting organised by the Environment Bureau. During the reporting period, Cameron Plaza, Ritz Plaza and Gold Coast Piazza attained the Final Platinum Rating while 38 Repulse Bay and Corporation Park attained the Final Gold Rating in the Beam Plus Existing Buildings V2.0 Comprehensive Scheme. SEML and its managed properties including Tsim Sha Tsui Centre, Empire Centre & Hong Kong Pacific Centre received the WELL Health-Safety Rating for Facility Operation. SEML also received Excellence Award (Carbon Management Award), Joint Energy Saving Award, Gold Award (Energy Saving Missions – Top Saving) and Champion (Energy Saving Missions – Top Smart Living) at CLP Smart Energy Award 2022. At Wise Save @ RCx Competition organised by Environment and Ecology Bureau and Electrical and Mechanical Services Department, Olympian City 2 won Wise Save @ RCx Merit Award.

Electric Vehicles (EVs) have the potential to significantly reduce our collective impact on our climate, while reducing energy costs for our stakeholders. We believe that a comprehensive network of charging stations is crucial to promoting the widespread adoption of EVs. The Group has been actively working with different business partners to expand the coverage of EV charging stations at its properties. At China Hong Kong City, we partnered with Halo Energy Limited to pilot a load management system for EV charging facilities. The system allows to fully utilise limited electricity capacity to provide enhanced EV charging services. To further improve performance at CHKC, the Group partnered with Shell Hong Kong Limited and Halo to establish the fastest EV charging station in Hong Kong, the Shell Recharge charging station. As at 30th June, 2023, our properties have around 1,500 EV chargers in total. In recognition of our efforts, SPSL received the Silver Award for Smart Mobility (Smart Transport) at the Hong Kong ICT Awards 2022.

(6) Sino Property Services (Continued)

Environmental, Social and Governance (ESG) (Continued)

SEML received a number of awards in recognition of its efforts in environmental protection. SEML has received a Fully Support Organisation Award at the Umbrella Bags Reduction Accreditation Programme 2022 organised by the Greeners Action, with 54 properties joined the programme including 15 properties received Diamond Awards, 20 properties received Gold Awards, 11 properties received Silver Awards, 1 property received Participation Award while 19 of them received Reduction Awards. At the Tree Management Award 2022, Hong Kong Gold Coast Phase 2 won the Platinum Award whereas 7 properties received Enthusiastic Awards. Olympian City 1, Exchange Tower and Citywalk won Bronze Award at the Hong Kong Green Awards 2022 while Perfect Green received Merit Award. Olympian City and Citywalk won Best Recycling Partner Award and Best Farming Partner Award respectively in Best Collaborative Effort of Malls and Shops while Exchange Tower and Sino Plaza won Merit Awards in Best Green Practice in Malls at the Hong Kong Green Shop Alliance Award 2022 organised by Hong Kong Green Building Council. Olympian City won Bronze Award in Property Management while Citywalk and Pacific Palisades received Merit Awards at the 2021 Hong Kong Awards for Environmental Excellence organised by Environmental Campaign Committee and Environmental Protection Department. At Best Landscape Award for Private Property

Development 2022 organised by Leisure and Cultural Services Department, Citywalk won Gold Award and Environmental Efficiency Award while Yue Man Square and Skyline Tower received Gold Award and Environmental Efficiency Award respectively. 7 properties won Merit Awards in the same competition. Tsim Sha Tsui Centre, Hong Kong Pacific Centre and Argyle Centre Phase 1 received CarbonCare Labels. SPSL, Perfect Green and 6 properties received Certificate of Excellence while 11 properties received Certificate of Merit at HSBC Living Business Awards 2022.

We are exploring innovative technology to reduce food waste. "Smart Bin" leverages multiple technologies, including smart sensors and wireless communications, to facilitate the collection of food waste for recycling. We also actively seek to engage our stakeholders to prevent surplus food from going to waste. In Hong Kong, we participated in Food Angel's Food Smart Buddy Programme to promote a "food wise" culture in Hong Kong. Running from Jan 2022 to Dec 2023, food donation machines and food collection boxes were placed at selected shopping malls and properties managed by the Group to collect surplus dry food.

Sino Clubhouses launched a Green Journey Programme in Jan 2022. We have organised various activities, including disposable eye care plastics collection, mooncake boxes collection, usable items collection, etc.

Review of operations (Continued)

(6) Sino Property Services (Continued)

Environmental, Social and Governance (ESG) (Continued)

To encourage our stakeholders to join the Green Journey, we hosted the Eco Market, an initiative aimed at giving used items a second home, at some of our clubhouses. Residents came together to set up booths and sell their second-hand items to the community. Taking the lead in this green activity, SPS had set up a booth at Hong Kong Gold Coast in Jan 2023. Over 500 pieces of second-hand items were collected from colleagues and sold them at the SPS booth, proceeds of which would be donated to Christian Action, our long-term recycling activity partner. The unsold items would also be donated to Christian Action for distributing to people in need or reselling at its Community Sales Outlets that promote recycling.



Green Journey Programme

Sino Property Services launched the Green Journey Programme at residential properties under its management to promote waste reduction at source and waste recycling. Eco Market was staged at Hong Kong Gold Coast in January 2023 for residents to sell second-hand items to give used items a second life.

BRESL and its wholly-owned subsidiary Perfect Green provide one stop waste recycling solutions to properties managed by SPS. BRESL won the Quality Sub-Contractor (Cleaning) Award at the Hong Kong Professional Building Inspectors Academy (BIA) Awards 2022, recognising its quality services. In addition to the collection of general recyclables and food waste, BRESL and Perfect Green have registered as one of the collectors under the “Waste Cooking Oils” Recycling Administrative Registration Scheme by the Environmental Protection Department. This has further strengthened their competitive edge in providing professional waste recycling services.

Business development highlights

SPS has received the “Grand Award for the Year” in the Property Developer and Management Category at the Brand Design Awards 2023 organised by the Hong Kong Designers Association in recognition of outstanding and creative brand designs.

As part of its continuous business strategy, SSSL obtained a Type III Security Company license which allows the company to install and repair security devices and/or to design a security system incorporating a security device and has completed installation of security system in a number of residential estates, serviced apartments, luxury residential properties, hotels, commercial buildings, malls and public academic institutions. To further expand the business portfolio in security solutions, SSSL has set up a 24/7 tele-protection services and Central Alarm Monitoring Station (CAMS) and launched CCTV and burglar alarm monitoring services.

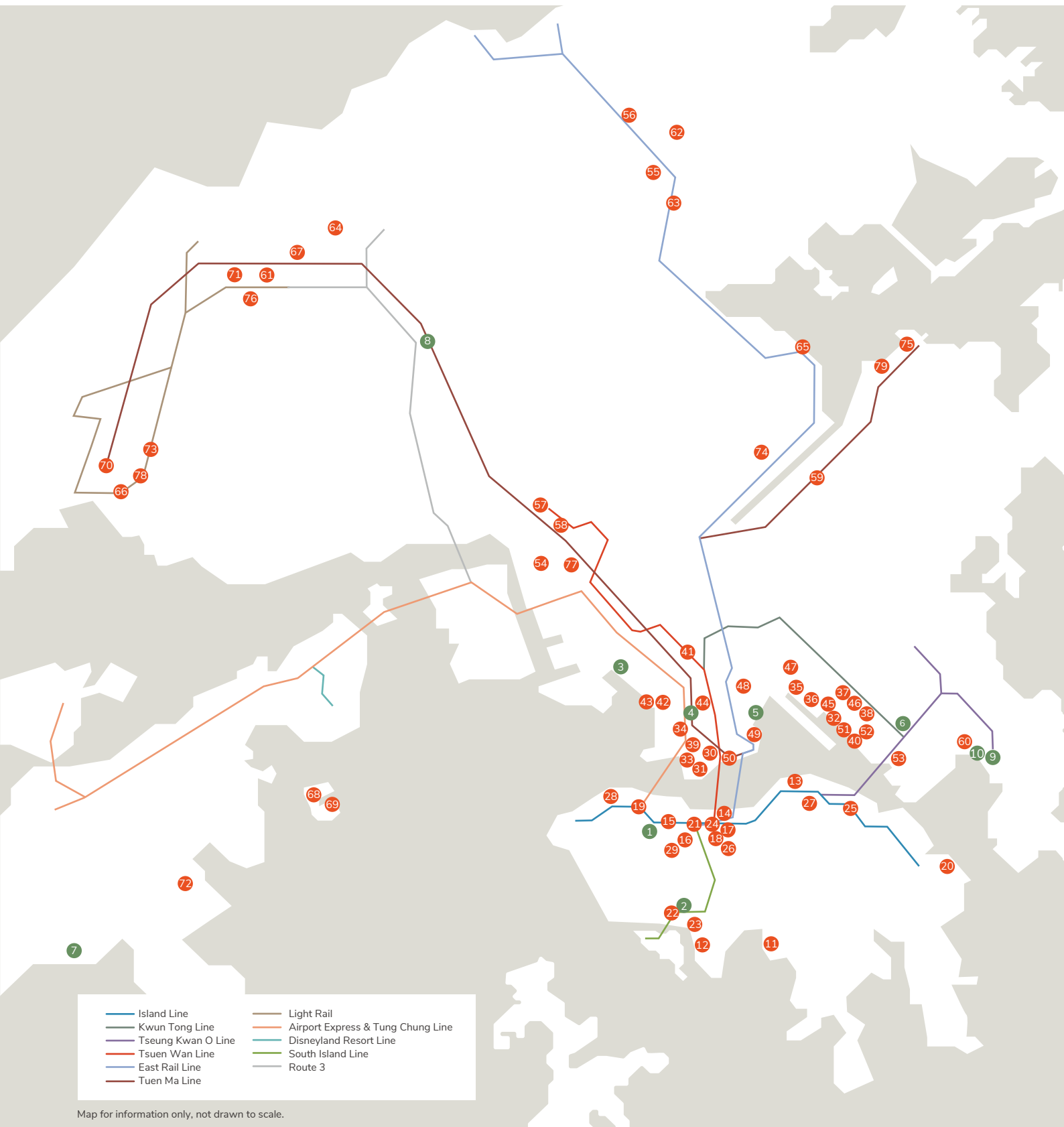
(6) Sino Property Services (Continued)

Business development highlights (Continued)

SPSL is making steady progress in their in-house car park control system. Currently, the system has been deployed in over 60 car parks. The promotion of Electric Vehicles (EV) remains a key area where we can make a positive impact. As such, we continue to expand the coverage of EV charging stations at our properties with the aim of protecting the environment, while reducing energy costs for our stakeholders. As at 30th June, 2023, we have installed over 1,500 EV chargers at our properties. Approximately 10% of the commercial and residential parking spaces under Sino Land's management are currently equipped with EV charging stations. As one of the market leaders, SPSL has introduced Android and iOS parking apps which provide real-time parking vacancy data and navigation services, etc., for customers to locate parking spaces easily and therefore enhance their parking experience, SPSL has also participated in S+ REWARDS, the digital loyalty programme of the Group, to allow customers to redeem their parking privileges in our car parks. Furthermore, contactless parking for S+ REWARDS members has been launched in 8 mall carparks in the 2nd half of 2022.

SEML leverages new technologies to enhance operational efficiency at our managed properties. The partnership with CLPe Solutions contributes to the digital transformation of our technical services and to reduce energy consumption. We have deployed CLP PlantPro to improve the operation and maintenance of chiller plants in Olympian in City 3 and Island Resort Mall with a reduction of approximately 7% in energy consumption of the Mechanical Ventilation and Air Conditioning (MVAC) system. To further optimise the energy efficiency in the MVAC system, an AI-based platform called Automated Logic Chilled Water System Optimiser was implemented in Olympian City 1 to enable a reduction of 5-10% in energy usage across the entire chilled water system.

To expand the scope of specialist cleaning service, BRESL has procured a truck-mounted aerial work platform for high-level external wall cleaning in a bid to enhance its professional service and safety standard. In addition, BRESL has set up a Special Disinfection Unit to provide specialized cleaning, disinfecting and sanitizing services for corporate and household customers. The Special Disinfection Unit has taken up an onerous role and responsibility in providing effective, responsive and reliable services during COVID-19.





PROPERTIES UNDER DEVELOPMENT

- HONG KONG ISLAND
1. ONE CENTRAL PLACE, Central
 2. La Montagne, Wong Chuk Hang

KOWLOON

3. Grand Victoria, South West Kowloon
4. ONE SOHO, Mong Kok
5. Wing Kwong Street / Sung On Street Project, To Kwa Wan
6. Yau Tong Ventilation Building Property Development

NEW TERRITORIES

7. Lot 765 in DD332, Cheung Sha, Lantau Island
8. Grand Mayfair, Kam Tin South
9. Villa Garda, Tseung Kwan O
10. LOHAS Park Package Thirteen Property Development, Tseung Kwan O

MAJOR COMPLETED PROPERTIES

HONG KONG ISLAND

11. 38 Repulse Bay Road
12. The Fullerton Ocean Park Hotel Hong Kong
13. 148 Electric Road
14. Central Plaza
15. The Centrium
16. Conrad Hong Kong
17. The Hennessy
18. The Hillside
19. Hollywood Centre
20. Island Resort Mall
21. The Johnston
22. La Marina
23. Landmark South
24. Lee Tung Avenue
25. Marina House
26. One Capital Place
27. Pacific Palisades
28. Pacific Plaza
29. The Staunton

KOWLOON

30. Cameron Plaza
31. The Camphora
32. Capital Tower
33. China Hong Kong City
34. Coronation Circle
35. Corporation Square
36. Exchange Tower
37. Fullerton Centre
38. Futura Plaza
39. Hong Kong Pacific Centre
40. Kwun Tong Harbour Plaza
41. Maison Rosé
42. Olympian City
43. The Olympian Hong Kong
44. Omega Plaza
45. Pan Asia Centre
46. Remington Centre
47. Skyline Tower
48. St. George's Mansions
49. Sunshine Plaza Shopping Arcade
50. Tsim Sha Tsui Centre
51. Westin Centre
52. Westley Square
53. Yau Tong Industrial City

NEW TERRITORIES

54. 38 Wing Kei Road
55. Avon Mall
56. Cambridge Plaza
57. Citywalk
58. Citywalk 2
59. Corporation Park
60. Corinthia By The Sea
61. Golden Plaza
62. Grand Regentville Shopping Mall
63. Lincoln Centre
64. Mansfield Industrial Centre
65. Mayfair Lane
66. Oceania Heights Shopping Mall
67. One North
68. Paloma Bay
69. Paloma Cove
70. Parklane Centre
71. Ping Wui Centre
72. Riverwalk
73. Rosedale Gardens Shopping Mall
74. Shatin Galleria
75. Silversands
76. Springdale Shopping Mall
77. Sunley Centre
78. tmtplaza
79. The Waterside Shopping Mall

Sustainable development

This Sustainable Development Section highlights the Group's sustainability performance for the financial year ended 30th June, 2023. Further details of the Group's environmental, social and governance ("ESG") strategies and performance are included in the standalone Sustainability Report for the financial year ended 30th June, 2023, which has been prepared in accordance with Global Reporting Initiative ("GRI") Standards (2021), as well as the requirements of the ESG Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the World Economic Forum Stakeholder Capitalism Metrics, and the Sustainability Accounting Standards Board ("SASB") Standards for the Real Estate Sector. The Sustainability Report also makes reference to the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations and the Ten Principles of the United Nations ("UN") Global Compact. Furthermore, our nature-related performance is disclosed in our Sustainability Report with reference to the Taskforce on Nature-related Financial Disclosures ("TNFD") framework recommendations. The Sustainability Report is also prepared with reference to the International Sustainability Standards Board's ("ISSB") new IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures published in June 2023. The Sustainability Report is available on our corporate website at www.sino.com under Sustainability Reports in the Sustainability section.

Guided by effective and responsible governance, we unite our business model and sustainability strategy of Creating Better Lifescapes to turn key resources into long-term ESG value for our stakeholders.

The Company's sustainability targets contribute to the broader goals under Sino Group's Sustainability Vision 2030 initiatives across the three strategic pillars of Green Living, Innovative Design and Community Spirit.

The Group places great importance on sustainability governance. The Board of Directors of the Company ("Board") oversees the management of ESG strategies and reporting for the Group through the Environmental, Social and Governance Steering Committee ("ESG Steering Committee"), which reports to the Board twice a year. The ESG Steering Committee, which comprises Directors of the Company and key executives from different business units, supports the Board in overseeing and steering the planning and execution of the Group's approach to sustainability. It also provides overall stewardship and formulates direction, strategies, policies and goals, in addition to facilitating the execution of plans and activities.

Sustainability highlights for the financial year ended 30th June, 2023

Governance – Local and international ESG ratings and recognitions

- Remained as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index, with an AA rating
- Recognised as a Top 10 (Pace-setter) in the Greater Bay Area Business Sustainability Index
- Received a B rating in the Climate Change Assessment 2022 by CDP
- Recognised as a Global Listed Sector Leader, Regional Listed Sector Leader (Asia) and Regional Sector Leader (Asia) in GRESB and achieved a five-star rating in the GRESB Real Estate Assessment 2022
- Became the first developer in Hong Kong to be recognised among the Global 100 Most Sustainable Corporations by Corporate Knights
- Included in the S&P Global Sustainability Yearbook 2023
- Included in the S&P Global Sustainability Yearbook (China) 2023
- Selected as a constituent of the Dow Jones Sustainability Asia/Pacific Index
- Recognised as a Regional Top-rated ESG Performer by Sustainalytics
- Achieved the upgrade to an “AA” rating in the MSCI ESG ratings

Green Living

- Partnered with the Hong Kong Innovation Foundation, Ocean Park Corporation, Archireef and The Fullerton Ocean Park Hotel Hong Kong to launch Hong Kong's first cross-sector collaborative CORAL REEFStorage project restoring 20 square metres of reef tiles in the southern waters. As a part of the project, 100 students presented their creative ideas on coral conservation in February 2023, and ten outstanding students were selected as “Star CORAL REEFStorage” to join a series of in-depth coral conservation learning activities
- Became one of the first developers in Hong Kong to issue a standalone Climate Action Report, formulated in alignment with TCFD recommendations
- Collaborated with local non-governmental organisations (“NGOs”)/social enterprises in a 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

Innovative Design

- Partnered with The Hong Kong Polytechnic University School of Design to develop upcycled public seating solutions for pedestrians and shoppers at Lee Tung Avenue
- Continued to work with a local start-up, EcoBricks, to promote a circular economy at the Group's properties. During the financial year ended 30th June, 2023, eight EcoBricks projects have been deployed in the Group's managed properties, including Olympian City, Citywalk, The Fullerton Ocean Park Hotel Hong Kong and One North, equivalent to over 22 tonnes of plastic waste upcycled
- Hosted PropXTech 2022/2023 – the proptech acceleration programme, which attracted more than 3,000 applications from 70 countries and territories
- Partnered with the Hong Kong University of Science and Technology (“HKUST”) to launch the HKUST – Sino One Million Dollar Entrepreneurship Competition for the sixth successive year. The competition was well-received, with record-high entries. 80% of the entries featured ESG elements

Sustainability highlights for the financial year ended 30th June, 2023 (Continued)

Community Spirit

- Launched the Generations Connect project to help boost the well-being of 10,000 elderly members in collaboration with the Ng Teng Fong Charitable Foundation, the School of Nursing, LKS Faculty of Medicine of the University of Hong Kong, and 11 charitable organisations and NGOs
- Rallied 500 colleagues and their family members across Sino Group to support the Community Chest New Territories Walk for Millions at the Cross Bay Link, Tseung Kwan O, for fundraising
- Collaborated with more than 30 community partners to sponsor new clothes and festive items to celebrate the Lunar New Year with over 10,000 people in need from underprivileged families
- Supported Hong Kong Arts Month by providing the festival with its first-ever digital art platform, where artwork was displayed on the multimedia walls of Tsim Sha Tsui Centre and Empire Centre
- Supported the HKSAR Government's Strive and Rise Programme to curate an array of unique group activities. Around 500 mentees and mentors participated, with colleagues invited to serve as the programme's volunteer mentors
- Collaborated with the Ng Teng Fong Charitable Foundation to support the opening of a vegetarian restaurant, "Veggies Lotus", as a "Community Canteen" in Tuen Mun, to provide 2,000 free vegetarian meal boxes every month to those in need

Major awards

- Received two accolades, namely Outstanding ESG Company (Diamond Award) and ESG Leader (Platinum Award) at the ESG Achievement Awards 2021/2022
- Received four accolades, namely Best GRI Report – Grand Award, Excellence in Environmental Impact – Grand Award, Best ESG Report (Large-cap) – Commendation Award and Excellence in ESG Governance – Commendation Award at the Hong Kong ESG Reporting Awards 2022
- The Fullerton Heritage in Singapore received the inaugural Architectural Heritage Legacy Award at the 2022 Urban Redevelopment Authority's Architectural Heritage Awards to encourage best practices in conservation
- Sino Group received three accolades, namely the Bronze Award, Excellence in Environmental Sustainability in the Workplace and Excellence in Stakeholder Engagement awards at the Award for Excellence in Training and Development 2022, organised by The Hong Kong Management Association ("HKMA")
- Received the Grand Award in the large-sized organisation category at the Hong Kong Sustainability Award 2022, organised by HKMA
- Named one of the Listed Enterprises of the Year by the Chinese Edition of Bloomberg Businessweek and received the Outstanding Performance – Best Development Strategy Award
- Awarded the ESG Leading Enterprise Award and the Leading Environmental Initiative Award at the ESG Leading Enterprise Awards 2022 jointly organised by the Chinese Edition of Bloomberg Businessweek and Deloitte
- Awarded the Best in ESG Practices, the ESG Project Innovation Award and the Innovative Climate Technology Award at the inaugural TVB ESG Awards 2022
- Sino Group was awarded the Excellence in Leading and Sustainable Project Development award at the HKET Excellence Awards 2023
- Received seven accolades, namely Asia's Best CEO, Asia's Best CFO, Best Investor Relations Professional, Asia's Best CSR, Best Environmental Responsibility, Best Investor Relations Company and Best Corporate Communications at the 13th Asian Excellence Award organised by Corporate Governance Asia

Governance

Sino Sustainability Academy

The Group launched the Sino Sustainability Academy in 2020 to ensure that an ethos of championing sustainability practices permeates from our leadership to frontline colleagues. The Academy is a Group-wide platform engaging colleagues in building sustainability capabilities throughout our business on a diverse range of sustainability topics. During the financial year, 78% of employees received ESG training. Sino Sustainability Academy received the Bronze Award and Excellence in Environmental Sustainability in the Workplace Award at the Award for Excellence in Training and Development 2022 organised by HKMA. We are committed to continuing to provide ESG-related training internally and have set a goal to ensure that 100% of our colleagues receive ESG training by 2025.

Green Living

Green

Sustainability is integrated into all aspects of our business and operations. We are doing our part through more energy-efficient designs, green development and procurement, harnessing renewable energy, reducing waste and carbon emissions, leveraging innovation and technology and advocating green living at our managed properties.

Decarbonisation in action

The Group is committed to climate impact mitigation through the adoption of measures to address physical and transition risks, and decarbonisation. Sino Land joined the global pledge of the Business Ambition for 1.5°C to strive for net zero emissions by 2050.

Sino Land became one of the first developers in Hong Kong to issue a standalone Climate Action Report formulated in alignment with TCFD recommendations. The report shares our efforts in identifying, assessing and managing material climate-related impacts and opportunities. We are one of the pioneer developers to engage an external consultancy, PricewaterhouseCoopers Limited, as a technical advisor to support the assessment of climate risks and the evaluation of the resilience of more than 170 existing and new properties under different climate scenarios. The assessment indicates the key climate risks faced by our portfolio in Hong Kong and how we should manage these risks.

Climate resilience and greenhouse gas (“GHG”) emissions

To support the use of renewable energy, we have installed renewable energy features such as photovoltaic panels and hybrid solar-wind turbines at our managed properties, and utilised smart monitoring platforms to optimise performance. During the financial year, we continued to deploy innovative solutions to address energy efficiency at our managed properties. A 2,260-square-metre photovoltaic system has been installed, covering China Hong Kong City’s five towers. The project is one of the largest solar panel installations at a commercial building in the Kowloon district. As at 30th June, 2023, over 4,000 photovoltaic panels have been installed at properties under the Group’s management in Hong Kong. The resulting GHG emissions avoided are equivalent to the annual amount of CO₂ removed by 78,993 trees planted. In addition, we have generated 2,595,510 kWh of renewable energy from our 2012 level.

Sustainable development (Continued)

Green Living (Continued)

Green (Continued)

Promoting sustainability through the circular economy

To encourage the public to create their own upcycled ornaments to decorate their homes during Christmas, the Group organised the “Upcycled Christmas Tree Campaign” again in 2022. The campaign received an overwhelming response with around 800 creative entries collected from colleagues and the community.

The Group also collaborated with an upcycled product designer in Hong Kong to upcycle 600 mooncake boxes collected by the Group’s property management team during the Mid-Autumn Festival and transformed them into over 2,000 Christmas ornaments in the shape of ocean creatures to promote sustainability and the concept of a circular economy.

CORAL REEFStoration project

The Group and the Hong Kong Innovation Foundation, in partnership with Ocean Park Corporation, Archireef and The Fullerton Ocean Park Hotel Hong Kong, launched Hong Kong’s first cross-sector collaborative CORAL REEFStoration project. The project leverages Ocean Park’s marine conservation expertise and uses the world’s first 3D-printed reef tiles in terracotta from Archireef to rebuild 20 square metres of the reef at Middle Island, an area in Hong Kong’s southern waters. In addition, over 120 rescued coral fragments have been transferred to the CORAL REEFStoration Centre for husbandry and conservation.

As a part of the project, the CORAL REEFStoration Ambassador programme invited 100 students to present their creative ideas on coral conservation and ten outstanding students were selected as “Star CORAL REEFStorators” to join a series of in-depth coral conservation learning activities. In addition, The Fullerton Ocean Park Hotel Hong Kong joined hands with Archireef to host coral-themed activities for children aged five to twelve, encouraging active participation in environmental protection. The public is also invited to visit the CORAL REEFStoration Centre for guided tours, interactive STEAM experiments and a wide range of educational activities.

Farm Together

Farm Together, the integrated green community project launched in March 2020 to promote sustainability and biodiversity, has been further expanded to include a total of 19 farms in Hong Kong and one farm in Singapore, spanning a combined area of over 56,000 sq. ft. and cultivating over 380 plant and crop species. The project unites like-minded partners to promote urban farming, bringing nature closer to our community.

Wellness

Upholding our vision “to make Sino the preferred choice for customers, investors and employees”, the Group is dedicated to creating a safe, fair and inclusive working environment that engages and inspires all our employees. We strive to safeguard and enhance the wellness of our employees and the community.

Communicating with colleagues

We maintain open communication channels with our colleagues to address their opinions and concerns in a timely manner. Employees can engage in two-way communication with our management through various channels, including email, intranet, newsletters, and town hall and mini-town hall meetings. Our Corporate Townhall Meetings have long been a cornerstone of our employee communication efforts. Over 800 colleagues participated in the November 2022 Corporate Townhall Meeting, joining in-person or online.

Diversity and equal opportunities

The Group is committed to promoting diversity and inclusion in our workplace. In collaboration with local NGOs/social enterprises, we organised a Diversity and Inclusion Week of 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. By cultivating an understanding of diversity and inclusion, we hope to foster a more inclusive workplace and strengthen community bonds to continue Creating Better Lifescapes.

Green Living (Continued)

Wellness (Continued)

Training and development

We actively encourage colleagues to acquire new skills and attain qualifications to support their professional growth and our changing needs. We regularly offer courses, seminars and workshops in customer service, financial knowledge, information technology and language proficiency. We target to increase total training hours by 50% by 2025, and 100% by 2030 from the 2019 level. During the financial year, more than 156,500 training hours were recorded, which is 47.71% higher than the base year.

Customers, tenants and partners

The Group is dedicated to achieving high levels of customer satisfaction, guided by our core values, “Customer First”, “Quality Excellence” and “Continuous Improvement”. We collect customer feedback through multiple communication channels, including our annual customer satisfaction survey and daily personal contact. Our quality management systems have received ISO 10002 certification, the international standard for customer satisfaction, which provides guidelines for handling customer feedback in a more effective and efficient manner. Sino Properties Services (“SPS”) was honoured with five awards at the Customer Service Excellence Awards organised by the Hong Kong Association for Customer Service Excellence, in recognition of our efforts to foster a customer-oriented culture at our managed properties.

In addition, the SPS Green Fit-Out Guides provide recommendations for our tenants to make more sustainable choices including consuming less energy and water, monitoring indoor air quality, utilising greener construction materials, managing food waste and more. The “Green Clauses” reflect these recommendations in our lease agreements and set out specific measures that tenants can take to incorporate sustainability into their operations.

In addition, we engage our suppliers to help us deliver high-quality, sustainable products and services. Our Sustainable Procurement Policy integrates our commitment to minimise our impact on natural resource consumption and the environment into contractor/supplier selection and procurement processes and activities. Engagement with our contractors and suppliers is imperative to minimise any social and environmental impacts across our value chain.

Innovative Design

Design

Our commitment to sustainable design is guided by leading sustainable building and material standards, which we strive to increasingly adopt in our projects. This results in projects that are environmentally and socially responsible, and also resource-efficient throughout their lifecycles.

We seek to promote sustainable living in our managed properties, taking into account the health and well-being of our stakeholders, and incorporate energy-efficient and water-efficient features to mitigate environmental impacts. During the financial year, Cameron Plaza, Ritz Plaza and Gold Coast Piazza attained the Final Platinum Rating in the BEAM Plus Existing Buildings V2.0 Comprehensive Scheme. 38 Repulse Bay and Corporation Park attained Final Gold Rating in the BEAM Plus Existing Buildings V2.0 Comprehensive Scheme. In addition, Silversands received WELL Core v2™ Pilot Gold certification, while Sino Estates Management Limited and its managed properties, including Tsim Sha Tsui Centre, Empire Centre and Hong Kong Pacific Centre received the WELL Health-Safety Rating for Facility Operations.

Investment in sustainable buildings

Innovative, sustainable design elements can contribute to the health and wellness of building occupants, as well as those in the surrounding communities, and facilitate positive ecological results in the natural environment. We actively seek to incorporate sustainable features into our managed properties.

Sustainable development (Continued)

Innovative Design (Continued)

Design (Continued)

Investment in sustainable buildings (Continued)

During the financial year, The Fullerton Ocean Park Hotel Hong Kong received Gold Awards for Best Hotel and Tourism Development and Best Green Development, while Landmark South received the Silver Award for Best Office Development at the MIPIM Asia Awards. In addition, SPS received the Grand Award of the Year in the Property Developer and Management category at the Brand Design Awards 2023. The Group's "Sustainable Design Series" received the Gold Medal at the 48th Salon International des Inventions de Genève. The series includes the upcycled plastic bench at Landmark South, the upcycled wood bench at Lee Tung Avenue and the upcycled EcoBricks bench at One North.

One North targets to obtain BEAM Plus New Building V1.2 Silver Rating and WELL™ Core v2 Platinum Rating. The building features a GoCircular Corner, which engages colleagues, partners and community members to participate in circular economy solutions. Through the platform, we are driving innovative solutions to upcycle waste. Over 2,960 EcoBricks were used to pave the patio and create benches at this property. These bricks were made using more than 480,000 bottle caps and rings, upcycling the equivalent of over 960 kg of plastic waste.

Innovation

The Group invests in innovation to develop new ideas for the real estate industry that can positively impact our business and communities. We engage with internal and external stakeholders to co-create and promote original innovation in society.

Sino Inno Lab

Sino Inno Lab helps start-ups, inventors and technology companies from Hong Kong and overseas develop and test property technology solutions through a collaborative sandbox platform. The Lab engages internal and external stakeholders to facilitate idea generation, develop proofs-of-concept and co-create cutting-edge solutions.

During the financial year, the Lab hosted over 120 physical and virtual visits for more than 1,500 internal and external stakeholders. Visitors included representatives from schools and universities, industry associations, professional bodies and peers from the real estate development and property management sectors. Since its inception, the Lab has received over 10,000 visitors from 1,200 organisations.

Sinovation

Sinovation aims to inspire our colleagues to create innovative ideas that drive efficiency and quality improvement. The programme encourages our colleagues to submit innovative ideas relating to energy saving for exploration, development and potential implementation in our business operations. In 2023, the Sinovation programme attracted more than 40 innovative ideas for future implementation across our business units. The winning entries included "Water-Cooled Jacket for Preheating Hot Bath Pool Water", "Green Control in Carpark" and "Hydroelectric Power Generator".

EcoBricks

We continue to scale up the use of EcoBricks, the sustainable construction materials made from upcycled plastic waste, including plastic bottles and mixed and composite plastic that are currently impossible to recycle. EcoBricks were first introduced at Gold Coast Piazza in Tuen Mun; other properties that use this innovative solution include Olympian City, Citywalk, The Fullerton Ocean Park Hotel Hong Kong and One North. During the financial year ended 30th June, 2023, eight EcoBricks projects have been deployed at the Group's managed properties, equivalent to over 22 tonnes of plastic waste upcycled. We are also exploring the potential to contribute to the local EcoBricks production system through community recycling centres and look forward to continuing to use this technology to benefit the environment, society and our business.

Innovative Design (Continued)

Innovation (Continued)

PropXTech 2022/2023

PropXTech 2022/2023 is a proptech acceleration programme that brings together start-ups and established companies from around the world to advance the long term and sustainable development of the real estate industry in Asia. The programme attracted more than 3,000 applications from 70 countries and territories. Ten finalists were invited to present their solutions and business plans to industry professionals and investors on Showcase Day.

HKUST-Sino One Million Dollar Entrepreneurship Competition

HKUST and the Group have long been devoted to nurturing the entrepreneurial spirit of the next generation. The HKUST-Sino One Million Dollar Entrepreneurship Competition 2023 attracted 234 teams formed by HKUST faculty, students and alums, as well as members from other local institutions, successfully strengthening Hong Kong's innovation and entrepreneurship ecosystem.

Community Spirit

Heritage & Culture

The Group is also committed to enriching communities through supporting arts and culture, as well as by promoting built heritage conservation and revitalisation. The Group focuses on conserving and showcasing historically significant features of our properties in Hong Kong, Singapore and Sydney for the benefit of our stakeholders, now and for the future.

Clifford Pier, one of Singapore's iconic heritage landmarks, transformed into an eponymous event venue at The Fullerton Bay Hotel Singapore, celebrating its 90th anniversary in 2023. To mark the occasion, The Fullerton Hotels and Resorts has symbolically reinstated the iconic red glass on the pier's shoreward-facing lamps, paying tribute to the important role they once played in guiding seafarers safely to shore. At the entrance of Clifford Pier, the photo exhibition, "From Port to Icon: Celebrating 90 Years of Clifford Pier", can be found, featuring interactive displays and rare photographs highlighting a series of personal stories from Singaporeans sharing fond memories of the pier in its early days.

During the financial year, The Fullerton Heritage in Singapore was honoured at the 2022 Urban Redevelopment Authority's Architectural Heritage Awards ("AHA"), which acknowledges exemplary work in heritage conservation in terms of building maintenance, creation of social value and positive community impact. The Fullerton Heritage was the only winner of the first Architectural Heritage Legacy Award. The award is bestowed on a past AHA winner with at least ten years of post-award exemplary management in sustaining the longevity of a heritage building, both physically and socially.

Hong Kong Arts Month

The Group has always strived to promote the development of arts and culture as well as creative industries. To support Hong Kong Arts Month, we provided the festival with its first-ever digital art platform to showcase digital artwork. As a new hub for art and creativity in the community, Landmark South collaborated with the Hong Kong Art Gallery Association to exhibit three artworks for its first Hong Kong Art Month activation.

Sustainable development (Continued)

Community Spirit (Continued)

Heritage & Culture (Continued)

Supporting sports events

The Group's tmtplaza, Olympian City and Citywalk malls broadcasted the Hong Kong Rugby Sevens for shoppers to enjoy. In addition, to engage the public and promote international sports, tmtplaza, Olympian City and Citywalk live-streamed all 64 World Cup football matches for more than 100,000 football fans.

Since 2022, the Group has given its full support to the development of breaking in Hong Kong and sponsored related events, including the Hong Kong Breaking Team Qualifiers at Olympian City and their participation in the Asian Games in Hangzhou. Olympian City received two bronze awards at the PR Awards Asia-Pacific 2023, in recognition of the efforts to promote the development of breaking in Hong Kong over the past year.

Community

Investing in our communities is vital to our journey of Creating Better Lifescapes. The Group engages all members of society, from children and youth to the elderly, through events and activities in partnership with charitable organisations and NGOs. The Group also actively encourages its employees to support community initiatives by volunteering and using their expertise to help those in need.

Sino Caring Friends

Sino Caring Friends has nurtured bonds with less-resourced families across Hong Kong since 2008. The initiative engages our colleagues, along with their families and friends in volunteer activities in collaboration with community partners. Sino Caring Friends joined hands with community partners J Life Foundation, Pei Ho (Ming Gor) Charity Foundation and 20 community partners to distribute 200,000 cans of Yeo's drinks and 10,000 nutritious meals to people living in sub-divided units. Sino Caring Friends also distributed gift packs benefitting about 3,000 underprivileged children and families, as well as children and teenagers living in residential care homes during Christmas. Moreover, Sino Caring Friends dressed up as different characters from "Pinocchio" and visited The Mission Covenant Church Holm Glad Primary School to facilitate student learning in an energetic environment.

During the financial year, Sino Caring Friends organised over 460 activities involving the participation of over 1,770 volunteers and recording over 207,700 volunteer service hours in Hong Kong. Sino Group was recognised as a "20 Years Plus Caring Company" by The Hong Kong Council of Social Service, marking our long-standing commitment to support the community.

Generations Connect project

The Group and the Ng Teng Fong Charitable Foundation, in collaboration with the School of Nursing, LKS Faculty of Medicine of the University of Hong Kong and eleven charitable organisations and NGOs, launched the "Generations Connect" project to connect young people and elderly members through community intervention and behavioural coaching. Over 1,000 healthcare professional students are expected to participate, providing services to 10,000 elderly people and assisting them in adapting to post-pandemic life while taking care of their physical, psychological, and mental health and well-being.

Supporting boat dwellers and families in need

The Group joined hands with The Fullerton Ocean Park Hotel Hong Kong and community partners, including the Hong Kong Yacht & Start-up Association, the Society for Community Organization and the Aberdeen Kaifong Association to support boat dwellers and families in need. 200 care packs, comprising essential food items such as rice, cereals, cooking oil and biscuits, as well as anti-pandemic materials, were distributed to underprivileged families living near typhoon shelters in Causeway Bay and Aberdeen as well as to the elderly members in the Southern District. In addition, more than 50 beneficiaries were invited to cruise along Victoria Harbour and the Southern District on Dukling, Hong Kong's only remaining original antique Chinese-style junk, to enjoy the scenic harbour and storied Southside.

Community Spirit (Continued)

Community (Continued)

The Community Chest New Territories Walk for Millions

Sino Group has rallied 500 colleagues and their family members to support The Community Chest New Territories Walk for Millions at the Cross Bay Link, Tseung Kwan O, for fundraising. All of the funds raised through the Walk were earmarked to support 24 member agencies providing family and child welfare services to maintain and strengthen family bonding, encourage mutual support among family members, and help them prevent and cope with individual or family problems, as well as provide services for their unmet needs.

Operation Santa Claus

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.

Caring for the community during Lunar New Year

The Group and the Ng Teng Fong Charitable Foundation launched festive care programmes to bring seasonal cheer to over 10,000 underprivileged people and the Group's frontline colleagues. In collaboration with more than 30 community partners, the Spring Festival Programme shared the warmth of the season with less-resourced families, the elderly living alone, minorities and people with varying abilities through home visits and gifting as well as by supporting people in need to buy new clothes and other items to welcome the Year of the Rabbit.

HKSAR Government's Strive and Rise Programme

The Group is committed to youth development, especially for children from underprivileged families, and is delighted to support the HKSAR Government's Strive and Rise Programme. We partnered with various organisations to curate around 20 unique group activities related to innovative technology, cultural heritage, life planning and sustainable development, with colleagues invited to volunteer as mentors of the Programme. Around 500 mentees and mentors enrolled or participated in the activities designed to help students broaden their horizons, reinforce their self-confidence, and inspire them to explore more possibilities for personal development.

Community Canteen service to the less-resourced

The Group and the Ng Teng Fong Charitable Foundation joined hands with the Pei Ho (Ming Gor) Charity Foundation to support the opening of a vegetarian restaurant, "Veggies Lotus", as a Community Canteen in Tuen Mun. This Community Canteen aims to provide 2,000 free vegetarian meal boxes monthly to those in need and continue in the spirit of Ming Gor's well-known social enterprise, "Pei Ho Counterparts".

Corporate governance report

The Board of Directors (“Board”) is committed to providing effective management and sound control of the Company for maximising the shareholders’ value. The corporate governance principles of the Company emphasise the attainment and maintenance of a high standard of corporate governance practices and procedures, a quality board, sound internal control, and high transparency and accountability to the shareholders. The Company has adopted its own Corporate Governance Code, which is based on the principles and the code provisions as set out in Part 2 of Appendix 14 (“Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). The Company has complied with all code provisions as set out in the Code throughout the financial year ended 30th June, 2023, save as disclosed in this report. The corporate governance practices of the Company in compliance with the Code during the financial year with explanation of the deviation are set out in this report.

Corporate culture framework

Our vision and mission

Incorporated in Hong Kong in 1971, the Company has been growing with the communities it serves to become one of the city’s leading developers. The core business of the Company and its subsidiaries (“Group”) of developing properties for sale and investment is complemented by hotel investment and management, as well as a full range of property services encompassing property management, security, and environmental services to ensure a holistic ‘Sino Experience’.

Our corporate vision of ‘making Sino the preferred choice for customers, investors and employees’ and our mission of ‘Creating Better Lifescapes’ are the cornerstones of our corporate culture and values, guiding us on our growth and development as we formulate business strategies to create long-term value for our stakeholders.

Taking a holistic approach, the Group brings the mission of ‘Creating Better Lifescapes’ to life through work in the three interconnected and strategic pillars of Green Living, Innovative Design and Community Spirit, integrating sustainability into all aspects of our business and operations, from incorporating wellness and sustainability principles and practices into architectural planning to green management, from leveraging on technologies and innovative solutions to preserving cultural heritage, and from caring for our staff to supporting the less-fortunate in society.

Corporate culture framework

(Continued)

Our values

- Integrity – We maintain integrity in everything we do
- Customer First – Understand the needs of individuals and communities, we put our customer first
- Respect – Through humility, we appreciate and respect one another
- Teamwork and Quality Excellence – With strong teamwork, we strive for quality excellence in building our business and our communities
- Continuous Improvement and Sense of Urgency – Together with our sense of urgency and quest for continuous improvement, we constantly look for ways to surpass the expectations of our stakeholders
- Preparedness – Thinking ahead and being proactive ensures our preparedness

Sustainability is central to the Group's mission of 'Creating Better Lifescapes'. As a committed corporate citizen, the Group seeks to contribute to a sustainable built environment, reflected by the efforts and goals of the Group 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 the community a more compassionate place.

Corporate culture must be supported and practised by all levels of employees who share the vision of making Sino the preferred choice for customers, investors and employees. Communications are managed through a multi-pronged approach, which comprises top-down, bottom-up and horizontal interactions and close collaborations among the Board, employees and the communities where the Group operates. Orientation and regular trainings are provided to directors and employees to instil and reinforce the Group's vision, mission and core values.

Business model and strategy

The Group has a diversified business model which comprises property development, property investment, property management, hotel management, hotel investment and club management in Hong Kong, Singapore, Australia and mainland China to ensure a holistic 'Sino Experience'.

The Group continues to operate the business in a pragmatic manner in response to market changes and remains focus on long-term sustainable growth, whilst remaining prepared for short-term cyclical fluctuations, and maintains a policy of selectively and continuously replenishing land bank. In terms of property sales, the Group continually works to ensure top-quality products and deliver best-in-class services to the customers. This is how the Group adds value to the customers and earn their trust, which is most important in enhancing the brand of the Group. Recurrent businesses of the Group, which comprise property leasing, property management services, and hospitality, continue to be core pillars of ensuring a good and steady stream of income.

The Board believes that strong corporate culture, which is aligned with the vision, mission, values and strategies of the Group, is key to the success and sustainable growth of the Group. The culture and values of the Group provide a strong foundation for its core governance structure and work in tandem to sustain the Group over the long term through business challenges, changing regulatory and market environment. The Group's vision, mission, values and strategy are inextricably linked to its purpose and business operations, and will continue to underpin its performance in enhancing shareholder value and delivering returns.

Corporate governance

Principles

The Group is committed to the highest standards of business ethics and corporate governance. This is critical to the efforts of the Group to become the preferred choice for customers, investors and employees and the Group's mission of 'Creating Better Lifescapes'. The Board and the management of the Group are committed to upholding good corporate governance practices and procedures as the Board believes that strong corporate governance provides a solid foundation for prudent financial management, sustainable business growth and long-term success.

The Board will continue to focus on enhancing sound corporate governance, promoting the corporate values and culture that reflects the essence of 'Creating Better Lifescapes' at all levels, and to ensure top quality products and deliver the best-in-class services to our customers.

Board leadership

The Board provides overall leadership and control for the Company in an effective and responsible manner with a view to maximising the financial performance of the Company and the shareholders' value. The Board makes decisions on business strategies and corporate governance practices, determines the Company's objectives, value and standards, and oversees and monitors the management performance within the control and delegation framework of the Company. These include the Company's financial statements, dividend policy, any significant changes in accounting policy, adoption of corporate governance practices and procedures, and risk management and internal control strategies.

Board composition

Up to the date of this report, the current Board has twelve Directors comprising six Executive Directors including the Chairman and the Deputy Chairman of the Board, two Non-Executive Directors (including Ms. Nikki Ng Mien Hua who has been appointed as a

Non-Executive Director with effect from 10th August, 2023) and four Independent Non-Executive Directors, details of which are set out under the section entitled 'Directors' Report' of this Annual Report. Biographical details of the Directors and their relationships, where applicable, are contained under the section entitled 'Biographical details of Directors & senior management' of this Annual Report. The Company has maintained on its website and on the website of The Stock Exchange of Hong Kong Limited ("Stock Exchange") an updated list of its Directors identifying their roles and functions and whether they are Independent Non-Executive Directors. Independent Non-Executive Directors are identified in all corporate communications that disclose the names of Directors of the Company.

Division of responsibilities

The Board, led by the Chairman, is responsible for the Company's future development directions, overall strategies and policies, evaluation of the financial performance of the Company and approval of matters that are of a material or substantial nature, including adequacy of systems of financial, risk management and internal control, and conduct of business in conformity with applicable laws and regulations. The Executive Directors, constituting the senior management of the Company, are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control and delegation framework of the Company. The Board gives clear directions as to the matters that must be approved by the Board before decisions are made on behalf of the Company. 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. The types of decisions to be delegated by the Board to the management include implementation of the strategy and direction determined by the Board, operation of the business of the Group, preparation of financial statements and operating budgets, and compliance with applicable laws and regulations.

Corporate governance (Continued)

Division of responsibilities (Continued)

The Chairman ensures that the Board works effectively to discharge its responsibilities in the best interests of the Company, and, to establish good corporate governance practices and procedures. He also ensures that all key and appropriate issues are discussed by the Board in a timely manner and all Directors are encouraged to make a full and active contribution to the Board's affairs. Directors with different views are encouraged to voice their concerns. They are allowed sufficient time for discussion of issues so as to ensure that board decisions fairly reflect board consensus. A culture of openness and debate is promoted to facilitate the effective contribution of Non-Executive Directors and ensure constructive relations between Executive and Non-Executive Directors. During the financial year, the Chairman held a meeting in November 2022 with the Independent Non-Executive Directors without the presence of other directors in compliance with the applicable code provision of the Code.

There is no separation of the roles of the chairman and the chief executive in the Company. The Chairman of the Board, Mr. Robert Ng Chee Siong, provides leadership to the Board and undertakes both roles of chairman and chief executive. 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. In addition, all the 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 that it continues to meet these objectives and is in line with the industry practices.

To enhance the function of the Board, four board committees, namely Remuneration Committee, Nomination Committee, Audit Committee and Compliance Committee, have been set up to take up different responsibilities. All board committees have specific terms of reference clearly defining their powers and responsibilities. All board committees are required by their terms of reference to report to the Board in relation to their decisions, findings or recommendations, and in certain specific situations, to seek the Board's approval before taking any action.

The Non-Executive Directors, including Independent Non-Executive Directors, provide the Company with diverse skills, expertise and varied backgrounds and qualifications. They participate in board/board committee (including Audit Committee, Nomination Committee and Remuneration Committee) meetings to bring independent views, advice and judgement on important issues relating to the Company's strategy, policy, financial performance, and take the lead on matters where potential conflicts of interests arise. They also attend annual general meetings of the Company to understand the view of shareholders. They make a positive contribution to the development of the Company's strategy and policy through independent, constructive and informed comments.

Every Director is considered to have given sufficient time and attention to the Company's affairs for the year under review. Each of the Directors is required to disclose to the Company the number and nature of offices he/she held in public companies or organisations and other significant commitments as well as the identity of such public companies or organisations.

Directors' and officers' liabilities insurance

The Company has arranged appropriate directors' and officers' liabilities insurance coverage for the Directors and officers of the Company.

Corporate governance (Continued)

Board meetings and supply of and access to information

The Board holds at least four regular meetings a year, which are normally scheduled in advance in the fourth quarter of the preceding year. During the financial year ended 30th June, 2023, the Board had held four meetings. The attendance records of the Directors to these board meetings are set out below:

Directors	Meeting(s) attended/held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong (<i>Chairman</i>)	2/4
Mr. Daryl Ng Win Kong (<i>Deputy Chairman</i>)	4/4
Mr. Ringo Chan Wing Kwong	4/4
Mr. Gordon Lee Ching Keung	4/4
Mr. Thomas Tang Wing Yung	4/4
Mr. Victor Tin Sio Un	4/4
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	4/4
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	4/4
Mr. Adrian David Li Man-kiu	4/4
Mr. Steven Ong Kay Eng	4/4
Mr. Wong Cho Bau	3/4

Notice incorporating the agenda for each regular board meeting or board committee meeting is given to all Directors or board committee members at least 14 days in advance, and, all Directors or board committee members are given the opportunity to include matters for discussion in the agenda. All Directors/board committee members are entitled to have access to board/board committee papers and related materials in sufficient details to enable them to make informed

decisions on matters to be placed before the board/board committee meetings. Meeting papers are normally sent to all Directors or board committee members at least 5 days in advance of every regular board meeting or board committee meeting.

The Company Secretary assists the Chairman of the Board and the chairmen of board committees in preparing meeting agendas and ensures that the Code as well as all applicable laws and regulations are duly complied with. Minutes of board meetings and board committee meetings are recorded in sufficient details of the matters considered and decisions reached at the relevant meetings. Draft and final versions of the minutes in respect of board meetings and board committee meetings are sent to all Directors or board committee members respectively for comment and records within a reasonable time after the relevant meetings. All minutes are properly kept by the Company Secretary and are available for the Directors' and board committee members' inspection.

All Directors are given unrestricted access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that board procedures and all applicable laws, rules and regulations are followed. The selection, appointment or dismissal of the Company Secretary is subject to approval by the Directors at board meeting.

All Directors are entitled to have access to timely information in relation to the Company's business and make further enquiries or retain independent professional advisors where necessary. The management provides all relevant explanation and information to the Board so as to give the Board the information it needs to discharge its responsibilities. During the year under review, the management provided all members of the Board with the relevant updates of major business operations giving a balanced and understandable assessment of the Company's performance, position and prospects.

Corporate governance (Continued)

Directors' appointment, re-election and removal

All Non-Executive Directors have entered into letters of appointment with the Company for a specific term of three years. The Company's Articles of Association provide that each Director is subject to retirement from office by rotation and re-election once every three years and that one-third (or the number nearest to one-third) of the Directors shall retire from office every year at the annual general meeting. New appointment to the Board is subject to re-election at the next following annual general meeting. In addition, the appointment of an Independent Non-Executive Director who has served on the Board for more than nine years will be subject to a separate resolution to be approved by shareholders. The Board will provide in the circular accompanying the annual report sent to shareholders the reason why the Board considers the Independent Non-Executive Director is still independent and its recommendation to shareholders to vote in favour of the re-election of such Independent Non-Executive Director.

The Directors who are subject to retirement and re-election at the 2023 annual general meeting are set out on page 103 of this Annual Report.

The Board is empowered under the Company's Articles of Association and is collectively responsible to appoint any person as a Director either to fill a casual vacancy or as an additional board member. Only the most suitable candidate who is experienced, competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be selected as a Director.

Confirmation of independence

The independence of the Independent Non-Executive Directors has been assessed in accordance with the applicable Listing Rules. Each of the Independent Non-Executive Directors has provided an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the Independent Non-Executive Directors meet the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules and are independent.

Corporate governance mechanism to ensure independent views and input

The Company has adopted its own corporate governance mechanism pursuant to the Code to ensure views and input of Directors are available to the Board and the implementation and effectiveness of which are annually reviewed. All Directors provide half-yearly confirmation on their time commitment for giving sufficient time and attention to the affairs of the Company. Directors are entitled to have access to timely information in relation to the Company's business and to make further enquiries, and may, upon reasonable request to the Chairman, seek independent professional advice at the Company's expense to assist them in performing their duties to the Company. Directors are given unrestricted access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that board procedures and all applicable laws, rules and regulations are followed. Proper meeting arrangements and procedures are in place to facilitate open, constructive and informed discussions of relevant issues concerning the Group.

Channels for Independent Non-Executive Directors to express independent views and input to the Board have been established. The Chairman meets Independent Non-Executive Directors, whose constitute more than one-third of the Board, annually without the presence of other directors and the management, at which the Chairman can listen independent views on various issues concerning the Group on an effective and exclusive platform.

Corporate governance (Continued)

Directors' training and professional development

Every Director keeps abreast of responsibilities as a Director and of the conduct, business activities and development of the Company. Every newly appointed director receives a comprehensive induction package covering the statutory and regulatory obligations of directors, organisational structure, policies, procedures and codes of the Company, terms of reference of board committees and internal audit charter of internal audit. The Company Secretary from time to time updates and provides written training materials to the Directors, and arranges to conduct in-house seminars/webinars on the latest development of the Listing Rules, applicable laws, rules and regulations relating to Directors' duties and responsibilities.

The Company Secretary maintains records of training attended by the Directors. The trainings attended by the current Directors during the financial year are as follows:

Directors	Training matters ^(Notes)
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	a, b
Mr. Daryl Ng Win Kong	a, b
Mr. Ringo Chan Wing Kwong	a, b
Mr. Gordon Lee Ching Keung	a, b
Mr. Thomas Tang Wing Yung	a, b
Mr. Victor Tin Sio Un	a, b
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	a, b, d
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	a, b
Mr. Adrian David Li Man-kiu	a, b, c, d
Mr. Steven Ong Kay Eng	a, b
Mr. Wong Cho Bau	a, b

Notes:

- a. corporate governance
- b. regulatory
- c. finance
- d. managerial

During the financial year, Ms. Fanny Cheng Siu King, the Company Secretary of the Company, had taken not less than 15 hours of professional training in compliance with Rule 3.29 of the Listing Rules.

Remuneration of directors and senior management

Emolument policy

The Company's emolument policy is to ensure that the remuneration offered to employees, including Executive Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of Executive Directors are also determined by reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each Director. The emolument policy for Non-Executive Directors is to ensure that the Non-Executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in board committees. Individual Directors and senior management have not been involved in deciding their own remuneration.

Remuneration Committee

The Company established its Remuneration Committee with written terms of reference on 23rd June, 2005. The current written terms of reference are available at the Company's website www.sino.com and the Stock Exchange's website.

Corporate governance (Continued)

Remuneration of directors and senior management (Continued)

Remuneration Committee (Continued)

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. In arriving at its recommendations, the Committee consults the Chairman of the Board and takes into consideration factors including salaries paid by comparable companies, employment conditions elsewhere in the Group, and desirability of performance-based remuneration. The Committee makes recommendations to the Board relating to 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 four members with the Independent Non-Executive Directors constituting the majority of the Committee and an Independent Non-Executive Director acting as its chairman.

During the financial year, the Remuneration Committee had performed the following works:

- reviewed the existing emolument policy of Directors;
- reviewed the remuneration packages of Executive Directors; and
- made recommendations on Non-Executive Directors' fees.

No Director was involved in deciding his own remuneration at the meeting of the Remuneration Committee. The attendance records of the committee members to committee meeting(s) are set out below:

Committee members	Meeting(s) attended/held
Mr. Steven Ong Kay Eng* <i>(Committee Chairman)</i>	1/1
Dr. Allan Zeman*	1/1
Mr. Adrian David Li Man-kiu*	1/1
Mr. Daryl Ng Win Kong	1/1

* Independent Non-Executive Director

Details of Directors' emoluments for the financial year are set out in Note 12 to the consolidated financial statements.

Nomination of directors and senior management

Nomination policy

The Company has adopted the Nomination Policy for Directorship ("Nomination Policy") with effect from 1st January, 2019 which supplements the terms of reference of the Nomination Committee, and, sets out the processes and criteria for the nomination of a candidate for directorship in the Company. This policy ensures that all nominations of Board members are fair and transparent in order to facilitate the constitution of the Board with a balance of skills, experience and diversity of perspectives that is appropriate to the requirements of the Company's business.

Corporate governance (Continued)

Nomination of directors and senior management (Continued)

Nomination policy (Continued)

The Nomination Policy contains a number of factors in assessing the suitability of a proposed candidate which include the reputation for integrity, accomplishment and professional knowledge and industry experience which may be relevant to the Company, commitment in respect of available time, merit and potential contributions to the Board with reference to the Company's Board Diversity Policy, and the independence criteria under Rule 3.13 of the Listing Rules if the candidate is proposed to be appointed as an independent non-executive director. This policy also lays down the nomination procedures on appointment or re-appointment of directors. The Nomination Committee will conduct the relevant selection process (coupled with the relevant selection criteria) against the nominated candidate for new directorship or director offer for re-election and make recommendations to the Board for consideration. The Board will then make a decision as to whether the nominated candidate or the director offer for re-election shall be eligible to be appointed as a director of the Company or eligible to be re-appointed as a director of the Company respectively.

Board diversity policy

With a view to achieving a sustainable and balanced development, the Company has been considering diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board Diversity Policy allows the Company to consider board diversity

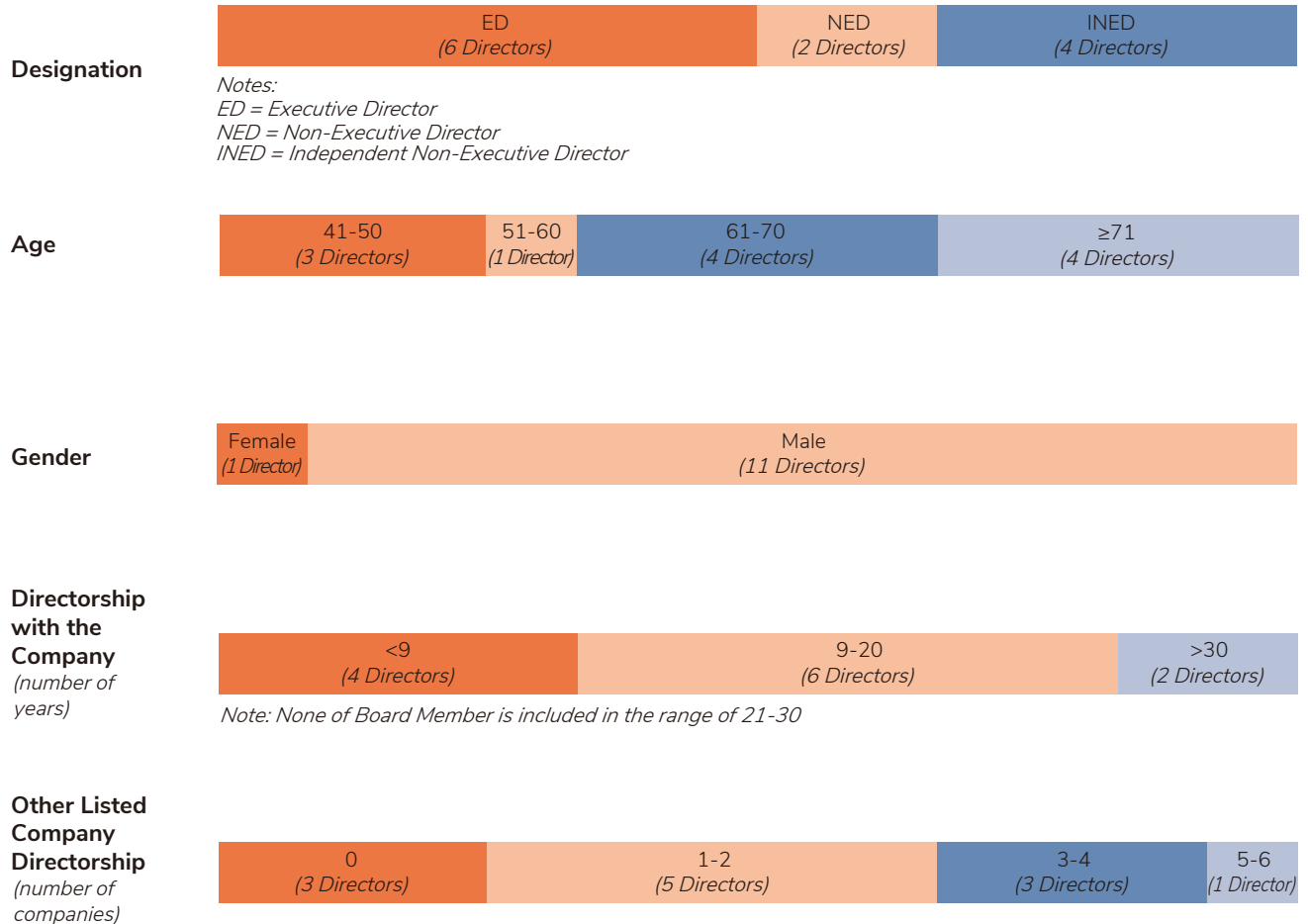
from a number of factors when deciding on new and re-appointments to the Board in order to achieve a diversity of perspectives among Board members. These factors include but not limited to gender, age, ethnicity, cultural and educational background, professional or industry experience, skills, knowledge and other qualities of Directors. The Nomination Committee shall consider candidates on merits as well as against these measurable objectives with due regard for the benefits of the appropriate diversity of perspectives within the Board and also the candidates' potential contributions thereto.

The Board as a whole is responsible for reviewing the structure, size and composition of the Board with due regard to the intended benefits of board diversity. Taking into consideration of board diversity, including gender diversity, Ms. Nikki Ng Mien Hua has been appointed as a Non-Executive Director with effect from 10th August, 2023. The Board believes that it currently has the appropriate diversity to give balanced and wide-ranging considerations on matters deliberated at the Board level. The Board targets to maintain at least the current level of female representation and may adjust the proportion of female directors over time as and when appropriate. The current balance between the number of Executive and Non-Executive Directors is also considered effective in ensuring independent judgement being exercised effectively to provide sufficient checks and balances to safeguard the interests of the Company and its shareholders. The Company believes that the current Board composition is well-balanced and of a diverse mix appropriate for the business of the Company. The Board reviews and monitors the implementation of board diversity on a regular basis to ensure its effectiveness on determining the optimal composition of the Board.

Corporate governance (Continued)

Nomination of directors and senior management (Continued)

Board diversity policy (Continued)



Corporate governance (Continued)

Nomination of directors and senior management (Continued)

Board diversity policy (Continued)

Skills and Experience



Workforce diversity

As at 30th June, 2023, 51% of the workforce (including senior management) are female. Female in management positions as percentage of total management workforce is 41%. The Group has set a target to maintain a gender balance in all management positions by 2030. The Group will organise more trainings, workshops and seminars on gender equality for employees. Business units will provide regular updates on gender diversity to the Green Living Sub-committee for discussion and further enhancement.

Nomination Committee

The Company established its Nomination Committee with written terms of reference on 20th February, 2012. The current written terms of reference are available at the Company's website www.sino.com and the Stock Exchange's website.

The Nomination Committee reports to the Board and holds regular meeting to assist the Board in discharging its responsibility in reviewing the structure, size and composition of the Board with reference to the Board Diversity Policy of the Company. The Committee makes 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/her 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.

Corporate governance (Continued)

Nomination of directors and senior management (Continued)

Nomination Committee (Continued)

The Nomination Committee, which is chaired by the Chairman of the Board, currently comprises three members with the Independent Non-Executive Directors constituting the majority of the Committee.

During the financial year and up to the date of this report, the Nomination Committee had performed the following works:

- recommended the appointment of Ms. Nikki Ng Mien Hua as a Non-Executive Director of the Board, with reference to the selection criteria for directors as set out in the Nomination Policy and the Board Diversity Policy, whose appointment has been approved by the Board to take effect from 10th August, 2023;
- reviewed the structure, size and composition of the Board and recommended the re-appointment of the retiring Directors;
- reviewed the implementation and effectiveness of policy on board diversity;
- assessed the independence of Independent Non-Executive Directors and their annual confirmations on independence;
- reviewed and was satisfied with the corporate governance mechanism to ensure independent views and input are available to the Board; and
- reviewed time commitment of Directors.

The attendance records of the committee members to committee meeting(s) are set out below:

Committee members	Meeting(s) attended/held
Mr. Robert Ng Chee Siong (Committee Chairman)	0/1
Dr. Allan Zeman*	1/1
Mr. Adrian David Li Man-kiu*	1/1

* Independent Non-Executive Director

Accountability and audit

Directors' responsibilities for financial statements

The Board is responsible for the preparation of the financial statements which should give a true and fair view of the state of affairs of the Company and of the results and cash flows for such reporting period. In preparing the financial statements, the Board has adopted generally accepted accounting standards in Hong Kong and suitable accounting policies and applied them consistently, made judgements and estimates that are prudent, fair and reasonable, and prepared the financial statements on a going concern basis. The Board is responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Company's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The auditor is responsible for auditing and reporting its opinion on the financial statements of the Company and the independent auditor's report for the financial year ended 30th June, 2023 is set out in the section entitled 'Independent Auditor's Report' of this Annual Report.

Risk management and internal control

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Audit Committee is delegated with the authority from the Board to oversee the risk management and internal control systems.

Corporate governance (Continued)

Accountability and audit (Continued)

Risk management and internal control (Continued)

Effective risk management is important to the Company's achievement of its strategic goals. To this end, the Company adopts an Enterprise Risk Management ("ERM") approach to assist the Board in discharging its risk management responsibilities and individual business units in managing the key risks faced by the Company. Details of the main features of the ERM system including the processes for the identification, evaluation and management of significant risks are set out in the 'Risk Management Report' on pages 95 to 101.

The Company's internal control system is built on a sound control environment with a strong commitment to ethical values. 'Staff integrity' is among one of our core values. A Code of Conduct, including prevention of bribery and avoidance of conflict of interest has been established. The core values and Code of Conduct are communicated to all new staff during orientation. This information is also included in the Staff Handbook and available on our intranet. The importance of integrity is reiterated regularly by messages from senior management and through training and seminar. The Business Ethics Committee has been established as a whistle-blowing channel for staff and other relevant parties to report misconduct cases. Every reported case will be handled in confidence and followed through in accordance with the policy and procedures for notification of unethical conduct.

The internal control system also includes an appropriate organisational structure with clearly defined responsibilities, accountability and authorities underpinning proper segregation of duties, complemented by monitoring and reporting mechanism to ensure proper checks and balances. Policies and procedures covering key business processes are established and communicated to staff, and are reviewed regularly to ensure continued relevance and effectiveness, and for continuous improvement.

The Company's internal control system is fully integrated with the risk management framework. The ERM is a process through which risks together with the relevant controls are identified, assessed, evaluated and reviewed on an ongoing basis. All the significant risks identified are mapped to and incorporated in the annual internal audit plan. Key controls are subject to regular independent review and test by the Internal Audit Department in order to assess their adequacy and effectiveness.

Internal audit

The Internal Audit Department provides independent assurance regarding the existence of adequate and effective controls in the operations of the Company's business units. The Head of Internal Audit Department reports directly to the Audit Committee. In performing its duties, the Internal Audit Department has free and unfettered access to information and to meet with any of the department heads or persons-in-charge as stipulated in the Internal Audit Charter.

The Internal Audit Department adopts a risk-based audit approach. It conducts annual risk assessment and devises a 3-year-rolling internal audit plan which is reviewed and approved by the Audit Committee. Depending on the nature and level of the risks, the Internal Audit Department performs audits and reviews on the operations of individual business units, and conducts recurring and impromptu site investigations on selected risk areas to assess the effectiveness of the controls implemented by the business units concerned. The audit findings regarding control weaknesses are communicated to the relevant business units. Significant audit findings and recommendations are reported to the Audit Committee, which in turn reports to the Board. The implementation of the agreed actions in response to the audit findings are tracked and followed up regularly, and the status is reported to the Audit Committee.

Corporate governance (Continued)

Accountability and audit (Continued)

Risk management and internal control (Continued)

Internal control self-assessment

To further enhance the risk management and internal control systems, the heads of individual business units conduct annual internal control self-assessment with reference to the 17 principles of the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) 2013 Internal Control – Integrated Framework. Through the use of internal control self-assessment questionnaires, the heads of individual business units systemically review and assess the effectiveness of all the key internal controls over their business operations that are in place to mitigate the risks, identify potential new risks affecting their businesses and operations, design and execute enhancement plans to address such new risks. The results of the self-assessment are reported to the Board through the Audit Committee and form part of the annual assessment of the adequacy and effectiveness of the risk management and internal control systems.

Evaluation of the adequacy of resources of the Company's accounting and financial reporting function, and internal audit function

For the year ended 30th June, 2023, the Internal Audit Department has conducted an assessment and concluded that the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function were adequate. The Head of Internal Audit Department, in conjunction with the Human Resources Department, also carried out a review of the internal audit function and concluded that its resources, staff qualifications and experience, training programmes and budget were adequate. The results of the review were reported to the Audit Committee.

Based on the above, the Board and the Audit Committee were satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function, and internal audit function.

Review of the effectiveness of risk management and internal control systems

The Board has the overall responsibility for the risk management and internal control systems and reviewing the effectiveness of such systems, which are designed to manage rather than eliminate the risks of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

On behalf of the Board, the Audit Committee evaluates the effectiveness of the Company's risk management and internal control systems at least annually. For the financial year ended 30th June, 2023, the Audit Committee, with the assistance of the Risk and Control Committee, conducted a review of the effectiveness of the Group's risk management and internal control systems covering all the material controls, including environmental, social and governance related risks, financial, operational and compliance controls. Throughout the year, the Audit Committee also oversaw the risk management system on an ongoing basis through various activities including reviewing and approving the updated ERM Policy and Framework, the ERM reports and internal audit reports.

For the financial year ended 30th June, 2023, the Board received a confirmation statement from management on the effectiveness of the risk management and internal control systems. The confirmation is based on:

- the work performed by management in identifying, evaluating, monitoring and managing the existing, new and emerging risks on an ongoing basis;
- the results of formal risk assessments conducted quarterly during the financial year in accordance with the approved ERM Policy and Framework;
- the results of the Group-wide internal control self-assessment performed by individual business units during the financial year; and
- the independent verification and assurance provided through audit and review performed by the external auditor and the Internal Audit Department.

Corporate governance (Continued)

Accountability and audit (Continued)

Risk management and internal control (Continued)

Review of the effectiveness of risk management and internal control systems (Continued)

In the light of the above, the Board and the Audit Committee concluded that the risk management and internal control systems of the Group were adequate and effective. Although there were no significant control failures or weaknesses or areas of major concerns identified during the financial year, the risk management and internal control systems will be reviewed regularly for continuous improvement.

Policy and procedures of inside information handling and dissemination

The Company handles and disseminates inside information in accordance with the Securities and Futures Ordinance and the Listing Rules and with reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission. Potential inside information is captured through established reporting channels of the business units and escalated to senior management which will consider the price sensitivity of the information. Inside information is kept strictly confidential and is restricted to relevant parties on a need-to-know basis so as to ensure confidentiality until consistent and timely disclosure by way of corporate announcement is made to inform the public of the inside information in an equal and timely manner. A strict prohibition on the unauthorised use of confidential information is included in the Company's code of conduct applicable to all employees of the Group.

Policies and systems in relation to anti-corruption laws and regulations

The Company has also established policies and systems that promote and support anti-corruption laws and regulations by ensuring that all employees conduct themselves with integrity and in an ethical and proper manner.

Audit Committee

The Company established its Audit Committee with written terms of reference on 23rd September, 1998. The current written terms of reference are available at the Company's website www.sino.com and the Stock Exchange's website.

The Audit Committee reports to the Board and holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, risk management and internal control. The Committee monitors the integrity of the Company's financial statements, annual report and accounts and half-year report and reviews significant financial reporting judgements contained in them. It reviews, makes recommendations and reports to the Board on findings relating to the financial statements, reports and accounts, risk management and internal control systems and compliance issues. The Committee also oversees the Company's relationship with the external auditor, reviews auditor's letter of engagement and makes recommendations to the Board on the appointment and re-appointment of external auditor. It is empowered to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. It reviews external auditor's management letter and any material queries raised by the auditor to the management and the management's response. 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 three members, all of them being Independent Non-Executive Directors.

During the financial year, the Audit Committee had held four meetings and reviewed, inter alia, the following matters:

- the Company's 2022 annual report and audited financial statements and the 2022/2023 interim report and unaudited interim financial statements, including the accounting policies and practices adopted by the Company, before submitting to the Board;
- the ERM Policy and Framework of the Company for the enhancement of the risk management system;

Corporate governance (Continued)

Accountability and audit (Continued)

Audit Committee (Continued)

- internal audit reports and ERM reports on the risk management and internal control systems, including the effectiveness of the risk management and internal control systems of the Group, the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function, and internal audit function;
- internal audit plan 2023/2024;
- usage of annual caps on certain continuing connected transactions of the Company;
- re-appointment of the Company's auditor before submitting to the Board; and
- the new Articles of Association of the Company.

All the meetings were attended by the external auditor of the Company. The attendance records of the committee members to these committee meetings are set out below:

Committee members	Meeting(s) attended/held
Mr. Adrian David Li Man-kiu* (Committee Chairman)	4/4
Dr. Allan Zeman*	4/4
Mr. Steven Ong Kay Eng*	4/4

* Independent Non-Executive Director

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 for Securities Transactions by Directors of Listed Issuers of the Listing Rules ("Model Code"). The Company has made specific enquiries of all Directors who held such offices during the year under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the year

ended 30th June, 2023. 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.

Auditor's remuneration

The fees in respect of audit and non-audit services provided to the Group by the external auditor of the Company for the year ended 30th June, 2023 amounted to HK\$3,853,000 and HK\$970,500 respectively. The non-audit services mainly consist of review, consultancy and taxation services.

Corporate governance functions

The Board is responsible for performing the following corporate governance duties as required under the Code:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

During the financial year, the Board considered the following corporate governance matters:

- reviewed the usage of annual caps on certain continuing connected transactions of the Company;
- reviewed the compliance with the Code through the Compliance Committee;
- reviewed the effectiveness of the risk management and internal control systems of the Group through the Risk and Control Committee and the Audit Committee;

Corporate governance (Continued)

Corporate governance functions (Continued)

- approved the revised Corporate Governance Code of the Company;
- reviewed the new Articles of Association of the Company; and
- approved the revised terms of reference of the Remuneration Committee to take effect on 27th March, 2023.

Compliance Committee

The Company established its Compliance Committee with written terms of reference on 30th August, 2004 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 bi-monthly 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.

Communication with shareholders

The Company affirms its commitment to maintaining a high degree of corporate transparency, communicating regularly with its shareholders and ensuring in appropriate circumstances, the investment community at large being provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance, risk profile and other material information), in order to enable the shareholders to exercise their rights in an informed manner.

Communication strategies

Principles

The Board is dedicated to maintain an ongoing dialogue with the shareholders of the Company and the investment community. Information is communicated to the shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and regular meetings with research analysts and fund managers, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website. The Company continuously enhances its website in order to improve communication with shareholders. Investor/analyst briefings and one-on-one meetings, investor conferences, site visits and results briefings are conducted on a regular basis in order to facilitate effective communication between the Company, shareholders and the investment community. The Board strives to ensure effective and timely dissemination of information to shareholders and the investment community at all times. Review of the policy will be done on a regular basis to ensure its effectiveness.

The Audit Committee reviewed the Company's shareholder and investor engagement and communication activities conducted for the year under review and was satisfied with the implementation and effectiveness of the Company's Shareholders Communication Policy. The Board concurs with the views of the Audit Committee and considers its shareholders' communication policy properly implemented and effective during the financial year ended 30th June, 2023.

Corporate governance (Continued)

Communication with shareholders

(Continued)

Communication strategies (Continued)

Shareholders' meetings

The Board strives to maintain a continuing open dialogue with the shareholders of the Company. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. The process of the Company's general meeting is monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that shareholders' needs are best served.

The Company uses annual general meeting as one of the principal channels for communicating with its shareholders. The Company ensures that shareholders' views are communicated to the Board. At the annual general meeting, each substantially separate issue has been considered by a separate resolution, including the election of individual Directors. The Chairman of the Board, chairmen of the respective board committees and the external auditor usually attend annual general meetings to inter-face with and answer questions from shareholders.

The last annual general meeting of the Company is the 2022 annual general meeting ("2022 AGM") which was held on 26th October, 2022 at Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong. The Directors, including the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Nomination Committee and the Chairman of the Remuneration Committee, and the external auditor of the Company, KPMG, attended the 2022 AGM. The attendance records of the then Directors to the 2022 AGM are set out below:

Directors	Meeting(s) attended/held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	1/1
Mr. Daryl Ng Win Kong	1/1
Mr. Ringo Chan Wing Kwong	1/1
Mr. Gordon Lee Ching Keung	1/1
Mr. Thomas Tang Wing Yung	1/1
Mr. Victor Tin Sio Un	1/1
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	1/1
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	1/1
Mr. Adrian David Li Man-kiu	1/1
Mr. Steven Ong Kay Eng	1/1
Mr. Wong Cho Bau	0/1

The Company's notice to shareholders for the 2022 AGM was sent to shareholders more than 21 days prior to the meeting. The chairman of the meeting exercised his power under the Company's Articles of Association to put each proposed resolution to vote by way of a poll. The Company adopted poll voting for all resolutions put to vote at the meeting. The procedures for voting by poll at the 2022 AGM were contained in the circular of the Company to its shareholders, which was dispatched together with the 2022 annual report, and were further explained at the 2022 AGM prior to the polls being taken. Simultaneous translation from English to Cantonese was available at the 2022 AGM.

Corporate governance report (Continued)

Corporate governance (Continued)

Communication with shareholders

(Continued)

Communication strategies (Continued)

Shareholders' meetings (Continued)

Separate resolutions were proposed at the 2022 AGM on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 26th October, 2022 are set out below:

Resolutions proposed at the 2022 AGM		Percentage of votes
Ordinary Resolutions		
1	Adoption of the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2022	99.80%
2	Declaration of a final dividend of HK\$0.42 per ordinary share with an option for scrip dividend	99.99%
3(i)	Re-election of Mr. Daryl Ng Win Kong as Director	84.36%
3(ii)	Re-election of Mr. Ringo Chan Wing Kwong as Director	92.54%
3(iii)	Re-election of Mr. Gordon Lee Ching Keung as Director	92.58%
3(iv)	Re-election of Mr. Victor Tin Sio Un as Director	92.27%
3(v)	Authorisation of the Board to fix the Directors' remuneration for the financial year ending 30th June, 2023	99.43%
4	Re-appointment of KPMG as Auditor for the ensuing year and to authorise the Board to fix their remuneration	99.96%
5(i)	Share buy-back mandate up to 10% of the Company's issued shares	99.93%
5(ii)	Share issue mandate up to 20% of the Company's issued shares	84.82%

Resolutions proposed at the 2022 AGM	Percentage of votes
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5(iii) Extension of share issue mandate to the shares bought back under the share buy-back mandate	85.44%
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Special Resolution

6 Adoption of the new Articles of Association of the Company	97.77%
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All resolutions put to shareholders at the 2022 AGM were passed. The Company's Share Registrar was appointed as scrutineers to monitor and count the poll votes cast at that meeting. The results of the voting by poll were published on the respective websites of the Company and the Stock Exchange.

The Articles of Association of the Company as adopted by Special Resolution passed at the 2022 AGM is available at the Company's website www.sino.com and the Stock Exchange's website. No further changes have been made to the Company's Articles of Association during the financial year.

Enquiries

Shareholders can direct their questions about their shareholdings to the Company's Share Registrar. To the extent the requisite information of the Company is publicly available, shareholders and the investment community may at any time contact the Company's Investor Relations Department to enquire about the information published by the Company. The contact details of the Investor Relations Department of the Company have been provided in the 'Corporate Information' section of this Annual Report to enable the shareholders and the investment community to make any enquiry in respect of the Company.

Shareholders' privacy

The Company recognises the importance of shareholders' privacy and will not disclose shareholders' information without their consent, unless required by law to do so.

Corporate governance (Continued)

Communication with shareholders

(Continued)

Communication strategies (Continued)

Corporate communications

Corporate communications issued by the Company have been provided to the shareholders in both English and Chinese versions to facilitate their understanding. Shareholders have the right to choose the language (either English or Chinese, or both) or means of receipt of the corporate communications (in hard copy or through electronic means). They are encouraged to provide, amongst other things, their email addresses to the Company in order to facilitate timely, effective and environmental friendly communication.

Company's website

A section entitled 'Investor Relations' is available on the Company's website www.sino.com. Information on the Company's website is updated on a regular basis. Information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter in accordance with the Listing Rules. Such information includes financial statements, announcements, circulars to shareholders and notices of general meetings, etc.

Dividend policy

The Board has formalised and adopted a Dividend Policy with effect from 1st January, 2019 to set out the framework that the Company has put in place in relation to dividend payout to shareholders. The Company's Dividend Policy is consistent with its business profile and maintenance of a strong credit profile while providing steady dividend payout to shareholders. The Company aims to provide relatively consistent, and where appropriate increases, in ordinary dividends linked to the underlying earnings performance of the Company's business for the reporting period. The Company will declare and pay dividends in Hong Kong dollars.

The Company may also offer to its shareholders an option to receive dividends in the form of new shares in the Company credited as fully paid in lieu of cash dividends. The scrip dividend option will enable the shareholders to increase their investment in the Company without incurring brokerage fees, stamp duty and related dealing costs. The Company may, at the Board's discretion, declare and pay dividends in any other forms as prescribed by its Articles of Association, as the Board deems appropriate.

The Board will review the Dividend Policy from time to time and may adopt changes as appropriate at the relevant time to ensure the effectiveness of this policy.

Shareholders' rights

Pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong), shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at the general meetings can send a request to the Company to convene a general meeting. The request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Such request must be authenticated by the shareholders making it and may either be deposited at the registered office of the Company at 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Company Secretary or sent to the Company's email address at investorrelations@sino.com.

Corporate governance (Continued)

Communication with shareholders

(Continued)

Shareholders' rights (Continued)

In relation to an annual general meeting which the Company is required to hold, Sections 615 and 616 of the Companies Ordinance provide that the Company must give notice of a resolution if it has received request to do so from shareholders representing at least 2.5% of the total voting rights of all shareholders of the Company having a right to vote on the resolution at the annual general meeting to which the requests relate, or at least 50 shareholders having a right to vote on the resolution at the annual general meeting to which the requests relate. Such request (a) must be authenticated by the shareholders making it; (b) may either be deposited at the registered office of the Company or sent to the Company's email address, both of which are mentioned above; (c) must identify the resolution of which notice is to be given; and (d) must be received by the Company not later than (i) 6 weeks before the annual general meeting to which the requests relate; or (ii) if later, the time at which notice is given of that meeting.

Shareholders who wish to propose a person (other than a retiring Director) for election as director ("Candidate") at a general meeting of the Company, should (a) deposit a written notice of such proposal at the registered office of the Company for the attention of the Company Secretary, signed by the shareholders who should be qualified to attend and vote at the general meeting; (b) provide biographical details of the Candidate as set out in Rule 13.51(2)(a) to (x) of the Listing Rules; and (c) provide a written consent signed by the Candidate indicating his/her willingness to be elected. The period for lodgment of such a written notice shall be at least 7 days commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such meeting and such election and ending not later than 7 days prior to the meeting.

The Company has been practising the above shareholders' communication policy to handle enquiries put to the Board. Review of the policy will be done on a regular basis to ensure its effectiveness. Specific enquiries and suggestions by shareholders can be sent in writing to the Board or the Company Secretary at our registered office address or by email to the Company.

Risk policy statement

Robust and effective management of risks is an essential and integral part of corporate governance. It helps to ensure that the risks encountered in the course of achieving the Group's strategic objectives are managed within the Group's risk appetite.

To achieve this, an Enterprise Risk Management ("ERM") approach is adopted for identifying, assessing, responding to and reporting on risks that might affect the Group in pursuit of its objectives and goals. The purposes of the implementation of ERM are as follows:



The Group is committed to continuously improving its ERM framework and processes and building a risk-aware culture across the Group with a view to achieving a sustainable and balanced development.

Risk management report (Continued)

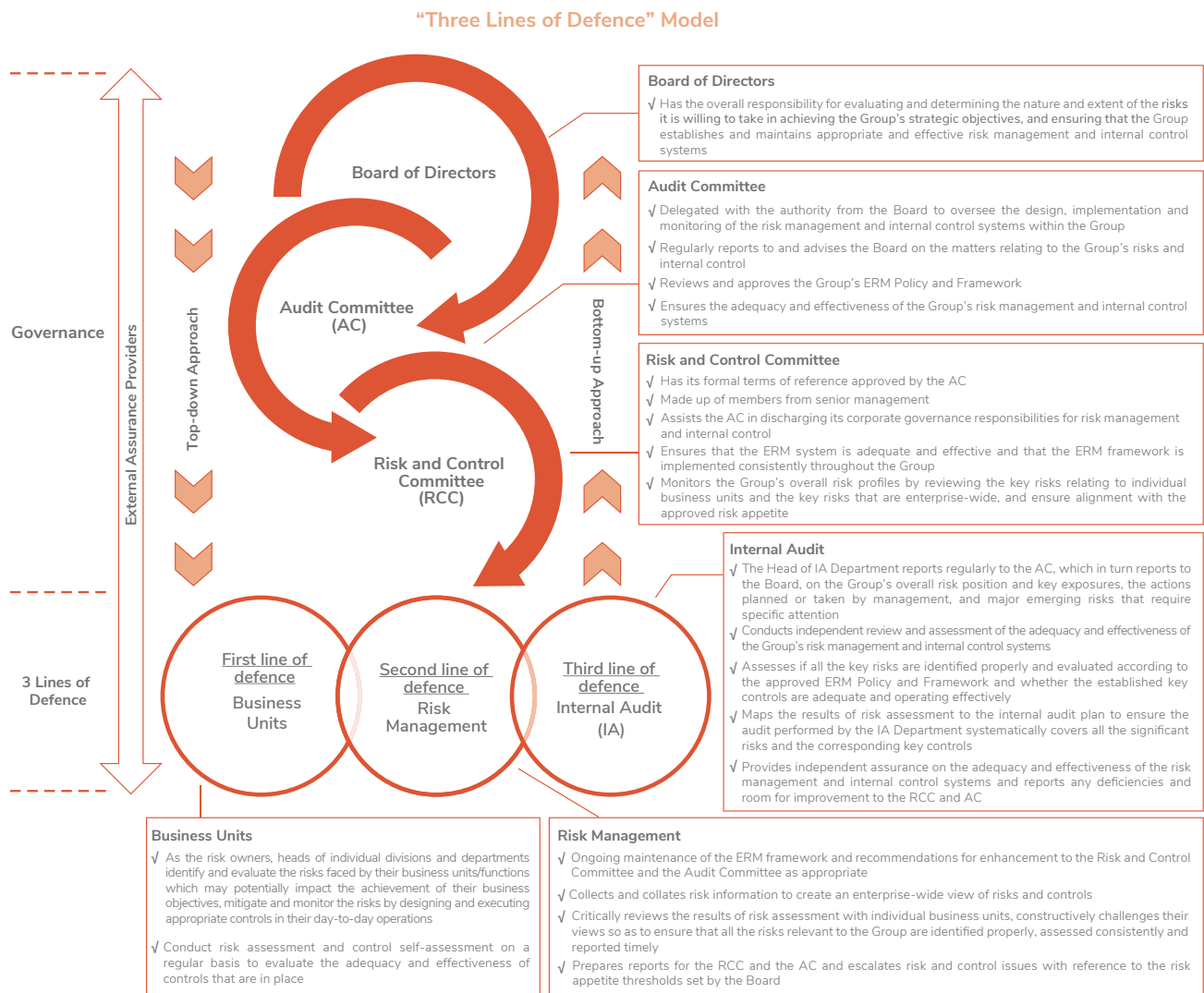
Risk governance and management

To ensure continued relevance and continuous improvement, the ERM Policy and Framework is reviewed and updated with changes regularly. In June 2020, the Audit Committee approved the updated ERM Policy and Framework, which was based on the International Standard ISO 31000:2018 Risk Management – Guidelines, proposed by the Risk Management function of the Internal Audit Department.

The Group adopts a “Three Lines of Defence” model in risk governance. This is manifested by the oversight and directions from the Board, the Audit Committee

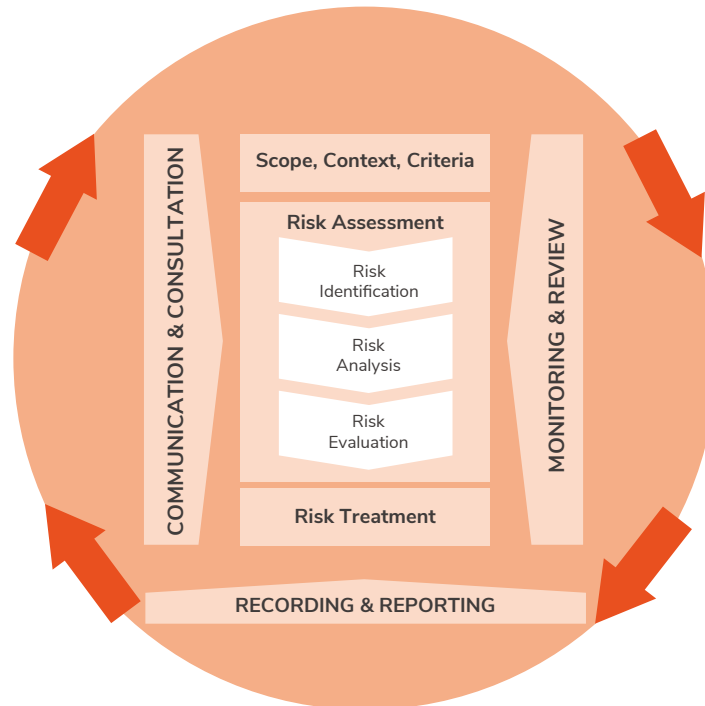
and the Risk and Control Committee of the Group. The risk management framework of the Group combines a top-down strategic view with a bottom-up operational assessment conducted by each division and department. Members of senior management discuss the top-tier risks escalated through the bottom-up process and deliberate on any other risk issues that they consider important. This combined approach ensures that all the significant risks which need to be considered are identified and managed properly.

The following diagram illustrates the Group’s Risk Governance and Management Framework:



Risk management process

The ERM process is illustrated in the diagram below:



(Source: The ISO 31000:2018 Risk Management Process)

Communication and consultation

Communication and consultation with appropriate external and internal stakeholders take place within and throughout all steps of the ERM process. For instance, the management team holds daily meetings to raise risk concerns, identify and evaluate emerging risks and formulate early response actions.

Scope, context, criteria

The risk management process applies to all business and decision-making processes, including the formulation of strategic objectives, business planning and day-to-day operations. The context of the ERM process is developed from the understanding of the external and internal environment in which the Group operates, taking into account the relevant external and internal factors, the relationships with the external and internal stakeholders and the contractual relationships and commitments to ensure that the risk management approach adopted is appropriate for the Group. To ensure a common assessment standard is adopted, risk criteria are defined to measure the relative significance of risk.

Risk identification

Divisions and departments analyse their respective business activities and main processes to identify operational risks, which forms a “bottom-up” approach. A “top-down” approach is also adopted by the senior management to identify business/strategic risks. Combining the output from the two approaches, a comprehensive list of risks for individual business units and hence for the Group can be generated. Risk classification system is used to facilitate the identification and accumulation of similar risks.

Risk management report (Continued)

Risk management process (Continued)

Risk analysis

The purpose of risk analysis is to comprehend the nature of risk and its characteristics. Risk analysis involves a detailed consideration of the sources of risk, the potential consequences and likelihood, the existing controls and their effectiveness.

Risk evaluation

Divisions and departments use the predefined criteria to assign scores for the risks identified. With reference to the risk matrix (i.e. a combination of the consequence and likelihood scores), the risk ratings are determined (i.e. low risk, moderate risk, high risk or extreme risk). The risk ratings reflect the management attention and risk treatment effort required, taking into account the Group's risk appetite.

Risk treatment

The adequacy of existing controls is assessed in order to determine if additional measures are required to bring the remaining risks to an acceptable level. When determining the appropriate risk treatment plans, one or more of the following four types of risk response will generally be adopted:

- avoid (not starting or continuing with the activity that gives rise to the risk);
- reduce (lessening the likelihood or consequences);
- transfer (sharing the risk with another party, e.g. insurance); and
- accept (retaining the risk by making an informed decision).

Monitoring and review

Annual risk assessment is conducted to effectively manage the Group's risk profile. A half-yearly review is also conducted to update the progress of risk treatment plans and incorporate changes in the external and internal environment. Key risks and emerging risks are reviewed at least quarterly or when the situation requires.




Recording and reporting

The results of risk assessment are documented in the risk registers in a systematic and consistent manner. All the identified risks, risk scoring and ratings, together with the details of existing controls and proposed treatment plan (if any) are recorded in the risk registers. Daily management meetings are held to identify and evaluate emerging risk and determine the response required.

Quarterly ERM report is prepared for the Risk and Control Committee and the Audit Committee. The Group's top tier risks are presented in a heat map which provides a dynamic and forward-looking picture of the Group's risk position. The changes in risk profile since the last review, the corresponding key controls and risk treatment plans, as well as the targeted risk positions upon the completion of risk treatment plans with specified time frame are highlighted in the ERM reports. The potential/expected trend of certain risks, such as emerging risk, is also indicated in the ERM Report.




Principal risks to the Group

The principal risks faced by the Group include the following:

Strategic Risk	
Risk Description	Risk Movement*
1. Changing market sentiment caused by uncertainties in macro-economic and political outlook, changes in government policies	
Key Controls/Mitigation Measures	
<ul style="list-style-type: none"> • Closely monitoring market situation and adopting appropriate strategies promptly • Stress test for different scenarios • Regular performance review of individual business units/projects 	
Risk Description	Risk Movement*
2. Changes in the competition landscape regarding property development and leasing in Hong Kong, e.g. new competitors, increasing land cost, challenges in land acquisition	
Key Controls/Mitigation Measures	
<ul style="list-style-type: none"> • Selective land bank replenishment to optimize earning potential • Careful consideration of business cases before commitment, studies on market transactions, joint venture partnership if necessary • Regular review to determine if our properties need to be enhanced or renovated • Continued effort to improve quality of products and services to strengthen our brand and market position • Investments in Mainland China, Singapore and Australia 	
Operational Risk	
Risk Description	Risk Movement*
1. Rising costs, including construction costs and operating costs	
Key Controls/Mitigation Measures	
<ul style="list-style-type: none"> • Budgetary control mechanism established • Analysis and benchmarking of construction and operating costs • Tender/quotation procedures in place to ensure best prices are achieved through competitive bidding • Broadening contractor/supplier base • Ongoing enhancement of efficiency and productivity 	

Risk management report (Continued)

Principal risks to the Group (Continued)

Operational Risk (Continued)	
Risk Description	Risk Movement*
2. Cyber security	
Key Controls/Mitigation Measures	
<ul style="list-style-type: none"> • Ongoing review of IT infrastructure and systems and the need for upgrade/enhancement • Implementation of security measures such as firewall, anti-spam and anti-virus protection • Internal communication and training on cyber-attack threats • Employment of IT Security Manager to handle IT/cyber security issues • Setting up of emergency incident response team to handle imminent threats of cyber-attack • Upgrade of the network service for contingency • Engagement of independent consultant to perform penetration tests and to assess the cybersecurity risks • Adoption of Security Operation Centre services for real-time identification, analysis and handling of threats 	
Risk Description	Risk Movement*
3. Quality control on construction	
Key Controls/Mitigation Measures	
<ul style="list-style-type: none"> • Quality Assurance and Quality Control system to ensure consistent delivery of quality buildings and service • Requirement for retention moneys and surety bonds from contractors to ensure duly rectification of defects • Engagement of consultants for quality assurance • Strict quality control measures in place before, during and after concreting (e.g., on-site monitoring and regular hammer test by Owner's Site Representative and Registered Structural Engineers) 	
Risk Description	Risk Movement*
4. Fraud	
Key Controls/Mitigation Measures	
<ul style="list-style-type: none"> • High commitment to ethical values with "integrity" as one of our core values • Code of Conduct covering prevention of bribery • Whistle-blowing and grievance procedures in place • Regular reinforcement of our core value of "integrity" to staff and external stakeholders (including contractors and suppliers) through communication and training • Policies and procedures incorporating proper segregation of duties with checks and balances • System of approved contractor and supplier lists with performance evaluation and business concentration monitoring mechanism 	

Principal risks to the Group (Continued)

Operational Risk (Continued)	
Risk Description	Risk Movement*
5. Disaster event, e.g. pandemic, terrorist attack	↓
Key Controls/Mitigation Measures <ul style="list-style-type: none"> Comprehensive insurance coverage for our properties and business operations Business continuity plan in place for critical business/functions 	

For the financial risks of the Group, please refer to “Notes to the Consolidated Financial Statements” on pages 207 to 215.

For the risks related to Environmental, Social, and Governance (ESG) issues of the Group, please refer to the separate “Sustainability Report 2023”.

* Key – Risk Movement (change from last year)

- ↔ Risk rating remained broadly the same
- ↑ Risk rating increased
- ↓ Risk rating decreased

Apart from the above principal risks, other specific emerging risks have also been identified and kept under continuous monitoring and regular review. In particular, the Group has identified and focused on the “technology strategic risk”. Technology is advancing exponentially and disrupting the status quo. It is crucial that we can anticipate trends, adopt and deploy the appropriate strategy and technologies so as to maintain our competitiveness, market share, and branding position.

Integration of risk management with internal control system

Risk management is fully integrated with the Group’s Internal Control Framework. Key controls for mitigating high risk items identified in the ERM process are subject to independent reviews and tests by the Internal Audit Department in order to assess their adequacy and effectiveness. Details of the internal control system are set out in the “Corporate Governance Report” on pages 85 to 88.

Review of the effectiveness of risk management and internal control systems

During the year, the Audit Committee, on behalf of the Board, has reviewed the effectiveness of the Group’s risk management and internal control systems. Details of the aforesaid review of effectiveness are described in the “Corporate Governance Report” on pages 87 to 88.

Directors' report

The Directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (together referred to as the "Group") for the year ended 30th June, 2023.

Principal activities

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 46 to the consolidated financial statements.

Business review

A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the Chairman's Statement on pages 7 to 22 of this Annual Report. Description of possible risks and uncertainties that the Group may be facing can be found in the Risk Management Report on pages 95 to 101 of this Annual Report. Also, the financial risk management objectives and policies of the Group can be found in Note 41 to the consolidated financial statements. Particulars of important events affecting the Group that have occurred since the end of the year ended 30th June, 2023, if any, are provided in the Notes to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Group Financial Summary on pages 3 to 6 of this Annual Report.

Discussions on the Group's environmental policies, performance and relationships with its key stakeholders are contained in the Sustainable Development on pages 64 to 73 of this Annual Report and the Company's standalone Sustainability Report published on the Company's website. Discussions on the Group's compliance with the relevant laws and regulations that have a significant impact on the Group can be found in the Corporate Governance Report on pages 74 to 94 and this report on pages 102 to 117 of this Annual Report, and the Company's Sustainability Report. The above discussions form part of this report.

Results and appropriations

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 128.

An interim dividend of HK15 cents per share amounting to HK\$1,209,189,324, including HK\$106,743,966 by way of cash dividends and HK\$1,102,445,358 by way of scrip alternatives, was paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK43 cents per share amounting to HK\$3,513,909,605 payable to shareholders whose names appear on the Register of Members of the Company on 1st November, 2023.

Major properties

Details of the major properties of the Group at 30th June, 2023 are set out on pages 240 to 251.

Subsidiaries, associates and joint ventures

Details of the Company's principal subsidiaries, associates and joint ventures at 30th June, 2023 are set out in Notes 46, 47 and 48 to the consolidated financial statements, respectively.

Share capital

Details of shares issued by the Company during the year are set out in Note 32 to the consolidated financial statements. The shares issued during the year were in lieu of cash dividends.

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 year.

Employees and remuneration policies

As at 30th June, 2023, the Group employed approximately 9,700 employees. The Group seeks to attract and retain talents through competitive remuneration packages, pay-for-performance remuneration policy, together with a caring, respectful and supportive work environment. The Group maintains an open and standardised framework for employment, salary review and promotion. The Group regularly reviews remuneration packages to ensure their competitiveness against market conditions and compliance with the relevant regulatory requirements. Employee engagement, training and development are always on top of the corporate agenda. The Group provides professional and high quality training programs for employees at all levels.

Distributable reserves of the Company

The Company's reserves available for distribution to shareholders as at 30th June, 2023 were the retained profits of HK\$29,478,129,078 (2022: HK\$22,708,107,401).

Treasury, group borrowings and interest capitalised

The Group maintains a prudent approach in its treasury management with foreign exchange exposure being kept at a minimal level and interest rates on a floating rate basis. Bank borrowings repayable within one year are classified as current liabilities. Repayment analysis of bank borrowings as at 30th June, 2023 are set out in Note 31 to the consolidated financial statements.

Interest expenses capitalised by the Group during the year in respect of properties under development amounted to HK\$54,845,106 (2022: HK\$18,021,940).

Directors

The Directors of the Company during the year and up to the date of this report are:

Executive Directors

Mr. Robert Ng Chee Siong (Chairman)
Mr. Daryl Ng Win Kong (Deputy Chairman)
Mr. Ringo Chan Wing Kwong
Mr. Gordon Lee Ching Keung
Mr. Thomas Tang Wing Yung
Mr. Victor Tin Sio Un (appointed on 1st July, 2022)

Non-Executive Directors

The Honourable Ronald Joseph Arculli
Ms. Nikki Ng Mien Hua (appointed on 10th August, 2023)

Independent Non-Executive Directors

Dr. Allan Zeman
Mr. Adrian David Li Man-kiu
Mr. Steven Ong Kay Eng
Mr. Wong Cho Bau

In accordance with the Company's Articles of Association and pursuant to Appendix 14 to the Listing Rules, Mr. Robert Ng Chee Siong, The Honourable Ronald Joseph Arculli, Ms. Nikki Ng Mien Hua, Mr. Adrian David Li Man-kiu and Mr. Thomas Tang Wing Yung will retire at the forthcoming Annual General Meeting and, who being eligible, will offer themselves for re-election.

The list of directors who have served on the boards of the subsidiaries of the Company included in the annual consolidated financial statements for the financial year ended 30th June, 2023 during the year and up to the date of this report is available on the Company's website at www.sino.com under Corporate Governance of the Investor Relations section.

Directors' interests

As at 30th June, 2023, 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 (Chapter 571 of the laws of Hong Kong) ("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 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	4,793,267,951 (Note)	Beneficial owner of 283,739 shares, spouse interest in 5,620,000 shares and trustee interest in 4,787,364,212 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	58.65%
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	162,637	Beneficial owner	≈ 0%
Mr. Ringo Chan Wing Kwong	387,952	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%

Note:

The trustee interest in 4,787,364,212 shares comprises:

- (a) 2,009,304,269 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) 65,369,242 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) 2,495,910,927 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 159,746,782 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 266,436 shares by Fanlight Investment Limited, 255,399 shares by Garford Nominees Limited, 57,477,238 shares by Karaganda Investments Inc., 24,789,686 shares by Orient Creation Limited, 12,048,382 shares by Strathallan Investment Limited, 36,314,077 shares by Strong Investments Limited, 27,827,535 shares by Tamworth Investment Limited and 768,029 shares by Transpire Investment Limited; and
- (d) 57,032,992 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

(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 Siong	1,483,902,681 (Note)	Beneficial owner of 796,888 shares and trustee interest in 1,483,105,793 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 1,483,105,793 shares comprises:

(a) 1,366,055,298 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 141,591,603 shares by Fanlight Investment Limited, 191,877,279 shares by Nippomo Limited, 4,409,129 shares by Orient Creation Limited, 377,382,243 shares by Strathallan Investment Limited, 563,156,773 shares by Tamworth Investment Limited and 87,638,271 shares by Transpire Investment Limited; and

(b) 117,050,495 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

Directors' report (Continued)

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 30th June, 2023, none of the Directors of the Company 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.

Share option schemes

The Company and its subsidiaries have no share option schemes.

Arrangement to purchase shares or debentures

At no time during the year was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in competing businesses

Pursuant to Rule 8.10(2) of the Listing Rules, the Company discloses that during the year, the following Directors held share interests and/or directorships in companies engaged in businesses which compete or likely to compete, either directly or indirectly, with the businesses of the Group.

Mr. Robert Ng Chee Siong and Mr. Daryl Ng Win Kong held share interests and/or directorships and Mr. Ringo Chan Wing Kwong and Mr. Victor Tin Sio Un held directorships in companies of the Ng Family (including Mr. Robert Ng Chee Siong, Mr. Philip Ng Chee Tat, and as co-executors of the estate of the late Mr. Ng Teng Fong and/or their respective associates) which engage in businesses of property investment, development and management, and/or hotel operation.

The Honourable Ronald Joseph Arculli had been a Non-Executive Director of HKR International Limited ("HKRIL"), which engages in businesses of property investment, development and management, and hotel operation, until he retired at the conclusion of the annual general meeting of HKRIL in August 2022.

The Board of Directors of the Company is independent of the boards of the aforesaid companies and maintains four Independent Non-Executive Directors. Coupled with the diligence of the Independent Non-Executive Directors and the Audit Committee of the Company, the Group operates its businesses independently of, and at arm's length from, the businesses of the aforesaid companies.

Directors' material interests in transactions, arrangements or contracts

Apart from the transactions disclosed under the heading "Related party disclosures" as set out in Note 44 to the consolidated financial statements contained in this Annual Report, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company or his connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management contracts

No contract for the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Permitted indemnity provision

Pursuant to the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group during the year, which remains in force.

Service contracts

None of the Directors of the Company has a contract of service with the Company, its holding company, any of its subsidiaries or fellow subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

Connected transactions

Continuing connected transactions for the year ended 30th June, 2023

The Company and its holding company, Tsim Sha Tsui Properties Limited ("TST Properties"), jointly announced on 1st June, 2022 that the Company and/or its subsidiaries ("Group") had entered into agreements on 1st June, 2022 ("Agreements" or individually, "Agreement") relating to the following continuing connected transactions between the Group and the

Ng Family (including Mr. Robert Ng Chee Siong, Mr. Philip Ng Chee Tat, and as co-executors of the estate of the late Mr. Ng Teng Fong, and/or their respective associates) for the three years commencing from 1st July, 2022 and ending on 30th June, 2025 with annual caps fixed for each of the years. Applicable particulars of the Agreements together with the total amount received/paid in respect of the transactions for the year ended 30th June, 2023 are disclosed herein as required under the Listing Rules:

Nature of services provided under the Agreement	Parties to the transactions	Nature of transactions	Basis of consideration	Applicable annual cap(s) under the Agreement	Total amount received/paid for the year ended 30th June, 2023
1. Building cleaning services	<p>Service provider Best Result Environmental Services Limited, a wholly-owned subsidiary of the Company</p> <p>Service recipient Ng Family</p>	Provision of building cleaning services and cleaning consultancy services by the Group to properties developed/owned/partly owned or to be developed/owned/partly owned by the Ng Family	<p>A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin ranging from approximately 5% to 25% of the amount thereof, payable in monthly instalments in arrears on the last day of each month.</p> <p>The parties will take into account factors such as the size, nature of the building, location, complexity of the work, image, competition and length of the contract in determining the lump sum fee under each individual contract in respect of the services contemplated thereunder</p>	<p>The aggregate amount payable by the relevant members of the Ng Family under the Agreement shall not exceed:</p> <p>(i) HK\$218 million for the period from 1st July, 2022 to 30th June, 2023;</p> <p>(ii) HK\$218 million for the period from 1st July, 2023 to 30th June, 2024; and</p> <p>(iii) HK\$218 million for the period from 1st July, 2024 to 30th June, 2025</p>	HK\$102.43 million

Connected transactions (Continued)

Continuing connected transactions for the year ended 30th June, 2023 (Continued)

Nature of services provided under the Agreement	Parties to the transactions	Nature of transactions	Basis of consideration	Applicable annual cap(s) under the Agreement	Total amount received/paid for the year ended 30th June, 2023
2. Car park management services	<p>Service provider Sino Parking Services Limited ("SPSL"), a company held as to 50% by the Company and 50% by the Ng Family</p> <p>Service recipient Group</p>	Provision of car park management services by SPSL and/or the Ng Family to properties owned/developed or to be owned/developed by the Group	<p>A lump sum fee to be agreed between the parties which shall be determined by reference to a rate of approximately 12% to 20% of the total gross revenue generated from car parking operations in the relevant properties managed by SPSL and/or the relevant member of the Ng Family, payable in half-yearly instalments in arrears on the last day of each half year. The parties will take into account factors such as the size, nature of the building, location, complexity of the work, image, competition and length of the contract in determining the lump sum fee under each individual contract in respect of the services contemplated thereunder</p>	<p>The aggregate amount payable by the relevant members of the Group under the Agreement shall not exceed:</p> <p>(i) HK\$79 million for the period from 1st July, 2022 to 30th June, 2023;</p> <p>(ii) HK\$79 million for the period from 1st July, 2023 to 30th June, 2024; and</p> <p>(iii) HK\$79 million for the period from 1st July, 2024 to 30th June, 2025</p>	HK\$33.50 million

Directors' report (Continued)

Connected transactions (Continued)

Continuing connected transactions for the year ended 30th June, 2023 (Continued)

Nature of services provided under the Agreement	Parties to the transactions	Nature of transactions	Basis of consideration	Applicable annual cap(s) under the Agreement	Total amount received/paid for the year ended 30th June, 2023
3. Estate management and general administrative services	<p>Service provider Sino Estates Management Limited ("SEML"), a wholly-owned subsidiary of the Company</p> <p>Service recipient Ng Family</p>	Provision of estate management services, life-style services, home maintenance services, courtesy services and general administrative services by the Group to properties developed/ owned/partly owned or to be developed/owned/ partly owned by the Ng Family	<p>A lump sum fee to be agreed between the parties which shall be a fixed sum or determined by reference to a rate of approximately 2% to 15% of the management expenditure as shown in the annual budget of, or actually incurred by, the relevant member of the Ng Family in respect of the properties managed by SEML, payable by periodic instalments (for example, monthly, quarterly or half-yearly) in advance or in arrears.</p> <p>The parties will take into account factors such as the size, nature of the building, location, complexity of the work, image, competition and length of the contract in determining the lump sum fee under each individual contract in respect of the services contemplated thereunder</p>	<p>The aggregate amount payable by the relevant members of the Ng Family under the Agreement shall not exceed:</p> <p>(i) HK\$63 million for the period from 1st July, 2022 to 30th June, 2023;</p> <p>(ii) HK\$63 million for the period from 1st July, 2023 to 30th June, 2024; and</p> <p>(iii) HK\$63 million for the period from 1st July, 2024 to 30th June, 2025</p>	HK\$30.17 million

Connected transactions (Continued)

Continuing connected transactions for the year ended 30th June, 2023 (Continued)

Nature of services provided under the Agreement	Parties to the transactions	Nature of transactions	Basis of consideration	Applicable annual cap(s) under the Agreement	Total amount received/paid for the year ended 30th June, 2023
4. Security services	<p>Service provider Sino Security Services Limited, a wholly-owned subsidiary of the Company</p> <p>Service recipient Ng Family</p>	Provision of security services by the Group to properties developed/ owned/partly owned or to be developed/owned/ partly owned by the Ng Family	<p>A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin ranging from approximately 5% to 25% of the amount thereof, payable in monthly instalments in arrears on the last day of each month.</p> <p>The parties will take into account factors such as the size, nature of the building, location, complexity of the work, image, competition and length of the contract in determining the lump sum fee under each individual contract in respect of the services contemplated thereunder</p>	<p>The aggregate amount payable by the relevant members of the Ng Family under the Agreement shall not exceed:</p> <p>(i) HK\$158 million for the period from 1st July, 2022 to 30th June, 2023;</p> <p>(ii) HK\$158 million for the period from 1st July, 2023 to 30th June, 2024; and</p> <p>(iii) HK\$158 million for the period from 1st July, 2024 to 30th June, 2025</p>	HK\$68.72 million

Directors' report (Continued)

Connected transactions (Continued)

Continuing connected transactions for the year ended 30th June, 2023 (Continued)

Nature of services provided under the Agreement	Parties to the transactions	Nature of transactions	Basis of consideration	Applicable annual cap(s) under the Agreement	Total amount received/paid for the year ended 30th June, 2023
5. Lease of properties	<p>Service provider</p> <p>(i) Group</p> <p>Service recipient</p> <p>(i) Ng Family</p>	(i) the Ng Family (as lessee) leases properties owned or to be owned by the Group (as lessor)	(i) A lump sum base rent exclusive of rates, Government rent, management fees and, if any, other outgoings, with or without a variable turnover rent linked to the gross sales turnover of the lessees of the particular properties ("Variable Lease Payment") to be agreed between the parties which shall be determined by reference to the prevailing market rent of the particular properties. The base rent is payable monthly on the first day of every calendar month and the Variable Lease Payment, if any, is payable on terms to be agreed between the parties	<p>(i) The total base rent and Variable Lease Payment, if any, payable per annum shall not exceed:</p> <p>(a) HK\$68.8 million for the period from 1st July, 2022 to 30th June, 2023;</p> <p>(b) HK\$68.8 million for the period from 1st July, 2023 to 30th June, 2024; and</p> <p>(c) HK\$68.8 million for the period from 1st July, 2024 to 30th June, 2025</p>	(i) HK\$17.78 million

Connected transactions (Continued)

Continuing connected transactions for the year ended 30th June, 2023 (Continued)

Nature of services provided under the Agreement	Parties to the transactions	Nature of transactions	Basis of consideration	Applicable annual cap(s) under the Agreement	Total base rent recognised as right-of use assets according to HKFRS 16 – Leases
5. Lease of properties (Continued)	<p>Service provider</p> <p>(ii) Ng Family</p> <p>Service recipient</p> <p>(ii) Group</p>	(ii) the Group (as lessee) leases properties owned or to be owned by the Ng Family (as lessor)	(ii) A lump sum base rent exclusive of rates, Government rent, management fees and, if any, other outgoings, with or without a Variable Lease Payment to be agreed between the parties which shall be determined by reference to the prevailing market rent of the particular properties. The base rent is payable monthly on the first day of every calendar month and the Variable Lease Payment, if any, is payable on terms to be agreed between the parties	(ii) The total base rent for the whole tenancy/licence period which shall be recognised as right-of-use assets according to Hong Kong Financial Reporting Standards ("HKFRS") 16 – Leases relating to those tenancy agreements or licences to be entered into in the corresponding year shall not exceed: <p>(a) HK\$181 million for the period from 1st July, 2022 to 30th June, 2023;</p> <p>(b) HK\$181 million for the period from 1st July, 2023 to 30th June, 2024; and</p> <p>(c) HK\$196 million for the period from 1st July, 2024 to 30th June, 2025</p>	(ii) HK\$84.86 million

Connected transactions (Continued)

Continuing connected transactions for the year ended 30th June, 2023 (Continued)

The Ng Family and SPSL, being an associate of the Ng Family, are connected persons of TST Properties and the Company by virtue of the Ng Family being the controlling shareholder of both TST Properties and the Company. Therefore, the above transactions constituted continuing connected transactions of each of TST Properties and the Company under the Listing Rules.

During the year, the above continuing connected transactions were carried out within their respective applicable annual caps for the year. The Internal Audit Department has reviewed the above continuing connected transactions and concluded that the internal controls over such continuing connected transactions are adequate and effective. The findings have been submitted to the Audit Committee of the Company.

The Independent Non-Executive Directors have reviewed and confirmed that during the year, the above continuing connected transactions were all conducted and entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Details of the above continuing connected transactions have been disclosed in accordance with Chapter 14A of the Listing Rules and are set out in the announcement of the Company which is available at the Stock Exchange's website and the Company's website at www.sino.com.

Details of other related party transactions are set out in Note 44 to the consolidated financial statements.

Substantial shareholders' and other shareholders' interests

As at 30th June, 2023, 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	4,803,992,640 <i>(Notes 1, 2, 3, 4, 5 and 6)</i>	Interest of controlled corporations in 17,512,428 shares and trustee interest in 4,786,480,212 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	58.78%

Tsim Sha Tsui Properties Limited	4,569,700,438 <i>(Notes 2(a), 2(b), 3, 4 and 6)</i>	Beneficial owner of 2,009,304,269 shares and interest of controlled corporations in 2,560,396,169 shares	55.91%
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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:

- 17,512,428 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 5,404,670 shares by Far East Capital Pte. Ltd. and 12,107,758 shares by Western Properties Pte Ltd.
- The trustee interest in 4,786,480,212 shares comprises:
 - 2,009,304,269 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;
 - (i) 65,369,242 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) 2,495,026,927 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 562,813,654 shares held by Spangle Investment Limited (Note 3) and 523,352,218 shares held by Ka Fai Land Investment Limited (Note 4));
 - 159,746,782 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 266,436 shares by Fanlight Investment Limited, 255,399 shares by Garford Nominees Limited, 57,477,238 shares by Karaganda Investments Inc., 24,789,686 shares by Orient Creation Limited, 12,048,382 shares by Strathallan Investment Limited, 36,314,077 shares by Strong Investments Limited, 27,827,535 shares by Tamworth Investment Limited and 768,029 shares by Transpire Investment Limited; and
 - 57,032,992 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 30th June, 2023, 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.

Donations

During the year, the Group made charitable and other donations amounting to approximately HK\$16,682,000.

Equity-linked agreements

No equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

Major suppliers and customers

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 63% of the Group's total purchases for the year and the purchases attributable to the Group's largest supplier was approximately 17% of the Group's total purchases.

The percentage of sales attributable to the Group's five largest customers is less than 30% of the Group's total sales for the year.

At no time during the year did the Directors, their close associates or any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the number of the Company's issued shares) had an interest in any of the Group's five largest suppliers.

Corporate governance

The corporate governance report is set out on pages 74 to 94 of this Annual Report.

Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the Listing Rules.

Auditor

Messrs. Deloitte Touche Tohmatsu ("Deloitte") retired as auditor of the Company at the conclusion of the Company's annual general meeting held on 27th October, 2021 ("2021 AGM"). Messrs. KPMG ("KPMG") have been appointed as new auditor of the Company at the 2021 AGM upon the retirement of Deloitte.

The consolidated financial statements for the years ended 30th June, 2022 and 2023 of the Group have been audited by KPMG. At the forthcoming annual general meeting, KPMG will retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the forthcoming annual general meeting to re-appoint KPMG as auditor of the Company.

On behalf of the Board
Robert NG Chee Siong
Chairman

Hong Kong, 29th August, 2023

Biographical details of Directors & senior management

(I) Executive Directors

Mr. Robert Ng Chee Siong^{N+}, aged 71,

an Executive Director since 1981 and Chairman of the Group since 1991, was called to the Bar in 1975. He has been actively engaged in property investment and development in Hong Kong during the last 47 years and is also a director of a number of subsidiaries and associated companies of the Company. Mr. Ng is the Chairman of Tsim Sha Tsui Properties Limited, the holding company of the Company, and the Chairman of Sino Hotels (Holdings) Limited. In addition, he is the Executive Vice President and Vice Chairman of The Real Estate Developers Association of Hong Kong, a member of the 11th, 12th, 13th and 14th National Committee of the Chinese People's Political Consultative Conference ("CPPCC") and Deputy Director of the Committee for Economic Affairs of the 13th and 14th National Committee of the CPPCC. Mr. Ng is the father of Mr. Daryl Ng Win Kong, the Deputy Chairman of the Company and Ms. Nikki Ng Mien Hua, Non-Executive Director of the Company. He is a son of the late substantial shareholder of the Company Mr. Ng Teng Fong and the brother of Mr. Philip Ng Chee Tat, the co-executor of the estate of the late Mr. Ng Teng Fong.

Mr. Daryl Ng Win Kong^R, SBS, JP, aged 45,

an Executive Director since April 2005 and Deputy Chairman of the Group since November 2017, holds a Bachelor of Arts Degree in Economics, a Master Degree of Science in Real Estate Development from Columbia University in New York, an Honorary Doctor of Humane Letters degree from Savannah College of Art and Design. He is Honorary Fellow of The Hong Kong University of Science and Technology and Hong Kong Metropolitan University. Mr. Ng first joined the Company as Executive (Development) in 2003. He is a director of a number of subsidiaries and associated companies of the Company, and an Executive Director and Deputy Chairman of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. He is also a Non-Executive Director of The Bank of East Asia, Limited, which is listed on the Hong Kong Stock Exchange and the

Chairman, Non-independent & Non-executive Director of Yeo Hiap Seng Limited, a company listed on the main board of the Singapore Stock Exchange. He is a member of the Global Leadership Council of Columbia University in the City of New York, a member of the 10th Sichuan Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a member of the 12th and 13th Beijing Municipal Committees of the CPPCC, a member of the Standing Committee of the 14th Beijing Municipal Committee of the CPPCC, a member of the 10th and 11th Committees of the All-China Youth Federation and the Deputy Chairman of the Chongqing Youth Federation. He is the President of Hong Kong United Youth Association, a Council Member of the Hong Kong Committee for UNICEF, a Council Member of The Hong Kong Management Association, an Advisor of Our Hong Kong Foundation, a Council Member of Hong Kong Chronicles Institute Limited, a Council Member of the Employers' Federation of Hong Kong, a member of the Board of Hong Kong Science and Technology Parks Corporation, the Chairman of Greater Bay Area Homeland Youth Community Foundation Limited and a Member of the Board of Mind Mental Health Hong Kong Limited. Mr. Ng's major public service appointments include being a member of Council for Carbon Neutrality and Sustainable Development, a member of the Culture Commission, a member of the Advisory Council on the Environment, a member of the Estate Agents Authority of the Government of Hong Kong Special Administrative Region, a member of the Council of the University of Hong Kong, a member of the Court of The Hong Kong University of Science and Technology, a member of NUS Medicine International Council at the Yong Loo Lin School of Medicine of National University of Singapore, a member of International Advisory Council of Singapore Management University, a member of the Board of Directors of Hong Kong Palace Museum Limited and a Board Member of National Heritage Board, Singapore. He is a Director of The Real Estate Developers Association of Hong Kong and a Vice Patron of The Community Chest of Hong Kong. He is the eldest son of the Chairman of the Group Mr. Robert Ng Chee Siong, brother of Non-Executive Director of the Company Ms. Nikki Ng Mien Hua and the eldest grandson of the late substantial shareholder of the Company Mr. Ng Teng Fong.

N+: Nomination Committee Chairman R: Remuneration Committee member

Biographical details of Directors & senior management (Continued)

(I) Executive Directors (Continued)

Mr. Ringo Chan Wing Kwong, aged 63, has been an Executive Director since January 2008. He first joined the Company in 1988 and had been an Associate Director (Group Treasury) of the Company since 2005. He is also a director of a number of subsidiaries and associated companies of the Company. Mr. Chan holds a Master Degree of Business Administration and is a Fellow Member of the Association of Chartered Certified Accountants and an Associate Member of The Hong Kong Institute of Certified Public Accountants (Practising). Mr. Chan has over 39 years of experience in accounting and finance.

Mr. Gordon Lee Ching Keung, aged 63, has been an Executive Director since January 2013. Mr. Lee first joined the Company in 1989 and left the Company in 1995. He rejoined the Company in 1997 and has been an Associate Director (Development Division) of the Company since 2006. He is also a director of a number of subsidiaries and associated companies of the Company. Mr. Lee is a member of The Hong Kong Institute of Architects, a Registered Architect and an Authorized Person (Architect). He has extensive experience in design, project management, quality management, construction site management and cost management and is in charge of the Development Division.

Mr. Thomas Tang Wing Yung, aged 68, has been an Executive Director and Group Chief Financial Officer of the Company with effect from 15th January, 2020. He has also been appointed as an Executive Director and Group Chief Financial Officer of Sino Hotels (Holdings) Limited on 15th January, 2020. He is a director of a number of subsidiaries and associated companies of the Company. Mr. Tang obtained his Bachelor of Science Degree in Modern Mathematics from Surrey University, United Kingdom. He has been an Associate Member of The Institute of Chartered Accountants in England and Wales since 1981. He is also a Fellow Member of The Hong Kong Institute of Certified Public Accountants and has over 42 years of experience in accounting and finance.

Mr. Tang started his career as an accountant with Peat Marwick (KPMG) in London and Hong Kong. He was managing director of an investment and financial advisory services firm that is a member of an international group, overseeing operations in the Asia-Pacific region. Prior to joining the Company, Mr. Tang was an Executive Director and Group Chief Financial Officer of Esprit Holdings Limited and he is currently an Independent Non-Executive Director of Playmates Holdings Limited, both of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Tang was an Executive Director and the Chief Financial Officer of the Company for the period from 1st April, 2005 to 26th March, 2012.

Mr. Victor Tin Sio Un, aged 60, has been an Executive Director since July 2022. Mr. Tin joined the Company in 2002 and has been the Group Associate Director (Sales) of the Company since 2019. He is also a director of a number of subsidiaries and associates of the Company. Mr. Tin possesses over 30 years of experience in property sales and leasing management. He holds a Bachelor Degree in Business Administration from the University of Hawaii and a Master Degree in Business Administration from the California State University. Mr. Tin is a member of the Legal Sub Committee of The Real Estate Developers Association of Hong Kong and the Chairman of the Vocational Training Council Real Estate Services Training Board.

(II) Non-Executive Directors

The Honourable Ronald Joseph Arculli,
GBM, CVO, GBS, OBE, JP, aged 84,

has been a Director of the Company since 1981 and was re-designated from an Independent Non-Executive Director to a Non-Executive Director in July 2005.

The Honourable Ronald Arculli through Ronald Arculli and Associates provides consultancy services to the Company. He is also a Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. The Honourable Ronald Arculli was an Independent Non-Executive Director of Hong Kong Exchanges and Clearing Limited from 2006 to April 2013, for which he was also a former Independent Non-Executive Chairman from 2006 to April 2012. He has a long and distinguished record of public service on numerous government committees and advisory bodies. He was the Chairman of The Hong Kong Jockey Club from 2002 to August 2006. He is a practising solicitor and has served on the Legislative Council from 1988 to 2000. He was a Non-Official Member of the Executive Council of the HKSAR Government from November 2005 to June 2012, for which he also acted as Convenor of the Non-Official Members since December 2011. He chairs the Honorary Advisory Committee of SVHK Foundation Limited and Common Purpose Charitable Foundation Limited in Hong Kong. He is also a Non-Executive Director of Asia Art Archive Limited. The Honourable Ronald Arculli is a Non-Executive Director of HK Electric Investments Manager Limited (as trustee-manager of HK Electric Investments) and HK Electric Investments Limited (all are listed on The Stock Exchange of Hong Kong Limited except HK Electric Investments Manager Limited). He was formerly an Independent Non-Executive Director of Hang Lung Properties Limited and a Non-Executive Director of HKR International Limited.

Ms. Nikki Ng Mien Hua, aged 43,

has been a Non-Executive Director since August 2023. She is also a Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. She joined the Group in 2002 and had previously been the Group General Manager participating in managing the leasing operations and hotels of the Group. She is a member of the Environmental, Social and Governance Steering Committee of the Company and a director of certain subsidiaries and associates of the Company. Ms. Ng holds a Bachelor of Arts degree from Yale University and a Master of Arts degree from the School of Oriental and African Studies, the University College of London. She is a member of the 12th, 13th and 14th Shanghai Committee of the Chinese People's Political Consultative Conference. She is a member of the General Committee and the Chairman of the Retail & Tourism Committee of the Hong Kong General Chamber of Commerce. She is a non-official member of The Commission on Poverty and a member of its Community Care Fund Task Force and Social Innovation and Entrepreneurship Development Fund Task Force. She is also a member of The Hospital Governing Committee, the Finance Sub-Committee and the Hospital Governing Committee Task Group on Enhancing Patient-Centric Services of Queen Elizabeth Hospital. She also serves as a trustee member of Ocean Park Conservation Foundation, Hong Kong and The Society for Panda Conservation. Ms. Ng is a daughter of the Chairman of the Group Mr. Robert Ng Chee Siong and a sister of the Deputy Chairman of the Group Mr. Daryl Ng Win Kong, and a granddaughter of the late substantial shareholder of the Company Mr. Ng Teng Fong.

(III) Independent Non-Executive Directors

Dr. Allan Zeman^{A N R}, GBM, GBS, JP, aged 75,

has been an Independent Non-Executive Director of the Company since September 2004. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited. Dr. Zeman is the Chairman of Lan Kwai Fong Group in Hong Kong. Dr. Zeman serves as an Independent Non-Executive Director and the Chairman of Wynn Macau, Limited, a Non-Executive Director of Pacific Century Premium Developments Limited, and an Independent Non-Executive Director of Television Broadcasts Limited and Fosun Tourism Group, all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Dr. Zeman is a member of the Chief Executive's Council of Advisers of the Government of Hong Kong Special Administrative Region ("HKSAR"), a non-official member of the Human Resources Planning Commission of the HKSAR, a non-official member of the Task Force on Promoting and Branding Hong Kong of the HKSAR and a member of the Culture Commission of the HKSAR. Dr. Zeman was the Chairman of Hong Kong Ocean Park from July 2003 to June 2014. He is also a Board member of the Alibaba Entrepreneurs Fund and a governor of the Board of Governors of Our Hong Kong Foundation. Dr. Zeman is also a member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong and the Vice Patron of The Community Chest of Hong Kong. Dr. Zeman is a holder of Honorary Doctorate of Laws Degree from The University of Western Ontario, Canada. In 2012, he was awarded Honorary Doctorate Degrees of Business Administration from City University of Hong Kong and The Hong Kong University of Science and Technology. Dr. Zeman was formerly an Independent Non-Executive Director of Global Brands Group Holding Limited.

Mr. Adrian David Li Man-kiu^{A+ N R}, BBS, JP, aged 50,

an Independent Non-Executive Director since April 2005, is Co-Chief Executive of The Bank of East Asia, Limited. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited. Mr. Li is a member of the Shanghai Committee of the Chinese People's Political Consultative Conference and a Counsellor of the Hong Kong United Youth Association. He is Chairman of The Chinese Banks' Association, Deputy Chairman of The Hong Kong Institute of Bankers' Executive Committee and Vice President of its Council, and a member of the MPF Industry Schemes Committee of the MPFA. He is a Vice Patron of The Community Chest of Hong Kong, a member of the Advisory Board of The Salvation Army, Hong Kong and Macau Territory, and a Trustee of The University of Hong Kong's occupational retirement schemes. Furthermore, he serves as a member of the Election Committees responsible for electing the Chief Executive and Legislative Council members of the HKSAR as well as deputies of the HKSAR to the 14th National People's Congress. Mr. Li is currently an Independent Non-Executive Director of COSCO SHIPPING Ports Limited, which is listed in Hong Kong. He previously served as a Non-Executive Director of The Berkeley Group Holdings plc, which is listed on the London Stock Exchange, and an Independent Non-Executive Director of China State Construction International Holdings Limited, which is listed in Hong Kong. Mr. Li holds a Master of Management degree from the Kellogg School of Management, Northwestern University in the US, and a Master of Arts degree and Bachelor of Arts degree in Law from the University of Cambridge in Britain. He is a member of The Law Society of England and Wales, and The Law Society of Hong Kong. He is also a member of the Hong Kong Academy of Finance and has been conferred as an Honorary Certified Banker by The Hong Kong Institute of Bankers. Mr. Li was awarded the Bronze Bauhinia Star by the Government of the HKSAR in 2022 in recognition of his contributions to the community.

A+: Audit Committee Chairman A: Audit Committee member N: Nomination Committee member

R: Remuneration Committee member

Biographical details of Directors & senior management (Continued)

(III) Independent Non-Executive Directors (Continued)

Mr. Steven Ong Kay Eng^{A R+}, aged 77,

has been an Independent Non-Executive Director since October 2011. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited since July 2005. Mr. Ong serves as a Non-Executive Independent Director of EnGro Corporation Limited, and, an Independent & Non-executive Director and the Lead Independent Director of Yeo Hiap Seng Limited, both of which are listed on the Mainboard of the Singapore Stock Exchange. Mr. Ong has been a veteran banker with extensive experience in banking and finance over 43 years. He was the General Manager and Country Head for American Express Bank in Singapore for nearly 10 years and also the Chief Representative and Country Manager in China for Banca Monte dei Paschi di Siena S.p.A. for 16 years. Mr. Ong remained as the bank's advisor and consultant for 2 years after he left China in 2006 having resided in the country for over 16 years. He was the Chairman of Foreign Bankers' Association in Beijing, PRC from 1999 to 2000.

Mr. Wong Cho Bau, JP, aged 64,

has been an Independent Non-Executive Director since January 2015. He is also an Independent Non-Executive Director of Sino Hotels (Holdings) Limited. He is an Honorary Fellow of City University of Hong Kong and currently serves as Chairman of East Pacific (Holdings) Ltd., Shenzhen East Pacific Group Ltd., Greater Bay Airlines Co., Ltd., Donghai Airlines Co., Ltd., Donghai Jet Co., Ltd.. Mr. Wong has more than 40 years of business experience and is one of the pioneers on the establishment of Shenzhen Special Economic Zone. His business interests have expanded from property development to industrial, hotel, aviation, tourism. Mr. Wong is a Committee Adviser of Hong Kong Association for The Promotion of Peaceful Reunification of China and Chief Director of Hong Kong Federation of Hong Kong Chiu Chow Community Organization. He served as a member of the 10th to 13th National Committee of the Chinese People's Political Consultative Conference; a Councilor of the 1st and the 2nd Council and an Executive Councilor of the 3rd and 4th Council of China Overseas Friendship Association.

(IV) Senior management

Various businesses and functions of the Company are respectively under the direct responsibilities of the Executive Directors who are regarded as senior management of the Company.

A: Audit Committee member R+: Remuneration Committee Chairman



To the Members of Sino Land Company Limited
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Sino Land Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 128 to 238, which comprise the consolidated statement of financial position as at 30th June, 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30th June, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report (Continued)

Key audit matters (Continued)

Valuation of investment properties

Refer to Notes 3.2 and 17 to the consolidated financial statements.

The Key Audit Matter

The Group holds, either directly or through its joint ventures and associates, a portfolio of investment properties located in Hong Kong, Mainland China and Singapore. These investment properties mainly comprise shopping malls, offices, industrial buildings, residentials and car parks. These investment properties, which are stated at fair value, are significant to the Group in terms of their values.

Management's assessment of the fair value of investment properties is based on valuations performed by external property valuers in accordance with recognised industry standards.

These valuations are complex and involve a significant degree of judgement and estimation in respect of capitalisation rates and market rents, particularly given the number and diversity of locations and nature of the investment properties.

We identified assessing the valuation of investment properties owned by the Group and its investees as a key audit matter because of the complexity of the valuations and the significant judgement and estimation required.

How the matter was addressed in our audit

Our audit procedures to assess the valuation of investment properties owned by the Group and its investees included the following:

- obtaining the valuation reports prepared by the external property valuers on which the management's assessment of the fair values of investment properties was based;
- inspecting selected valuation reports and meeting the external property valuers who prepared those valuation reports to discuss the valuations and assess the valuation methodologies applied with reference to the prevailing accounting standards and considering the valuers' qualifications, expertise in the properties being valued and objectivity;
- with the assistance of our property valuation specialists, challenging the key estimates and assumptions adopted in the valuations, including the capitalisation rates and market rents, by comparing with market available data, on a sample basis; and
- comparing tenancy information, including committed rents and occupancy rates, provided by management to the external property valuers, with underlying contracts and related documentation, on a sample basis.

Key audit matters (Continued)

Assessing the net realisable value of properties under development and stocks of completed properties

Refer to Notes 3.2 and 39 to the consolidated financial statements.

The Key Audit Matter

The Group holds, either directly or through its joint ventures and associates, properties under development and stocks of completed properties located in Hong Kong and Mainland China. These properties, which are stated at the lower of cost and net realisable value, are significant to the Group in terms of their values.

Management's assessment of the net realisable value of the properties is based on expected future selling prices and costs necessary to complete the development, if any, and to sell these properties. The assessment is also made reference to the valuations carried out by the external property valuers for certain properties.

These net realisable value assessments are complex and involve a significant degree of judgement and estimation in respect of future selling prices and future development costs.

We identified the assessment of the net realisable value of the properties under development and stocks of completed properties as a key audit matter because of the inherent subjectivity of the assessments on the net realisable value and the significant judgement and estimation required.

How the matter was addressed in our audit

Our audit procedures to assess the net realisable value of properties under development and stocks of completed properties, owned by the Group and its investees, included the following:

- obtaining and inspecting management's assessments and/or the valuation reports prepared by the external property valuers on which the management's assessment of the net realisable value of properties under development and stocks of completed properties was based, on a sample basis;
- discussing with management and/or external property valuers the net realisable value assessment and assessing the assessment methodologies applied with reference to the prevailing accounting standard and considering the management's and/or valuers' qualifications and expertise in the properties being valued and also the valuers' objectivity, on a sample basis;
- with the assistance of our property valuation specialists, challenging the key estimates and assumptions adopted in the net realisable value assessment, including expected future selling prices and cost to complete the development by comparing with market available data and management's development budgets, on a sample basis.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Wing Han, Ivy.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

29th August, 2023

Consolidated statement of profit or loss

For the year ended 30th June, 2023

	Notes	2023 HK\$	2022 HK\$
Revenue	5	11,881,285,263	15,554,174,570
Cost of sales		(4,180,678,874)	(5,277,594,743)
Direct expenses		(2,311,849,983)	(2,024,269,408)
Gross profit		5,388,756,406	8,252,310,419
Change in fair value of investment properties	17	178,550,889	(683,168,848)
Other income and other gains or losses		19,645,296	118,149,848
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		4,820,517	30,453,479
Gain on disposal of investment properties		494,377	4,002,696
Administrative expenses		(900,468,409)	(867,483,279)
Other operating expenses		(227,476,029)	(173,939,406)
Finance income	7	1,390,845,307	337,259,692
Finance costs	8	(95,775,368)	(49,197,794)
Less: interest capitalised	8	54,845,106	18,021,940
Finance income, net		1,349,915,045	306,083,838
Share of results of associates	9	323,370,210	390,508,508
Share of results of joint ventures	10	603,684,980	(63,100,439)
Profit before taxation	11	6,741,293,282	7,313,816,816
Income tax expense	14	(860,834,828)	(1,349,107,495)
Profit for the year		5,880,458,454	5,964,709,321
Attributable to:			
The Company's shareholders		5,849,379,302	5,735,396,549
Non-controlling interests		31,079,152	229,312,772
		5,880,458,454	5,964,709,321
Earnings per share (reported earnings per share)			
Basic	16(a)	0.73	0.76

The notes on pages 136 to 238 form part of these consolidated financial statements. Details of dividends payable to equity shareholders of the Company are set out in Note 15.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30th June, 2023

	2023 HK\$	2022 HK\$
Profit for the year	<u>5,880,458,454</u>	<u>5,964,709,321</u>
Other comprehensive income		
<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>15,984,665</u>	<u>20,574,945</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	–	47,785,067
Reclassification of fair value adjustment to profit or loss on an interest rate swap	(34,915,255)	3,893,556
Exchange differences arising on translation of foreign operations	(464,779,203)	(512,133,693)
Change in fair value of debt instruments at FVTOCI	<u>(713,545)</u>	<u>(4,225,489)</u>
	<u>(500,408,003)</u>	<u>(464,680,559)</u>
Other comprehensive income for the year	<u>(484,423,338)</u>	<u>(444,105,614)</u>
Total comprehensive income for the year	<u>5,396,035,116</u>	<u>5,520,603,707</u>
Total comprehensive income attributable to:		
The Company's shareholders	5,364,955,964	5,291,290,935
Non-controlling interests	<u>31,079,152</u>	<u>229,312,772</u>
	<u>5,396,035,116</u>	<u>5,520,603,707</u>

The notes on pages 136 to 238 form part of these consolidated financial statements.

Consolidated statement of financial position

At 30th June, 2023

	Notes	2023 HK\$	2022 HK\$
Non-current assets			
Investment properties	17	66,006,682,723	61,790,227,731
Hotel properties	18	1,680,928,340	1,674,104,057
Property, plant and equipment	19	141,849,478	126,855,812
Right-of-use assets	20	1,176,512,988	1,158,432,452
Interests in associates	21	17,076,647,976	17,869,483,624
Interests in joint ventures	22	6,478,483,281	5,864,756,573
Equity and debt instruments	23	1,192,311,834	997,168,164
Advances to associates	21	3,995,171,299	3,868,401,498
Advances to joint ventures	22	10,433,170,434	11,350,113,778
Long-term loans receivable	25	3,438,924,798	2,854,595,811
Deferred taxation	33	7,651,350	4,451,104
Other asset		300,000	300,000
		<u>111,628,634,501</u>	<u>107,558,890,604</u>
Current assets			
Properties under development	39	9,433,372,808	18,060,607,882
Stocks of completed properties	39	6,947,403,785	2,315,935,589
Hotel inventories		8,995,232	13,662,642
Equity and debt instruments	23	8,456,619	7,943,405
Amounts due from associates	21	2,256,442,713	1,890,933,034
Amounts due from joint ventures	22	3,096,175,528	2,709,936,156
Amounts due from non-controlling interests	24	31,752,493	58,788,202
Trade and other receivables	26	1,757,222,030	1,364,093,474
Current portion of long-term loans receivable	25	109,511,988	80,586,293
Taxation recoverable		61,031,514	138,024,397
Time deposits and restricted bank deposits	27	41,139,298,042	41,191,388,913
Bank balances and cash	27	2,792,975,930	3,593,085,200
		<u>67,642,638,682</u>	<u>71,424,985,187</u>
Current liabilities			
Trade and other payables	28	5,059,186,763	5,335,167,306
Lease liabilities	29	41,018,314	31,180,353
Contract liabilities	30	826,871,315	2,586,016,080
Amounts due to associates	21	827,476,708	885,932,545
Amounts due to non-controlling interests	24	1,671,551,006	861,793,341
Taxation payable		1,343,632,746	3,151,001,035
Bank borrowings – due within one year	31	1,132,532,000	2,253,528,000
		<u>10,902,268,852</u>	<u>15,104,618,660</u>
Net current assets		<u>56,740,369,830</u>	<u>56,320,366,527</u>
Total assets less current liabilities		<u>168,369,004,331</u>	<u>163,879,257,131</u>

Consolidated statement of financial position (Continued)

At 30th June, 2023

	Notes	2023 HK\$	2022 HK\$
Capital and reserves			
Share capital	32	60,441,204,098	56,403,833,044
Reserves		<u>101,907,607,960</u>	<u>100,993,467,055</u>
Equity attributable to the Company's shareholders		162,348,812,058	157,397,300,099
Non-controlling interests		<u>756,031,441</u>	<u>831,215,368</u>
Total equity		<u>163,104,843,499</u>	<u>158,228,515,467</u>
Non-current liabilities			
Bank borrowings – due after one year	31	831,996,000	996,632,901
Lease liabilities	29	15,377,800	13,550,745
Deferred taxation	33	2,684,332,188	2,693,939,581
Advances from associates	34	1,599,837,513	1,804,212,761
Advances from non-controlling interests	35	132,617,331	142,405,676
		<u>5,264,160,832</u>	<u>5,650,741,664</u>
		<u>168,369,004,331</u>	<u>163,879,257,131</u>

The consolidated financial statements on pages 128 to 238 were approved and authorised for issue by the Board of Directors on 29th August, 2023 and are signed on its behalf by:

Robert NG Chee Siong
Chairman

Daryl NG Win Kong
Deputy Chairman

The notes on pages 136 to 238 form part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 30th June, 2023

	Attributable to the Company's shareholders						Non-controlling interests HK\$	Total HK\$
	Share capital HK\$	Investment revaluation reserve HK\$	Hedging reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Total HK\$		
At 1st July, 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 year	-	-	-	-	5,735,396,549	5,735,396,549	229,312,772	5,964,709,321
Other comprehensive income	-	16,349,456	51,678,623	(512,133,693)	-	(444,105,614)	-	(444,105,614)
Total comprehensive income for the year	-	16,349,456	51,678,623	(512,133,693)	5,735,396,549	5,291,290,935	229,312,772	5,520,603,707
Investment revaluation reserve reclassified to retained profits upon derecognition of equity instruments at FVTOCI	-	(483,695)	-	-	483,695	-	-	-
Shares issued in lieu of cash dividends	3,191,870,131	-	-	-	-	3,191,870,131	-	3,191,870,131
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,047,000,000)	(1,047,000,000)
Final dividend – 2021	-	-	-	-	(3,032,389,290)	(3,032,389,290)	-	(3,032,389,290)
Special dividend – 2021	-	-	-	-	(2,070,900,003)	(2,070,900,003)	-	(2,070,900,003)
Interim dividend – 2022	-	-	-	-	(1,142,268,702)	(1,142,268,702)	-	(1,142,268,702)
At 30th June, 2022 and 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 year	-	-	-	-	5,849,379,302	5,849,379,302	31,079,152	5,880,458,454
Other comprehensive income	-	15,271,120	(34,915,255)	(464,779,203)	-	(484,423,338)	-	(484,423,338)
Total comprehensive income for the year	-	15,271,120	(34,915,255)	(464,779,203)	5,849,379,302	5,364,955,964	31,079,152	5,396,035,116
Additional interest on non-controlling interests	-	-	-	-	-	-	30	30
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	(963,109)	(963,109)
Shares issued in lieu of cash dividends	4,037,371,054	-	-	-	-	4,037,371,054	-	4,037,371,054
Dividends paid to non-controlling interests	-	-	-	-	-	-	(105,300,000)	(105,300,000)
Final dividend – 2022	-	-	-	-	(3,241,625,735)	(3,241,625,735)	-	(3,241,625,735)
Interim dividend – 2023	-	-	-	-	(1,209,189,324)	(1,209,189,324)	-	(1,209,189,324)
At 30th June, 2023	60,441,204,098	(518,867,195)	-	(359,323,550)	102,785,798,705	162,348,812,058	756,031,441	163,104,843,499

The notes on pages 136 to 238 form part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 30th June, 2023

	2023 HK\$	2022 HK\$
Operating activities		
Profit before taxation	6,741,293,282	7,313,816,816
Adjustments for:		
Finance costs	40,930,262	31,175,854
Depreciation of property, plant and equipment and hotel properties	125,308,860	103,265,973
Depreciation of right-of-use assets	72,851,195	77,751,700
Gain on disposal of property, plant and equipment	(389,544)	(74,080)
Property, plant and equipment written off	90,615	–
Hotel properties written off	2,527,600	–
Impairment loss on trade receivables, net of reversal	16,262,534	9,249,318
Share of results of associates	(323,370,210)	(390,508,508)
Share of results of joint ventures	(603,684,980)	63,100,439
Change in fair value of investment properties	(178,550,889)	683,168,848
Finance income	(1,390,845,307)	(337,259,692)
Change in fair value of financial assets at FVTPL	(4,820,517)	(30,453,479)
Gain on disposal of investment properties	(494,377)	(4,002,696)
Interest revenue from loans receivable	(48,387,419)	(59,630,977)
Dividend income from listed investments	(37,873,633)	(26,574,229)
Dividend income from unlisted investments	–	(185,453)
Operating cash flows before movements in working capital	4,410,847,472	7,432,839,834
Increase in long-term loans receivable	(613,254,682)	(600,214,748)
Increase in properties under development	(4,379,480,247)	(2,599,633,350)
Decrease in stocks of completed properties	4,382,685,885	5,359,847,346
Decrease in hotel inventories	4,667,410	5,798,700
Decrease in trade and other receivables	99,154,112	231,382,849
(Decrease)/increase in trade and other payables	(275,743,945)	216,735,981
Decrease in contract liabilities	(1,759,144,765)	(3,266,232,103)
Cash generated from operations	1,869,731,240	6,780,524,509
Hong Kong Profits Tax paid	(2,483,392,419)	(337,541,289)
Taxation in other jurisdictions paid	(48,409,024)	(60,757,803)
Interest received from loans receivable	48,387,419	59,630,977
Dividends received from listed investments	37,873,633	23,685,085
Dividends received from unlisted investments	–	185,453
Net cash (used in)/generated from operating activities	(575,809,151)	6,465,726,932

Consolidated statement of cash flows (Continued)

For the year ended 30th June, 2023

	2023 HK\$	2022 HK\$
Investing activities		
Repayments from associates	331,965,290	1,033,349,040
Repayments from joint ventures	1,239,653,196	521,224,963
Repayments from non-controlling interests	34,072,660	849,575,012
Dividends received from associates	1,170,045,346	421,876,000
Dividends received from joint ventures	177,063,168	97,750,000
Decrease/(increase) in restricted bank deposits	1,865,114	(25,746,326)
Interest received	851,656,036	401,254,300
Proceeds from disposal of investment properties	3,476,000	57,994,828
Proceeds from disposal of property, plant and equipment	2,680,980	169,549
Proceeds from derecognition of equity instruments at FVTOCI	–	7,848,000
Proceeds from termination of derivative financial instrument	–	36,130,000
Advances to associates	(867,406,941)	(274,640,467)
Advances to joint ventures	(765,936,499)	(1,972,503,922)
Advances to non-controlling interests	(8,000,030)	(4,229,267)
Additions to investment properties	(165,157,388)	(137,840,509)
Additions to property, plant and equipment	(107,743,840)	(52,484,978)
Increase in time deposits with original maturity over three months and charge over deposits	(3,004,693,182)	(11,585,696,303)
Purchase of equity and debt instruments	(187,583,450)	(64,433,165)
Acquisition of interests and capital injection in associates	(110,831,642)	(582,496,526)
Acquisition of interests in joint ventures	(366,043,594)	(13,193)
Reduction of capital of an associate	–	76,000,000
Net cash used in investing activities	(1,770,918,776)	(11,196,912,964)
Financing activities		
Repayments of bank borrowings	(1,289,000,000)	(2,000,000,000)
Repayments of lease liabilities	(49,780,264)	(55,369,979)
Advances from associates	129,251,770	149,269,230
Repayments to associates	(364,861,162)	(199,346,992)
Repayments to non-controlling interests	(12,864,886)	(2,964,064)
Advances from non-controlling interests	812,834,206	83,555,761
Dividends paid to ordinary shareholders of the Company	(413,444,005)	(3,053,687,864)
Interest and other finance costs paid	(116,815,751)	(44,273,429)
Dividends paid to non-controlling interests	(105,300,000)	(1,047,000,000)
Net cash used in financing activities	(1,409,980,092)	(6,169,817,337)

Consolidated statement of cash flows (Continued)

For the year ended 30th June, 2023

	2023 HK\$	2022 HK\$
Net decrease in cash and cash equivalents	(3,756,708,019)	(10,901,003,369)
Cash and cash equivalents brought forward	17,617,776,607	28,578,786,293
Effect of foreign exchange rate changes	<u>(98,320,190)</u>	<u>(60,006,317)</u>
Cash and cash equivalents carried forward	<u>13,762,748,398</u>	<u>17,617,776,607</u>
Analysis of the balances of cash and cash equivalents		
Restricted bank deposits	23,881,212	25,746,326
Time deposits	41,115,416,830	41,165,642,587
Bank balances and cash	<u>2,792,975,930</u>	<u>3,593,085,200</u>
Deposits, bank balances and cash in the consolidated statement of financial position	43,932,273,972	44,784,474,113
Less: Time deposits with original maturity over three months and charge over deposits	<u>(30,145,644,362)</u>	<u>(27,140,951,180)</u>
Restricted bank deposits	<u>(23,881,212)</u>	<u>(25,746,326)</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>13,762,748,398</u>	<u>17,617,776,607</u>

The notes on pages 136 to 238 form part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 30th June, 2023

1. General

The Company is a public listed limited liability company incorporated in Hong Kong and with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate holding company is Tsim Sha Tsui Properties Limited, a public listed limited liability company incorporated in Hong Kong and with its shares listed on the Stock Exchange. The address of the registered office and principal place of business of the Company is 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 46.

The consolidated financial statements of the Company and its subsidiaries (together referred to as the “Group”) are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are effective for the annual period beginning on or after 1st July, 2022 for the preparation of the consolidated financial statements:

Amendments to HKAS 16

Property, plant and equipment: Proceeds before intended use

Amendments to HKAS 37

Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

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

Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements as the Group does not sell items produced before an item of property, plant and equipment is available for use.

2. Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1st July, 2022, and has concluded that none of them is onerous.

New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In July 2023, the HKICPA published *Accounting implications of the abolition of the mandatory provident fund (“MPF”)-long service payment (“LSP”) offsetting mechanism in Hong Kong* that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism.

The Group is currently assessing the impact of the HKICPA guidance and expect to adopt this guidance with retrospective application in its annual financial statements for the year ending 30th June, 2024.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
HKFRS 17, <i>Insurance Contracts</i>	1st January, 2023
Amendments to HKAS 1, <i>Presentation of financial statements</i> and HKFRS Practice Statement 2, <i>Making materiality judgements: Disclosure of accounting policies</i>	1st January, 2023
Amendments to HKAS 8, <i>Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates</i>	1st January, 2023
Amendments to HKAS 12, <i>Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction</i>	1st January, 2023
Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i>	1st January, 2024
Amendments to HKAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants</i>	1st January, 2024
Amendments to HKFRS 16, <i>Leases: Lease liability in a sale and leaseback</i>	1st January, 2024

The Directors of the Company anticipate that the application of new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, with the exception of section 381 which requires a company to include all its subsidiary undertakings (within the meaning of Schedule 1 to the Hong Kong Companies Ordinance) in the Company's annual consolidated financial statements. Section 381 is inconsistent with the requirements of HKFRS 10, *Consolidated Financial Statements* so far as they apply to subsidiary undertakings which are not controlled by the Group in accordance with HKFRS 10. For this reason, under the provisions of section 380(6), the Company has departed from section 381 and has not treated such companies as subsidiaries but they are accounted for in accordance with the accounting policies in Note 3.2. Those excluded subsidiary undertakings of the Group are disclosed in Note 48. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with HKFRS 16, *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2, *Inventories* or value in use in HKAS 36, *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets 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.

3.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Basis of consolidation (Continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the shareholders of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9, *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Allocation of total comprehensive income and expense to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the Company's shareholders and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Investments in associates and joint ventures (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Where the accounting year end dates of the associates and joint ventures are different from the Group's accounting year end date, their results are accounted for in the Group's financial statements based on their management accounts made up to 30th June each year.

Goodwill arising on acquisitions prior to 1st January, 2005

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate recognised at the date of acquisition is recognised as goodwill. From 1st July, 2005 onwards, the Group has discontinued amortisation of goodwill and such goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Investments in associates and joint ventures (Continued)

Goodwill arising on acquisitions on or after 1st January, 2005

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is used for impairment as part of the investment. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity sells or contributes assets to a joint operation in which a group entity is a joint operator, the Group is considered to be selling or contributing assets to the other parties to the joint operation, and gains and losses resulting from the sale or contribution are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity purchases assets from a joint operation in which a group entity is a joint operator, the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including investment properties under redevelopment for such purposes.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Investment properties under redevelopment are measured at fair value at the end of the reporting period. Construction costs incurred for investment properties under redevelopment are capitalised as part of the carrying amount of the investment properties under redevelopment. Any difference between the fair value of the investment properties under redevelopment and their carrying amounts is recognised in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Hotel properties and property, plant and equipment

Hotel properties and property, plant and equipment and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated amortisation and depreciation and accumulated impairment losses, if any.

Amortisation and depreciation are recognised so as to write off the cost of items of property, plant and equipment and hotel properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of hotel properties and property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Hotel properties and property, plant and equipment (Continued)

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as hotel properties or property, plant and equipment.

Impairment losses on hotel properties, property, plant and equipment, right-of-use assets and contract costs

At the end of the reporting period, the Group reviews the carrying amounts of its hotel properties, property, plant and equipment, right-of-use assets and contract costs to determine whether there is any indication that those assets or the cash-generating unit to which the asset belongs have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Properties under development and stocks of completed properties

Properties under development which are developed in the ordinary course of business and stocks of completed properties are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties under development and stocks of completed properties are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales.

Transfer from properties under development to investment properties carried at fair value

The Group transfers a property from properties under development to investment property when there is a change in use to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the inception of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Hotel inventories

Hotel inventories are stated in the consolidated statement of financial position at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Except for those that are classified as investment properties and measured under the fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property or inventory as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property and inventory are presented within "investment properties" and "properties under development"/"stock of completed properties" respectively.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessor (Continued)

Classification and measurement of leases (Continued)

When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessee so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15, *Revenue from Contracts with Customers* to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15.

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Dividend income and interest revenue from loans receivable which are derived from the Group's ordinary course of business are presented as revenue.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3, *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "revenue" line item in profit or loss.

(iii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, advances to associates/joint ventures, debt instruments at FVTOCI, loans receivable, amounts due from associates/joint ventures/non-controlling interests, restricted bank deposits, time deposits and bank balances) and financial guarantee contracts which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

- (i) Significant increase in credit risk (Continued)
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor; and
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of investment grade as per globally understood definitions.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition, the Group considers the changes in the risk that the specified debtor will default on the contract.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been bankrupted. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable including in trade receivables, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and long-term loans receivable are each assessed as a separate group. Advances to and amounts due from related parties are assessed for expected credit losses on an individual basis); and
- Past-due status.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for financial guarantee contracts and investments in debt instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and long-term loans receivable where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve without reducing the carrying amount of these debt instruments. Such amount represents the changes in the investment revaluation reserve in relation to accumulated loss allowance.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, amounts due to associates/non-controlling interests, bank borrowings and advances from associates/non-controlling interests) are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. Unless the effect of discounting of trade and other payables are immaterial, in which case they are stated at invoice amounts.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

On derecognition of an investment in debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instrument

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Hedge accounting

The Group designates a derivative as hedging instrument for cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

For the purpose of determining whether a forecast transaction (or a component thereof) is highly probable, the Group assumes that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

In assessing the economic relationship between the hedged item and the hedging instrument, the Group assumes that the interest rate benchmark on which the hedged cash flows and/or the hedged risk (contractually or non-contractually specified) are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Hedge accounting (Continued)

Cash flow hedge

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the “other income and other gains or losses” line item in profit or loss.

For the purpose of reclassifying the amount of gains and losses accumulated in the hedging reserve in order to determine whether the hedged future cash flows are expected to occur, the Group assumes the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. Furthermore, if the Group expects that some or all of the loss accumulated in the hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligation (hotel room revenue and other ancillary services), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Revenue from contracts with customers (Continued)

Incremental costs of obtaining a contract (Continued)

The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The asset is included in trade and other receivables and is subject to impairment review.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates and joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred taxation are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred taxation are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

3. Basis of preparation of consolidated financial statements and significant accounting policies (Continued)

3.2 Significant accounting policies (Continued)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interest as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal of interest in a joint arrangement or an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the Company's shareholders are reclassified to profit or loss.

Retirement benefit costs

Payments to the retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Provisions and contingent liabilities

Provisions are recognised when the group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

4. Critical accounting judgement and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 3.2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at fair value. Such fair value is based on valuations conducted by independent professional valuers using property valuation techniques which involve certain assumptions of market conditions including estimates of future rental income from properties using current market rentals and yields as inputs. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss. Details of the fair value measurement of investment properties are set out in Note 17.

Estimated net realisable value on properties under development and stocks of completed properties

In determining whether allowances should be made for the Group's properties under development and stocks of completed properties, the Group takes into consideration the current market environment and the estimated net realisable value (i.e. the historical/estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, if any). An allowance is made if the estimated or actual net realisable value of the properties under development is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

5. Revenue

(a) Disaggregation of revenue

	2023 HK\$	2022 HK\$
Sales of properties	6,996,333,780	11,129,690,462
Property management and other services	1,175,707,903	1,147,617,763
Hotel operations	876,597,361	451,993,272
Revenue from goods and services	9,048,639,044	12,729,301,497
Rental income from operating leases	2,746,385,167	2,738,482,414
Interest revenue from loans receivable	48,387,419	59,630,977
Dividend income		
Listed investments	37,873,633	26,574,229
Unlisted investments	–	185,453
	<u>11,881,285,263</u>	<u>15,554,174,570</u>

For the year ended 30th June, 2023, revenue from contracts with customers recognised over time mainly consists of property management and other service fee income and hotel room revenue of HK\$1,175,707,903 and HK\$499,663,324 (2022: HK\$1,147,617,763 and HK\$253,358,796) 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\$6,996,333,780 and HK\$376,934,037 (2022: HK\$11,129,690,462 and HK\$198,634,476) respectively.

(b) Performance obligations for contracts with customers

Revenue from sales of properties is recognised at a point in time when the customer obtains the control of the completed properties.

Revenue from property management and other service fee income and hotel room revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Revenue from hotel food and beverage sales is recognised at a point in time when the food and beverage are served.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

5. Revenue (Continued)

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied) as at year end date regarding contracts for sales of properties and the expected timing of recognising revenue are as follows:

	2023 HK\$	2022 HK\$
Within one year	1,379,734,200	2,253,016,960
Over one year	–	1,361,153,100
	<u>1,379,734,200</u>	<u>3,614,170,060</u>

The amounts disclosed above do not include unsatisfied performance obligation that are related to the Group's contracts with an original duration of one year or less.

Contracts for property management and service fee income have various contractual periods for which the Group bills fixed amount for each month of service provided. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

All contracts in relation to revenue from hotel operations are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(d) Leases

All the lease income are from operating leases. The Directors of the Company consider that the variable lease payments that do not depend on an index or a rate included in the operating lease income was insignificant to the Group and thus the relevant financial information was not disclosed.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

6. Operating segments

The Group's operating segments are reported by six operating divisions – property sales, property rental, property management and other services, hotel operations, investments in securities and financing. This is the measure reported to the chief operating decision makers, being the Directors of the Company, for the purposes of resources allocation and performance assessment. No operating segment identified by chief operating decision makers has been aggregated in arriving at the reportable segments of the Group.

Segment results

For the year ended 30th June, 2023

	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	6,996,333,780	2,229,755,015	5,062,126,064	814,744,376	12,058,459,844	3,044,499,391
Property rental	2,746,385,167	2,340,684,210	783,035,535	666,606,711	3,529,420,702	3,007,290,921
	9,742,718,947	4,570,439,225	5,845,161,599	1,481,351,087	15,587,880,546	6,051,790,312
Property management and other services	1,175,707,903	239,226,827	115,110,342	13,244,933	1,290,818,245	252,471,760
Hotel operations	876,597,361	375,362,253	498,933,808	76,422,637	1,375,531,169	451,784,890
Investments in securities	37,873,633	37,873,633	3,900	3,900	37,877,533	37,877,533
Financing	48,387,419	48,387,419	7,219,090	7,219,090	55,606,509	55,606,509
	<u>11,881,285,263</u>	<u>5,271,289,357</u>	<u>6,466,428,739</u>	<u>1,578,241,647</u>	<u>18,347,714,002</u>	<u>6,849,531,004</u>

Segment assets

As at 30th June, 2023

	The Company and its subsidiaries HK\$	Associates and joint ventures HK\$	Total HK\$
Property sales	16,763,379,137	5,258,769,752	22,022,148,889
Property rental	66,438,748,206	15,306,800,191	81,745,548,397
	83,202,127,343	20,565,569,943	103,767,697,286
Property management and other services	934,040,600	30,469,149	964,509,749
Hotel operations	2,965,186,446	399,205,686	3,364,392,132
Investments in securities	1,247,000,039	2,520,175,380	3,767,175,419
Financing	23,366,830,662	39,711,099	23,406,541,761
Segment assets	<u>111,715,185,090</u>	<u>23,555,131,257</u>	135,270,316,347
Restricted bank deposits, time deposits, bank balances and cash			43,932,273,972
Deferred taxation and taxation recoverable			68,682,864
Total assets			<u>179,271,273,183</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

6. Operating segments (Continued)

Other information

For the year ended 30th June, 2023

	Property sales HK\$	Property rental HK\$	Property management and other services HK\$	Hotel operations HK\$	Investments in securities HK\$	Financing HK\$	Consolidated HK\$
Amounts included in the measure of segment assets:							
Capital additions							
– Property, plant and equipment	1,395,354	1,704,572	11,196,124	93,447,790	–	–	107,743,840
– Investment properties	–	165,157,388	–	–	–	–	165,157,388
– Hotel properties	–	–	–	–	–	–	–
– Right-of-use assets	–	171,244	67,694,409	–	–	–	67,865,653
Amounts regularly reviewed by the chief operating decision makers but not included in the measure of segment profit or loss:							
Change in fair value of investment properties	–	178,550,889	–	–	–	–	178,550,889
Depreciation							
– Property, plant and equipment	(1,040,568)	(2,466,748)	(17,110,674)	(71,817,676)	(5,229)	–	(92,440,895)
– Hotel properties	–	–	–	(32,867,965)	–	–	(32,867,965)
– Right-of-use assets	(455,619)	(85,717)	(49,711,000)	(22,598,859)	–	–	(72,851,195)

Segment results

For the year ended 30th June, 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	11,129,690,462	5,368,302,714	152,345,495	(21,874,468)	11,282,035,957	5,346,428,246
Property rental	2,738,482,414	2,392,090,226	832,125,937	730,571,466	3,570,608,351	3,122,661,692
Property management and other services	13,868,172,876	7,760,392,940	984,471,432	708,696,998	14,852,644,308	8,469,089,938
Hotel operations	1,147,617,763	197,498,123	116,962,797	23,294,474	1,264,580,560	220,792,597
Investments in securities	451,993,272	109,683,921	130,721,848	(16,704,368)	582,715,120	92,979,553
Financing	26,759,682	26,759,682	3,900	3,900	26,763,582	26,763,582
	59,630,977	59,630,977	8,512,751	8,512,751	68,143,728	68,143,728
	<u>15,554,174,570</u>	<u>8,153,965,643</u>	<u>1,240,672,728</u>	<u>723,803,755</u>	<u>16,794,847,298</u>	<u>8,877,769,398</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

6. Operating segments (Continued)

Segment assets

As at 30th June, 2022

	The Company and its subsidiaries HK\$	Associates and joint ventures HK\$	Total HK\$
Property sales	20,760,153,237	5,034,847,284	25,795,000,521
Property rental	62,269,721,047	15,699,820,438	77,969,541,485
	<u>83,029,874,284</u>	<u>20,734,667,722</u>	<u>103,764,542,006</u>
Property management and other services	462,783,574	39,299,472	502,083,046
Hotel operations	2,993,370,930	459,644,547	3,453,015,477
Investments in securities	1,051,935,005	2,464,744,140	3,516,679,145
Financing	22,784,722,187	35,884,316	22,820,606,503
	<u>110,322,685,980</u>	<u>23,734,240,197</u>	<u>134,056,926,177</u>
Segment assets			
Restricted bank deposits, time deposits, bank balances and cash			44,784,474,113
Deferred taxation and taxation recoverable			<u>142,475,501</u>
Total assets			<u>178,983,875,791</u>

Other information

For the year ended 30th June, 2022

	Property sales HK\$	Property rental HK\$	Property management and other services HK\$	Hotel operations HK\$	Investments in securities HK\$	Financing HK\$	Consolidated HK\$
Amounts included in the measure of segment assets:							
Capital additions							
- Property, plant and equipment	402,334	2,834,304	8,525,923	40,719,659	2,758	-	52,484,978
- Investment properties	-	137,840,509	-	-	-	-	137,840,509
- Hotel properties	-	-	-	-	-	-	-
- Right-of-use assets	1,984,504	-	29,344,066	-	-	-	31,328,570
Amounts regularly reviewed by the chief operating decision makers but not included in the measure of segment profit or loss:							
Change in fair value of investment properties	-	(683,168,848)	-	-	-	-	(683,168,848)
Depreciation							
- Property, plant and equipment	(988,040)	(2,643,192)	(16,161,542)	(49,512,652)	(9,814)	-	(69,315,240)
- Hotel properties	-	-	-	(33,950,733)	-	-	(33,950,733)
- Right-of-use assets	(737,592)	(9,171)	(54,506,774)	(22,448,122)	(50,041)	-	(77,751,700)

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

6. Operating segments (Continued)

Measurement

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in Note 3.2.

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 expense.

Reconciliation of profit before taxation

	2023 HK\$	2022 HK\$
Segment profit	6,849,531,004	8,877,769,398
Change in fair value of investment properties	178,550,889	(683,168,848)
Other income and other gains or losses	11,863,886	114,882,992
Change in fair value of financial assets at FVTPL	4,820,517	30,453,479
Gain on disposal of investment properties	494,377	4,002,696
Administrative expenses and other operating expenses	(999,403,670)	(939,560,341)
Finance income, net	1,346,622,736	305,833,126
Results shared from associates and joint ventures		
– Other income and other gains or losses	439,039,827	403,763,758
– Change in fair value of investment properties	(374,359,653)	(109,652,544)
– Administrative expenses and other operating expenses	(277,344,574)	(288,321,660)
– Finance costs, net	(129,652,798)	(85,018,961)
– Income tax expense	(308,869,259)	(317,166,279)
	<u>(651,186,457)</u>	<u>(396,395,686)</u>
Profit before taxation	<u>6,741,293,282</u>	<u>7,313,816,816</u>

During the year ended 30th June, 2023, inter-segment sales of HK\$93,010,378 (2022: HK\$142,161,786) 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 consolidated financial statements (Continued)

For the year ended 30th June, 2023

6. Operating segments (Continued)

Revenue from major products and services

An analysis of the Group's revenue for the year from its major products and services is set out in Note 5.

Geographical information

The Group operates in four principal geographical areas – Hong Kong, Mainland China, Singapore and Australia.

The Group's revenue from external customers and share of revenue from associates and joint ventures by location of operations and information about its non-current assets by location of assets, excluding financial instruments and deferred taxation, are detailed below:

	The Company's and its subsidiaries' external revenue		Share of revenue from associates and joint ventures		The Group's non-current assets	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
Mainland China and Hong Kong	10,906,997,012	15,035,734,799	6,279,620,901	1,167,123,966	87,658,164,874	84,715,804,116
Singapore and Australia	974,288,251	518,439,771	186,807,838	73,548,762	4,902,939,912	3,768,056,133
	<u>11,881,285,263</u>	<u>15,554,174,570</u>	<u>6,466,428,739</u>	<u>1,240,672,728</u>	<u>92,561,104,786</u>	<u>88,483,860,249</u>

Information about major customers

There was no customer who individually accounted for over 10% of the total revenue generated from the six operating divisions for both years.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

7. Finance income

	2023 HK\$	2022 HK\$
Interest income on bank deposits	1,320,018,922	300,074,545
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>70,826,385</u>	<u>37,185,147</u>
	<u>1,390,845,307</u>	<u>337,259,692</u>

8. Finance costs

	2023 HK\$	2022 HK\$
Interest and other finance costs on:		
bank loans	114,520,031	30,982,397
other loans	5,043,320	5,064,491
lease liabilities	1,969,442	943,071
Imputed interest expense on non-current interest-free advances from associates	<u>9,157,830</u>	<u>8,314,279</u>
	130,690,623	45,304,238
Fair value adjustment on an interest rate swap reclassified from hedging reserve to profit or loss	<u>(34,915,255)</u>	<u>3,893,556</u>
	95,775,368	49,197,794
Less: Amounts capitalised to properties under development	<u>(54,845,106)</u>	<u>(18,021,940)</u>
	<u>40,930,262</u>	<u>31,175,854</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

9. Share of results of associates

	2023 HK\$	2022 HK\$
Share of results of associates comprises:		
Share of profits of associates	437,995,867	709,883,007
Share of taxation of associates	<u>(114,625,657)</u>	<u>(319,374,499)</u>
	<u>323,370,210</u>	<u>390,508,508</u>

The Group's share of results of associates included the Group's share of decrease in fair value of investment properties of the associates, of HK\$207,897,049 (2022: HK\$105,858,831) recognised in the statement of profit or loss of the associates.

10. Share of results of joint ventures

	2023 HK\$	2022 HK\$
Share of results of joint ventures comprises:		
Share of profits/(losses) of joint ventures	797,928,582	(65,308,659)
Share of taxation of joint ventures	<u>(194,243,602)</u>	<u>2,208,220</u>
	<u>603,684,980</u>	<u>(63,100,439)</u>

The Group's 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\$166,462,604 (2022: HK\$3,793,713) recognised in the statement of profit or loss of the joint ventures.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

11. Profit before taxation

	2023 HK\$	2022 HK\$
Profit before taxation has been arrived at after charging/(crediting):		
Staff costs including Directors' remuneration (<i>Note 12</i>):		
Staff salaries and other benefits	1,638,427,795	1,519,014,314
Retirement benefit scheme contributions	65,336,357	53,887,936
Total staff costs	<u>1,703,764,152</u>	<u>1,572,902,250</u>
Auditor's remuneration		
– audit services	4,117,020	4,085,182
– non-audit services	970,500	535,000
Cost of hotel inventories consumed (included in direct expenses)	89,909,994	51,824,302
Cost of properties sold	4,180,678,874	5,277,594,743
Depreciation of property, plant and equipment, hotel properties and right-of-use assets (included in administrative and other operating expenses)	198,160,055	181,017,673
Gain on disposal of property, plant and equipment	(389,544)	(74,080)
Property, plant and equipment written off	90,615	–
Hotel properties written off	2,527,600	–
Impairment loss on trade receivables, net of reversal	16,262,534	9,249,318
Government grants		
– COVID-19 related	(6,525,357)	(20,525,184)
– Others	(8,200,738)	(1,161,777)

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

12. Directors' and Chairman's emoluments

The emoluments paid or payable to each of the eleven (2022: ten) Directors of the Company, which include the Chairman, were disclosed pursuant to section 383(1)-(4) of the Hong Kong Companies Ordinance and Hong Kong Companies (Disclosure of Information about Benefits of Directors) Regulation. Emoluments of the Directors of the Company in respect of their qualifying services including:

2023

	Mr. Robert Ng Chee Siong ^a HK\$ (Note ii)	Mr. Daryl Ng Win Kong ^a HK\$ (Note iv)	Mr. Ringo Chan Wing Kwong ^a HK\$ (Note iv)	Mr. Gordon Lee Ching Keung ^a HK\$ (Note iv)	Mr. Thomas Tang Wing Yung ^a HK\$ (Notes iv and v)	Mr. Victor Tin Sio Un ^a HK\$ (Note iii)	The Honourable Ronald Joseph Arculli [†] HK\$ (Note iii)	Dr. Allan Zeman [*] HK\$	Mr. Adrian David Li Man-kiu [*] HK\$	Mr. Steven Ong Kay Eng [*] HK\$	Mr. Wong Cho Bau [*] HK\$	Total HK\$
Fees	-	48,000	33,000	18,000	28,000	18,000	200,000	380,000	380,000	350,000	200,000	1,655,000
Salaries and other benefits	-	978,245	5,392,544	7,382,608	6,089,780	6,308,340	-	-	-	-	-	26,151,517
Retirement benefit scheme contributions	-	18,000	42,000	24,000	18,000	24,000	-	-	-	-	-	126,000
Discretionary bonus (Note i)	-	160,990	660,790	3,347,798	701,275	1,301,000	-	-	-	-	-	6,171,853
Total emoluments	-	1,205,235	6,128,334	10,772,406	6,837,055	7,651,340	200,000	380,000	380,000	350,000	200,000	34,104,370

2022

	Mr. Robert Ng Chee Siong ^a HK\$ (Note ii)	Mr. Daryl Ng Win Kong ^a HK\$	Mr. Ringo Chan Wing Kwong ^a HK\$	Mr. Gordon Lee Ching Keung ^a HK\$	Mr. Thomas Tang Wing Yung ^a HK\$	The Honourable Ronald Joseph Arculli [†] HK\$ (Note iii)	Dr. Allan Zeman [*] HK\$	Mr. Adrian David Li Man-kiu [*] HK\$	Mr. Steven Ong Kay Eng [*] HK\$	Mr. Wong Cho Bau [*] HK\$	Total HK\$
Fees	-	48,000	33,000	18,000	28,000	200,000	380,000	380,000	350,000	200,000	1,637,000
Salaries and other benefits	-	965,940	5,247,406	7,195,090	5,844,000	-	-	-	-	-	19,252,436
Retirement benefit scheme contributions	-	18,000	42,000	24,000	18,000	-	-	-	-	-	102,000
Discretionary bonus (Note i)	-	80,495	857,460	2,061,675	1,137,500	-	-	-	-	-	4,137,130
Total emoluments	-	1,112,435	6,179,866	9,298,765	7,027,500	200,000	380,000	380,000	350,000	200,000	25,128,566

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

12. Directors' and Chairman's emoluments (Continued)

Note i: Discretionary bonus is determined primarily based on the performance of each Director and the profitability of the Group.

Note ii: Mr. Robert Ng Chee Siong is also the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman. Mr. Ng is also a substantial shareholder of the Company through his trustee interest in shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong. Mr. Ng has waived his emoluments of HK\$1,277,760 for the year ended 30th June, 2023 (2022: HK\$1,277,760).

Note iii: A consultancy fee of HK\$1,666,664 (2022: HK\$1,666,664) was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli is the sole proprietor.

Note iv: Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong, Mr. Gordon Lee Ching Keung and Mr. Victor Tin Sio Un retired by rotation and were re-appointed as Executive Directors of the Company on 26th October, 2022.

Note v: Mr. Victor Tin Sio Un was appointed as an Executive Director of the Company on 1st July, 2022.

Note vi: The Executive Directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The Non-Executive Director's and Independent Non-Executive Directors' emoluments shown above were for their services as Directors of the Company.

(^ Executive Directors)

(# Non-Executive Director)

(* Independent Non-Executive Directors)

13. Employees' emoluments

Of the five individuals with the highest emoluments in the Group, four (2022: two) are Directors of the Company whose emoluments are included in Note 12. The emoluments of the remaining one (2022: three) individuals disclosed pursuant to the Listing Rules are as follows:

	2023 HK\$	2022 HK\$
Salaries and other emoluments (including basic salaries, housing allowances and other allowances)	7,242,494	17,003,020
Retirement benefit scheme contributions	24,000	66,500
Discretionary bonus	1,011,925	3,996,000
	8,278,419	21,065,520

Discretionary bonus is determined primarily based on the performance of each employee and the profitability of the Group.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

13. Employees' emoluments (Continued)

The emoluments of the remaining one (2022: three) individuals were within the following bands:

	Number of individuals	
	2023	2022
HK\$		
6,000,001 – 6,500,000	–	1
6,500,001 – 7,000,000	–	1
8,000,001 – 8,500,000	<u>1</u>	<u>1</u>

For the years ended 30th June, 2023 and 2022, no emoluments were paid by the Group to these five highest paid individuals and the Directors, as an inducement to join or upon joining the Group or as compensation for loss of office. Save as mentioned in Note 12, no other Director waived or agreed to waive any emoluments for both years.

14. Income tax expense

	2023 HK\$	2022 HK\$
Tax charge comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year	598,019,563	1,092,660,894
Over-provision in previous years	<u>(69,710)</u>	<u>(2,893,973)</u>
	<u>597,949,853</u>	<u>1,089,766,921</u>
Taxation in other jurisdictions		
Provision for the year	105,207,490	98,767,408
Under/(over)-provision in previous years	57,748,771	(334,172)
Land Appreciation Tax in Mainland China	<u>41,795,298</u>	<u>91,556,866</u>
	<u>204,751,559</u>	<u>189,990,102</u>
	<u>802,701,412</u>	<u>1,279,757,023</u>
Deferred taxation (Note 33)	<u>58,133,416</u>	<u>69,350,472</u>
	<u>860,834,828</u>	<u>1,349,107,495</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

14. Income tax expense (Continued)

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The Group considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Taxation for subsidiaries in Singapore and Mainland China are charged at appropriate current rates ruling in the relevant countries. The tax rates used are 17% in Singapore and 25% in Mainland China (2022: 17% in Singapore and 25% in Mainland China).

The provision for 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.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

	2023 HK\$	2022 HK\$
Profit before taxation	<u>6,741,293,282</u>	<u>7,313,816,816</u>
Tax charge at Hong Kong Profits Tax rate	1,112,313,392	1,206,779,775
Tax effect of share of results of associates and joint ventures	(152,964,107)	(54,022,331)
Tax effect of expenses not deductible for tax purpose	23,536,060	128,939,788
Tax effect of income not taxable for tax purpose	(265,889,322)	(67,549,355)
Under/(over)-provision in previous years	57,679,061	(3,228,145)
Tax effect of tax losses not recognised	50,714,973	14,014,816
Utilisation of tax losses previously not recognised	(22,563,243)	(11,871,624)
Tax effect of deductible temporary differences not recognised	38,245,737	20,443,056
Utilisation of deductible temporary differences previously not recognised	(62,518,065)	(30,989,841)
Effect of different tax rates of subsidiaries operating in other jurisdictions	40,485,044	55,034,490
Land Appreciation Tax in Mainland China	<u>41,795,298</u>	<u>91,556,866</u>
Tax charge for the year	<u>860,834,828</u>	<u>1,349,107,495</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

15. Dividends

	2023 HK\$	2022 HK\$
Dividends recognised as distribution during the year:		
Final dividend for the year ended 30th June, 2022: HK42 cents per share (2022: HK41 cents per share for the year ended 30th June, 2021)	3,241,625,735	3,032,389,290
Special dividend for the year ended 30th June, 2022 of nil per share (2022: HK28 cents per share for the year ended 30th June, 2021)	–	2,070,900,003
Interim dividend for the year ended 30th June, 2023: HK15 cents per share (2022: HK15 cents per share for the year ended 30th June, 2022)	<u>1,209,189,324</u>	<u>1,142,268,702</u>
	<u>4,450,815,059</u>	<u>6,245,557,995</u>

During the current year, scrip dividends were offered in respect of the 2022 final dividend and 2023 interim dividend. These scrip alternatives were accepted by certain shareholders, as follows:

	2023 Interim dividend HK\$	2022 Final dividend HK\$
Cash dividends	106,743,966	306,700,039
Scrip dividends	<u>1,102,445,358</u>	<u>2,934,925,696</u>
	<u>1,209,189,324</u>	<u>3,241,625,735</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

15. Dividends (Continued)

A final dividend of HK43 cents (2022: HK42 cents) per share for the year ended 30th June, 2023, totalling HK\$3,513,909,605 based on 8,171,882,803 shares (2022: HK\$3,241,625,735 based on 7,718,156,511 shares) has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting. It is expected that the final dividend will be dispatched to shareholders on or about 4th December, 2023.

On 6th December, 2021, the Company issued and allotted at an issue price of HK\$9.974 per ordinary 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.

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 17th April, 2023, the Company issued and allotted a total of 110,620,646 (2022: 103,031,838) ordinary shares at an issue price of HK\$9.966 (2022: HK\$9.774) per ordinary share, to the shareholders in lieu of cash for the 2023 interim dividend (2022: 2022 interim dividend).

16. 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:

	2023 HK\$	2022 HK\$
Earnings for the purpose of basic earnings per share	<u>5,849,379,302</u>	<u>5,735,396,549</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>7,936,409,998</u>	<u>7,543,166,230</u>

No diluted earnings per share has been presented for the years ended 30th June, 2023 and 2022 as there were no potential ordinary shares outstanding during the current and prior years.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

16. Earnings per share (Continued)

(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\$6,088,207,820 (2022: HK\$6,530,663,998) 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 year, taking into account tax effect and the amount attributable to the Company's shareholders. The denominators used are the same as those detailed above for reported earnings per share.

A reconciliation of profit is as follows:

	2023 HK\$	2022 HK\$
Earnings for the purpose of basic earnings per share	<u>5,849,379,302</u>	<u>5,735,396,549</u>
Change in fair value of investment properties	(178,550,889)	683,168,848
Effect of corresponding deferred tax	(3,596,658)	(2,752,118)
Share of results of associates		
– Change in fair value of investment properties	207,897,049	105,858,831
– Effect of corresponding deferred tax	(2,970,000)	(1,320,000)
Share of results of joint ventures		
– Change in fair value of investment properties	166,462,604	3,793,713
– Effect of corresponding deferred tax	(9,706,947)	(11,549,117)
	<u>179,535,159</u>	<u>777,200,157</u>
Amount attributable to non-controlling interests	<u>(16,231,996)</u>	<u>(6,309,353)</u>
Unrealised change in fair value of investment properties attributable to the Company's shareholders	163,303,163	770,890,804
Realised fair value gain on investment properties disposed of during the year, net of taxation	2,357,909	12,990,290
Realised fair value gain on interest in an associate upon sales of its properties during the year	<u>73,167,446</u>	<u>11,386,355</u>
	<u>238,828,518</u>	<u>795,267,449</u>
Underlying profit attributable to the Company's shareholders	<u>6,088,207,820</u>	<u>6,530,663,998</u>
Underlying earnings per share	<u>0.76</u>	<u>0.86</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

17. Investment properties

The Group leases out various offices, industrial, residential and retail properties under operating leases with rentals payable monthly. Certain leases of retail properties contain variable lease payments that are based on percentage of sales and minimum annual lease payment that are fixed over the lease term.

	Investment properties in Hong Kong HK\$	Investment properties under redevelopment in Hong Kong HK\$	Investment properties in Mainland China HK\$	Investment properties in Singapore HK\$	Total HK\$
Fair value					
At 1st July, 2021	58,809,170,907	93,000,000	2,335,592,695	1,220,219,000	62,457,982,602
Exchange realignment	–	–	(66,192,874)	(28,694,650)	(94,887,524)
Additions	137,071,597	768,912	–	–	137,840,509
Transfer from properties under development	–	–	26,708,414	–	26,708,414
Disposals	(52,819,845)	–	(1,172,287)	–	(53,992,132)
Adjustments to construction costs	(224,898)	–	(30,392)	–	(255,290)
Change in fair value	<u>(662,147,754)</u>	<u>2,231,088</u>	<u>5,752,793</u>	<u>(29,004,975)</u>	<u>(683,168,848)</u>
At 30th June, 2022 and 1st July, 2022	58,231,050,007	96,000,000	2,300,658,349	1,162,519,375	61,790,227,731
Exchange realignment	–	–	(167,273,761)	33,496,350	(133,777,411)
Additions	164,305,169	852,219	–	–	165,157,388
Transfer from properties under development	4,001,651,302	–	9,440,988	–	4,011,092,290
Disposals	(2,981,623)	–	–	–	(2,981,623)
Adjustments to construction costs	(1,586,541)	–	–	–	(1,586,541)
Change in fair value	<u>160,884,986</u>	<u>(852,219)</u>	<u>(1,998,278)</u>	<u>20,516,400</u>	<u>178,550,889</u>
At 30th June, 2023	<u>62,553,323,300</u>	<u>96,000,000</u>	<u>2,140,827,298</u>	<u>1,216,532,125</u>	<u>66,006,682,723</u>

Fair value measurement of investment properties

Fair value hierarchy

The fair value of the Group's investment properties is measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement*.

All of the Group's investment properties measured at fair value are categorised as Level 3 valuation.

During the years ended 30th June, 2023 and 2022, there were no transfers among Levels 1, 2 and 3.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

17. Investment properties (Continued)

Fair value measurement of investment properties (Continued)

Valuation process and methodologies

The fair values of the Group's investment properties at 30th June, 2023 and 2022 have been arrived at on the basis of valuations carried out as at those dates by Knight Frank Petty Limited and Knight Frank Pte Ltd., firms of independent qualified professional valuers not connected with the Group. The valuations 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. In estimating the fair value of the properties, the highest and the best use of the properties is their current use.

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 reflect the risks associated with the development of the properties.

All of the Group's leasehold property interests held to earn rentals or for capital appreciation purposes are measured using fair value model and are classified and accounted for as investment properties.

Level 3 valuation methodologies

Below is a table which presents the significant unobservable input:

Investment properties	Range of capitalisation rates (%)
In Hong Kong	
– Office/Industrial	3% – 6% (2022: 3% – 6%)
– Residential	2% – 4% (2022: 2% – 4%)
– Retail	3% – 6% (2022: 3% – 6%)
Outside Hong Kong	
– Office	4% – 7% (2022: 4% – 7%)

The fair value measurement of investment properties is negatively correlated to the capitalisation rate, which is applied to the prevailing market rent. A slight increase/decrease in the capitalisation rate would result in a significant decrease/increase in fair value, and vice versa.

Estimated costs to completion, developer's profit and risk margins required are estimated by valuers based on market conditions for investment properties under redevelopment. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. A slight increase/decrease in costs and decrease/increase in risk margins would result in a significant decrease/increase in fair value, and vice versa.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

18. Hotel properties

	Hotel property in Hong Kong <i>HK\$</i>	Hotel properties in Singapore <i>HK\$</i>	Total <i>HK\$</i>
Cost			
At 1st July, 2021	220,424,515	1,937,482,273	2,157,906,788
Exchange realignment	–	(46,116,505)	(46,116,505)
	<u>220,424,515</u>	<u>1,891,365,768</u>	<u>2,111,790,283</u>
At 30th June, 2022 and 1st July, 2022	220,424,515	1,891,365,768	2,111,790,283
Exchange realignment	–	53,995,343	53,995,343
Write off	(524,607)	(2,248,130)	(2,772,737)
	<u>(524,607)</u>	<u>(2,248,130)</u>	<u>(2,772,737)</u>
At 30th June, 2023	<u>219,899,908</u>	<u>1,943,112,981</u>	<u>2,163,012,889</u>
Depreciation			
At 1st July, 2021	32,414,467	380,718,267	413,132,734
Exchange realignment	–	(9,397,241)	(9,397,241)
Provided for the year	6,114,147	27,836,586	33,950,733
	<u>6,114,147</u>	<u>27,836,586</u>	<u>33,950,733</u>
At 30th June, 2022 and 1st July, 2022	38,528,614	399,157,612	437,686,226
Exchange realignment	–	11,775,495	11,775,495
Provided for the year	6,096,514	26,771,451	32,867,965
Write off	–	(245,137)	(245,137)
	<u>–</u>	<u>(245,137)</u>	<u>(245,137)</u>
At 30th June, 2023	<u>44,625,128</u>	<u>437,459,421</u>	<u>482,084,549</u>
Carrying values			
At 30th June, 2023	<u>175,274,780</u>	<u>1,505,653,560</u>	<u>1,680,928,340</u>
At 30th June, 2022	<u>181,895,901</u>	<u>1,492,208,156</u>	<u>1,674,104,057</u>

The hotel properties are depreciated on a straight-line basis over the relevant terms of the leases of 36 to 96 years.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

19. Property, plant and equipment

	Computer systems <i>HK\$</i>	Furniture, fixtures equipment and hotel operating equipment <i>HK\$</i>	Leasehold improvements <i>HK\$</i>	Motor vehicles <i>HK\$</i>	Plant and machinery <i>HK\$</i>	Total <i>HK\$</i>
Cost						
At 1st July, 2021	169,434,195	653,462,607	55,159,993	40,939,054	16,251,564	935,247,413
Exchange realignment	(1,491,239)	(13,845,202)	(30,245)	(329,179)	(70,236)	(15,766,101)
Additions	8,981,428	38,998,070	1,829,950	982,469	1,693,061	52,484,978
Write off	(12,850)	(15,679)	-	-	-	(28,529)
Disposals	(2,934,861)	(1,323,968)	-	(1,382,921)	(899,261)	(6,541,011)
At 30th June, 2022 and 1st July, 2022	173,976,673	677,275,828	56,959,698	40,209,423	16,975,128	965,396,750
Exchange realignment	1,507,297	17,176,425	(78,888)	224,443	(183,196)	18,646,081
Additions	5,402,478	76,296,103	22,166,537	1,865,852	2,012,870	107,743,840
Write off	(388,980)	(839,578)	(23,205)	-	(143,640)	(1,395,403)
Disposals	(6,652,789)	(19,112,066)	(3,447,432)	(1,115,711)	(1,102,455)	(31,430,453)
At 30th June, 2023	173,844,679	750,796,712	75,576,710	41,184,007	17,558,707	1,058,960,815
Depreciation						
At 1st July, 2021	135,573,144	562,413,259	47,638,478	31,621,460	12,184,702	789,431,043
Exchange realignment	(1,334,269)	(12,082,928)	(25,317)	(245,672)	(43,088)	(13,731,274)
Provided for the year	14,760,526	46,726,099	2,398,463	3,455,493	1,974,659	69,315,240
Write off	(12,850)	(15,679)	-	-	-	(28,529)
Eliminated on disposals	(2,926,747)	(1,236,613)	-	(1,382,921)	(899,261)	(6,445,542)
At 30th June, 2022 and 1st July, 2022	146,059,804	595,804,138	50,011,624	33,448,360	13,217,012	838,540,938
Exchange realignment	1,391,398	15,211,054	(68,123)	160,637	(121,657)	16,573,309
Provided for the year	14,455,141	69,360,175	3,007,699	2,965,937	2,651,943	92,440,895
Write off	(351,085)	(811,608)	(23,205)	-	(118,890)	(1,304,788)
Eliminated on disposals	(5,721,445)	(17,798,430)	(3,400,976)	(1,115,711)	(1,102,455)	(29,139,017)
At 30th June, 2023	155,833,813	661,765,329	49,527,019	35,459,223	14,525,953	917,111,337
Carrying values						
At 30th June, 2023	18,010,866	89,031,383	26,049,691	5,724,784	3,032,754	141,849,478
At 30th June, 2022	27,916,869	81,471,690	6,948,074	6,761,063	3,758,116	126,855,812

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

19. Property, plant and equipment (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Computer systems	20% – 33 $\frac{1}{3}$ %
Furniture, fixtures, equipment and hotel operating equipment	10% – 33 $\frac{1}{3}$ %
Leasehold improvements	20%
Motor vehicles	20% – 25%
Plant and machinery	10% – 33 $\frac{1}{3}$ %

Included in furniture, fixtures, equipment and hotel operating equipment, the carrying value of HK\$76,061,161 (2022: HK\$67,516,978) as at 30th June, 2023 represents furniture, fixtures and equipment relating to the hotel operations of the Group.

20. Right-of-use assets

	Leasehold land HK\$	Leased properties HK\$	Total HK\$
Cost			
At 1st July, 2021	1,440,528,046	174,970,277	1,615,498,323
Additions	–	31,328,570	31,328,570
Write off	–	(4,900,700)	(4,900,700)
Exchange realignment	<u>(32,076,626)</u>	<u>(123,663)</u>	<u>(32,200,289)</u>
At 30th June, 2022 and 1st July, 2022	1,408,451,420	201,274,484	1,609,725,904
Additions	–	67,865,653	67,865,653
Write off	–	(16,873,290)	(16,873,290)
Exchange realignment	<u>37,578,823</u>	<u>(197,153)</u>	<u>37,381,670</u>
At 30th June, 2023	<u>1,446,030,243</u>	<u>252,069,694</u>	<u>1,698,099,937</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

20. Right-of-use assets (Continued)

	Leasehold land <i>HK\$</i>	Leased properties <i>HK\$</i>	Total <i>HK\$</i>
Depreciation			
At 1st July, 2021	278,613,118	106,418,114	385,031,232
Additions	22,448,122	55,303,578	77,751,700
Write off	–	(4,900,700)	(4,900,700)
Exchange realignment	(6,544,162)	(44,618)	(6,588,780)
	<u>294,517,078</u>	<u>156,776,374</u>	<u>451,293,452</u>
At 30th June, 2022 and 1st July, 2022	294,517,078	156,776,374	451,293,452
Additions	22,598,859	50,252,336	72,851,195
Write off	–	(10,686,694)	(10,686,694)
Exchange realignment	8,229,096	(100,100)	8,128,996
	<u>325,345,033</u>	<u>196,241,916</u>	<u>521,586,949</u>
At 30th June, 2023			
Carrying values			
At 30th June, 2023	<u>1,120,685,210</u>	<u>55,827,778</u>	<u>1,176,512,988</u>
At 30th June, 2022	<u>1,113,934,342</u>	<u>44,498,110</u>	<u>1,158,432,452</u>
		2023	2022
		<i>HK\$</i>	<i>HK\$</i>
Expense relating to short-term leases		<u>13,453,976</u>	<u>17,372,456</u>
Total cash outflow for leases		<u>65,203,682</u>	<u>73,685,506</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

20. Right-of-use assets (Continued)

For both years, the Group leases various properties for its operations. Lease contracts are entered into for fixed term of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns hotel properties for its operations. The relevant subsidiaries of the Group are the registered owners of these property interests, including the underlying leasehold lands. Lump sum payments were made to acquire these property interests. The leasehold land components of these owned properties are presented separately as right-of-use assets as the payments made for the leasehold land components can be identified reliably.

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

	2023 HK\$	2022 HK\$
Interests in associates	<u>17,076,647,976</u>	<u>17,869,483,624</u>
Advances to associates	5,374,339,832	5,267,870,933
Less: Allowance	<u>(1,379,168,533)</u>	<u>(1,399,469,435)</u>
	<u>3,995,171,299</u>	<u>3,868,401,498</u>

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 30th June, 2023, out of the Group's advances to associates net of allowance, HK\$1,245,469,353 (2022: HK\$1,167,944,397) bears 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.

Details of impairment assessment of advances to associates and amounts due from associates for the years ended 30th June, 2023 and 2022 are set out in Note 41.

Particulars of the principal associates at 30th June, 2023 and 2022 are set out in Note 47.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

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

Summarised financial information of material associates

For both years, no associate is considered to be individually material to the Group.

Aggregate information of associates that are not individually material

	2023 HK\$	2022 HK\$
The Group's share of profit and total comprehensive income for the year	<u>323,370,210</u>	<u>390,508,508</u>
Aggregate carrying amount of the Group's interests in these associates	<u>17,076,647,976</u>	<u>17,869,483,624</u>

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

	2023 HK\$	2022 HK\$
Interests in joint ventures	<u>6,478,483,281</u>	<u>5,864,756,573</u>
Advances to joint ventures	11,284,666,509	12,138,146,702
Less: Allowance	<u>(851,496,075)</u>	<u>(788,032,924)</u>
	<u>10,433,170,434</u>	<u>11,350,113,778</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

22. Interests in joint ventures/advances to joint ventures/amounts due from joint ventures (Continued)

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 30th June, 2023, out of the Group's advances to joint ventures, HK\$4,350,398,299 (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 30th June, 2023, out of the Group's amounts due from joint ventures, HK\$99,242,931 (2022: HK\$80,099,160) bear interest and the remaining balance is interest-free.

Details of impairment assessment of advances to joint ventures and amounts due from joint ventures for the years ended 30th June, 2023 and 2022 are set out in Note 41.

Particulars of the principal joint ventures at 30th June, 2023 and 2022 are set out in Note 48.

Summarised financial information of material joint ventures

For both years, no joint venture is considered to be individually material to the Group.

Aggregate information of joint ventures that are not individually material

	2023 HK\$	2022 HK\$
The Group's share of profit/(loss) and total comprehensive income for the year	<u>603,684,980</u>	<u>(63,100,439)</u>
Aggregate carrying amount of the Group's interests in these joint ventures	<u>6,478,483,281</u>	<u>5,864,756,573</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

23. Equity and debt instruments

Equity and debt instruments comprise:

	2023 HK\$	2022 HK\$
Listed investments at FVTOCI:		
Equity securities listed in		
Hong Kong	638,406,215	592,729,727
Singapore	119,251,873	144,637,655
Perpetual bonds listed in		
Hong Kong	35,176,391	36,488,550
	<u>792,834,479</u>	<u>773,855,932</u>
Unlisted investments at FVTOCI	2,961,578	2,961,578
	<u>795,796,057</u>	<u>776,817,510</u>
Debt instruments at FVTOCI listed in Hong Kong and Singapore	182,118,428	33,458,728
	<u>977,914,485</u>	<u>810,276,238</u>
Listed investments at FVTPL:		
Equity securities listed in Hong Kong	8,449,806	7,936,140
Equity securities listed elsewhere	6,813	7,265
	<u>8,456,619</u>	<u>7,943,405</u>
Unlisted investments at FVTPL	214,397,349	186,891,926
	<u>222,853,968</u>	<u>194,835,331</u>
Total	1,200,768,453	1,005,111,569
Less: current portion	(8,456,619)	(7,943,405)
Non-current portion	<u>1,192,311,834</u>	<u>997,168,164</u>

These equity investments at FVTOCI are not held for trading, instead, they are held for long-term strategic purposes. The Directors have elected to designate these investments in equity instruments as at FVTOCI, as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run. The equity investments at FVTPL are not held for long-term strategic purposes. Therefore, they are classified as FVTPL.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

23. Equity and debt instruments (Continued)

At 30th June, 2023, debt instruments at FVTOCI carried interest at fixed interest rates ranging from 3.5% to 6.2% (2022: 3.5% to 6.2%) per annum and had maturity dates ranging from August 2024 to January 2030 (2022: maturity dates ranging from August 2024 to January 2030).

Unlisted investments include unlisted equity securities issued by private entities and private funds incorporated in Hong Kong, Mainland China or the Cayman Islands.

At 30th June, 2023 and 2022, all equity and debt instruments are stated at fair value. Details of the fair value measurements for equity and debt instruments and impairment assessment for debt instruments are set out in Note 41.

24. Amounts due from/to non-controlling interests

The amounts due from/to non-controlling interests of the Group are unsecured, interest-free and recoverable/repayable on demand.

Details of impairment assessment of amounts due from non-controlling interests for the years ended 30th June, 2023 and 2022 are set out in Note 41.

25. Long-term loans receivable

	2023 HK\$	2022 HK\$
Gross carrying amount of long-term variable-rate loans receivable	3,548,436,786	2,935,182,104
Less: Current portion shown under current assets	<u>(109,511,988)</u>	<u>(80,586,293)</u>
	<u>3,438,924,798</u>	<u>2,854,595,811</u>

The Group offers loans to buyers of properties sold by the Group and the repayment terms of the loans are specified in the respective loan agreements.

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these debtors.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

25. Long-term loans receivable (Continued)

Variable-rate loans receivable, net of allowance for credit loss, if any, have the following maturity in accordance with the contractual maturity dates in the loan agreements:

	2023 HK\$	2022 HK\$
Within one year	109,511,988	80,586,293
In more than one year but not more than five years	1,314,124,696	591,752,036
In more than five years	<u>2,124,800,102</u>	<u>2,262,843,775</u>
	<u>3,548,436,786</u>	<u>2,935,182,104</u>

The Group's long-term loans receivable are denominated in HK\$ and carry interest rates (which are the contractual interest rates) at prime rate or prime rate plus/minus a margin per annum and are secured by mortgages over the properties acquired by the purchasers. The maturity dates of the balances are ranging from within 1 to 25 years (2022: ranging from within 1 to 26 years).

Details of impairment assessment of long-term loans receivable for the years ended 30th June, 2023 and 2022 are set out in Note 41.

26. Trade and other receivables

Trade receivables mainly comprise rental receivables and property management and other services. Rental receivables are billed and payable in advance by tenants.

	2023 HK\$	2022 HK\$
Trade receivables	356,471,762	393,312,874
Less: Allowance for credit losses	<u>(80,325,330)</u>	<u>(74,384,641)</u>
	276,146,432	318,928,233
Other receivables and prepayments	<u>1,481,075,598</u>	<u>1,045,165,241</u>
	<u>1,757,222,030</u>	<u>1,364,093,474</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

26. Trade and other receivables (Continued)

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade debtors.

As at 30th June, 2023, 30th June, 2022 and 1st July, 2021, trade receivables (net of allowance for credit losses) from contracts with customer amounted to HK\$174,792,767, HK\$195,244,461 and HK\$166,185,208 respectively.

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.

	2023 HK\$	2022 HK\$
Current or up to 30 days	182,475,964	133,279,262
31 – 60 days	16,252,066	46,484,350
61 – 90 days	9,214,418	35,514,705
Over 90 days	68,203,984	103,649,916
	<u>276,146,432</u>	<u>318,928,233</u>

For those current receivables at 30th June, 2023 and 2022, although no collateral was held, the Group had assessed the creditworthiness, past payment history and taken into account information specific to the customer as well as pertaining to the economic environment in which the debtor operates. Trade receivables overdue more than 90 days (net of allowance for credit losses) amounting to HK\$68,203,984 (2022: HK\$103,649,916) are sufficiently covered by rental deposits received from the respective tenants and no significant expected credit losses are considered.

Other receivables and prepayments mainly comprise receivables in relation to utility and other deposits paid of HK\$188,738,055 (2022: HK\$195,410,909), other payments in advance of HK\$94,458,599 (2022: HK\$146,082,076) which mainly related to property development projects and interest receivables of HK\$647,638,175 (2022: HK\$139,092,973).

Details of impairment assessment of trade and other receivables for the years ended 30th June, 2023 and 2022 are set out in Note 41.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

27. Time deposits and restricted bank deposits/Bank balances and cash

At 30th June, 2023, time deposits of HK\$2,144,203,601 (2022: HK\$3,015,161,051) were charged for finance undertakings issued by banks for certain subsidiaries, associates and joint ventures of the Company. The balance includes cash held by stakeholders of HK\$1,466,709,383 (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\$23,881,212 (2022: HK\$25,746,326) represented deposits placed with banks, which were used as a guarantee for a construction contract.

The restricted bank deposits, time deposits and bank balances carry floating interest rates ranging from 0.001% to 6.15% (2022: 0.001% to 3.70%) per annum.

Details of impairment assessment of restricted bank deposits, time deposits and bank balances for the years ended 30th June, 2023 and 2022 are set out in Note 41.

28. Trade and other payables

At 30th June, 2023, included in trade and other payables of the Group are trade payables of HK\$143,613,613 (2022: HK\$154,359,104).

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

	2023 HK\$	2022 HK\$
1 – 30 days	84,518,116	123,505,091
31 – 60 days	28,009,477	6,823,758
61 – 90 days	2,554,753	2,106,255
Over 90 days	28,531,267	21,924,000
	<u>143,613,613</u>	<u>154,359,104</u>

Other payables mainly comprise accrual of construction cost of HK\$1,504,597,528 (2022: HK\$1,713,821,701), rental and utilities deposits received of HK\$769,115,756 (2022: HK\$744,090,663), receipt in advance of HK\$1,668,221,926 (2022: HK\$1,680,997,769) which mainly related to property development projects, and rental receipt in advance of HK\$158,879,862 (2022: HK\$157,344,674).

All the Group's trade and other payables are expected to be settled within one year or are repayable on demand except for an amount of HK\$681,951,644 (2022: HK\$682,456,117), which is mainly for rental deposits received and construction cost payables are expected to be settled after more than one year from the end of the reporting period.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

29. Lease liabilities

	2023 HK\$	2022 HK\$
Lease liabilities payable:		
Within one year	41,018,314	31,180,353
More than one year but not more than two years	15,317,682	13,382,240
More than two years but not more than five years	60,118	168,505
	<u>56,396,114</u>	<u>44,731,098</u>
Less: Amounts due for settlement within 12 months shown under current liabilities	<u>(41,018,314)</u>	<u>(31,180,353)</u>
Amounts due for settlement after 12 months shown under non-current liabilities	<u>15,377,800</u>	<u>13,550,745</u>

30. Contract liabilities

As at 30th June, 2023, the Group has recognised contract liabilities of HK\$826,871,315 (30th June, 2022: HK\$2,586,016,080 and 1st July, 2021: HK\$5,852,248,183) related to property sales. The decrease in balance at 30th June, 2023 is mainly attributable to property sales deposits recognised as revenue exceeding property sales deposits received during the year.

The contract liabilities of the Group are all expected to be settled within the Group's normal operating cycle and thus are classified as current liabilities. As at 30th June, 2023, no contract liabilities are expected to be settled after more than one year (2022: HK\$564,691,636 was expected to be settled after more than one year). No significant financing component is included in contract liabilities for both years.

The Group receives certain percentage of the contract price as deposits from customers when they sign the sale and purchase agreements. The rest of sale consideration is typically paid when legal assignment is completed. In many cases, the Group receives further deposits from customers prior to the completion of legal assignment. In some sales arrangements, customers agree to pay the rest of sale consideration early while construction is still ongoing. All such deposits received are recognised as contract liabilities throughout the property construction period until the customer obtains control of the completed property.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

30. Contract liabilities (Continued)

The following shows how much of the revenue recognised in the current year relates to brought-forward contract liabilities.

	2023 HK\$	2022 HK\$
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	<u>2,006,696,916</u>	<u>5,553,898,458</u>

31. Bank borrowings

	2023 HK\$	2022 HK\$
Long-term bank borrowings		
Within one year	1,132,532,000	2,253,528,000
More than one year but not exceeding two years	–	–
More than two years but not exceeding five years	<u>831,996,000</u>	<u>996,632,901</u>
	<u>1,964,528,000</u>	3,250,160,901
Less: Current portion shown under current liabilities	<u>(1,132,532,000)</u>	<u>(2,253,528,000)</u>
Total bank borrowings – due after one year	<u>831,996,000</u>	<u>996,632,901</u>

All of the Group's bank borrowings carry interest rates (which are also the effective interest rates) at HIBOR plus a margin per annum.

The bank borrowings of the Group are guaranteed by the Company (Note 36), and a bank borrowing amounted to HK\$452,532,000 (2022: HK\$576,532,000) is also secured by the share of a subsidiary of the Company.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

32. Share capital

	2023		2022	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Ordinary shares, issued and fully paid:				
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	453,726,292	4,037,371,054	322,085,071	3,191,870,131
At 30th June – ordinary shares with no par value	<u>8,171,882,803</u>	<u>60,441,204,098</u>	<u>7,718,156,511</u>	<u>56,403,833,044</u>

On 6th December, 2021, the Company issued and allotted at an issue price of HK\$9.974 per ordinary 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.

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 17th April, 2023, the Company issued and allotted a total of 110,620,646 (2022: 103,031,838) ordinary shares at an issue price of HK\$9.966 (2022: HK\$9.774) per ordinary share, to the shareholders in lieu of cash for the 2023 interim dividend (2022: 2022 interim dividend).

The shares rank pari passu in all respects with the existing shares.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

33. Deferred taxation

The major deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting periods are as follows:

	Accelerated tax depreciation <i>HK\$</i>	Revaluation of investment properties <i>HK\$</i>	Undistributed profits of subsidiaries, associates and joint ventures <i>HK\$</i>	Tax losses <i>HK\$</i>	Others <i>HK\$</i>	Total <i>HK\$</i>
At 1st July, 2021	988,870,690	1,360,875,899	364,859,601	(66,025,996)	(1,384,518)	2,647,195,676
Exchange realignment	–	(24,555,743)	(440,786)	–	(2,061,142)	(27,057,671)
Charged/(credited) to profit or loss for the year	<u>45,445,060</u>	<u>(3,700,955)</u>	<u>28,081,695</u>	<u>8,739,431</u>	<u>(9,214,759)</u>	<u>69,350,472</u>
At 30th June, 2022 and 1st July, 2022	1,034,315,750	1,332,619,201	392,500,510	(57,286,565)	(12,660,419)	2,689,488,477
Exchange realignment	–	(72,370,886)	(822,724)	–	2,252,555	(70,941,055)
Charged/(credited) to profit or loss for the year	<u>54,342,276</u>	<u>(2,212,855)</u>	<u>15,541,769</u>	<u>(7,059,714)</u>	<u>(2,478,060)</u>	<u>58,133,416</u>
At 30th June, 2023	<u>1,088,658,026</u>	<u>1,258,035,460</u>	<u>407,219,555</u>	<u>(64,346,279)</u>	<u>(12,885,924)</u>	<u>2,676,680,838</u>

The net balance comprised deferred tax liabilities of HK\$2,684,332,188 (2022: HK\$2,693,939,581) and deferred tax assets of HK\$7,651,350 (2022: HK\$4,451,104).

At 30th June, 2023, the Group had unused tax losses of HK\$1,000,784,952 (2022: HK\$787,382,261) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$389,977,449 (2022: HK\$347,191,303) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$610,807,503 (2022: HK\$440,190,958) due to the uncertainty of future profit streams. These losses may be carried forward indefinitely.

At 30th June, 2023, the Group had deductible temporary differences of HK\$228,543,824 (2022: HK\$375,648,842). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

34. 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.

35. Advances from non-controlling interests

The advances from non-controlling interests of the Group amounting to HK\$63,707,922 (2022: HK\$71,923,803) are unsecured, bear interest at 6.25% (2022: 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$68,909,409 (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.

36. Financial guarantee contracts

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

	2023 HK\$	2022 HK\$
Guarantees given to banks in respect of:		
Banking facilities of associates and joint ventures attributable to the Group		
– Utilised	7,073,251,812	8,202,027,181
– Unutilised	<u>3,019,040,843</u>	<u>3,881,171,599</u>
	<u>10,092,292,655</u>	<u>12,083,198,780</u>

At 30th June, 2023 and 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 HKFRS 9 at the end of the reporting periods are insignificant.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

37. Operating lease arrangements

The Group as lessor

Property rental income earned during the year, net of outgoings of HK\$405,700,957 (2022: HK\$346,392,188), was HK\$2,340,684,210 (2022: HK\$2,392,090,226). Most of the properties have committed tenants with fixed rental for an average term of two (2022: two) years.

Lease payments receivable on leases are as follows:

	2023 HK\$	2022 HK\$
Within one year	1,786,748,983	2,072,929,318
In the second year	1,110,775,280	1,152,287,356
In the third year	602,399,816	679,278,993
In the fourth year	236,744,620	387,339,171
In the fifth year	97,486,434	136,138,087
After five years	308,083,670	43,028,790
	<u>4,142,238,803</u>	<u>4,471,001,715</u>

38. Retirement benefit scheme

The Group operates a Mandatory Provident Fund Scheme (“MPF Scheme”) for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The Group is also required to make contributions to state pension scheme, the Central Provident Fund, based on certain percentages of the monthly salaries of the employees of the Company’s subsidiaries operating in Singapore. The Group has no other obligations under this state pension scheme other than the contribution payments.

The eligible employees of the Company’s subsidiaries in Mainland China are members of pension schemes operated by the Chinese local government. The subsidiaries are required to contribute a certain percentage of the relevant cost of the basic payroll of these employees to the pension schemes to fund the benefits. The Group has no other obligations under this state pension scheme other than the contribution payments.

39. Properties under development/Stocks of completed properties

At the end of the reporting period, properties under development amounting to HK\$7,357,793,467 (2022: HK\$6,285,242,382) were not expected to be realised within twelve months from the end of the reporting period.

The carrying amount of leasehold land included in properties under development and stocks of completed properties of HK\$12,881,417,852 (2022: HK\$15,529,478,218) is measured under HKFRS 16 at cost less accumulated depreciation and any impairment losses. The residual values are determined as the estimated disposal value of the leasehold land component. No depreciation charge is made on the leasehold land taking into account the estimated residual values as at 30th June, 2023 and 2022.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

40. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debts, which include bank borrowings, advances from associates/non-controlling interests, amounts due to associates/non-controlling interests and equity attributable to the Company's shareholders, comprising issued share capital, retained profits and other reserves as disclosed in the consolidated statement of changes in equity.

The management of the Group reviews the capital structure periodically. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new shares issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

During 2023, the Group's strategy was to maintain net cash position. In order to maintain the net cash position, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

There were no changes on the Group's approach to capital risk management during the year.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments

Categories of financial instruments

	2023 HK\$	2022 HK\$
Financial assets		
Equity and debt instruments	1,201,068,453	1,005,411,569
Financial assets at amortised costs	<u>68,624,176,740</u>	<u>68,551,241,932</u>
Financial liabilities		
Financial liabilities at amortised costs	<u>8,940,523,130</u>	<u>9,636,903,735</u>

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, advances to associates/joint ventures, equity and debt instruments, loans receivable, amounts due from/to associates/joint ventures/non-controlling interests, restricted bank deposits, time deposits, bank balances and cash, trade and other payables, bank borrowings and advances from associates/non-controlling interests.

Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and lease liabilities and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group's activities expose the Group primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other equity price. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risks. Details of each type of market risks are described as follows:

Currency risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets (excluding debt instruments at FVTOCI) and monetary liabilities at the end of the respective reporting periods are as follows:

	2023 HK\$	2022 HK\$
Assets		
Renminbi ("RMB")	773,843,967	637,788,011
United States Dollars ("USD")	2,171,619,964	2,059,638,166
Australian Dollars ("AUD")	626,920,588	575,373,844
New Zealand Dollars ("NZD")	24,508,179	24,231,993
Singapore Dollars ("SGD")	<u>555,321,289</u>	<u>387,811,476</u>
Liabilities		
RMB	<u>86,512,981</u>	<u>177,695,297</u>

Foreign currency sensitivity analysis

The Group's foreign currency risk is mainly concentrated on the fluctuation of RMB, USD, AUD, NZD and SGD (the "Foreign Currencies") against HK\$, functional currency of the relevant group entities. The exposure of USD against HK\$ is considered insignificant as HK\$ is pegged to USD, therefore is excluded from the sensitivity analysis below.

The sensitivity analysis below has been determined based on the exposure to 5% increase and decrease in the Foreign Currencies against HK\$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number indicates an increase in profit for the year where the Foreign Currencies strengthens against HK\$. For a weakening of the Foreign Currencies against HK\$, there would be an equal and opposite impact on the profit.

	2023 HK\$	2022 HK\$
RMB	28,696,069	19,208,871
AUD	26,173,935	24,021,858
NZD	1,023,216	1,011,686
SGD	<u>23,184,664</u>	<u>16,191,129</u>

41. Financial instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency sensitivity analysis (Continued)

Certain equity and debt instruments at FVTOCI are denominated in SGD which is a foreign currency in relation to the relevant group entities. For equity instruments at FVTOCI amounted to HK\$100,039,831 (2022: HK\$121,113,617) as at 30th June, 2023, an increase/decrease in 5% of SGD against the functional currency of the relevant group entities would result in an increase/decrease of HK\$5,001,992 (2022: HK\$6,055,681) in the Group's investment revaluation reserve. For debt instruments at FVTOCI amounted to HK\$12,097,762 (2022: HK\$11,992,632) as at 30th June, 2023, an increase/decrease in 5% of SGD against the functional currency of the relevant group entities would result in an increase/decrease of HK\$604,888 (2022: HK\$599,632) in the Group's profit or loss.

Interest rate risk

Long-term loans receivable, advances to associates, advances to joint ventures, amounts due from joint ventures, certain trade and other payables, bank borrowings and bank balances at floating rates expose the Group to cash flow interest rate risk. Advances from non-controlling interests, lease liabilities and time deposits at fixed rates expose the Group to fair value interest rate risk.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the bank borrowings and prime rate arising from the loans receivable.

Details of the Group's bank borrowings entered into by the Group at the end of the reporting period are set out in Note 31.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates including floating rate long-term loans receivable, advances to associates, advances to joint ventures, certain trade and other payables and bank borrowings. Bank balances are all short term in nature. Therefore, any future variations in interest rates will not have a significant impact on the results of the Group. The analysis is prepared assuming that the change in interest rate had occurred at the end of the respective reporting period and had been applied to the exposure to interest rate risk for these financial assets and financial liabilities in existence at that date and outstanding for the whole year. The 50 basis points represent the best estimation of the possible change in the interest rates over the period until the end of the next reporting period.

At the end of the respective reporting periods, if interest rates had increased/decreased by 50 basis points and all other variables were held constant, the Group's profit for the year would have increased/decreased by HK\$30,389,906 (2022: HK\$38,060,146).

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk

The Group is exposed to other price risk through its investments in equity and debt securities. The management manages this exposure by maintaining a portfolio of investments with different risks and returns. The Group's other price risk is primarily arising from listed equity securities which are mainly concentrated on blue chip stocks quoted in the Stock Exchange and the Singapore Exchange Securities Trading Limited. In this regard, the management considers the Group's exposure to other price risk is reduced.

Other price risk sensitivity analysis

The following tables show the sensitivity to price risk on the equity and debt instruments which are carried at fair value at the end of such reporting period. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in equity and debt instruments price while all other variables were held constant.

	2023 HK\$	2022 HK\$
Equity and debt instruments at FVTOCI		
Increase/(decrease) in investment revaluation reserve		
– as a result of increase in price	48,895,724	40,513,812
– as a result of decrease in price	<u>(48,895,724)</u>	<u>(40,513,812)</u>
Equity instruments at FVTPL		
Increase/(decrease) in profit for the year		
– as a result of increase in price	9,304,153	8,134,375
– as a result of decrease in price	<u>(9,304,153)</u>	<u>(8,134,375)</u>

Credit risk and impairment assessment

As at 30th June, 2023 and 2022, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of financial guarantee contracts provided by the Group is disclosed in Note 36.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debt and the credit concentration of debt instruments on a regular basis. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

In addition, the Group performs impairment assessment under ECL model on trade receivables based on collective assessment. Impairment of HK\$17,341,994 (2022: HK\$11,786,936) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/ other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Apart from trade receivables of HK\$80,325,330 (2022: HK\$74,384,641) which is considered to be credit-impaired, the management of the Group considers that the other financial assets (including other receivables, loans receivable, advances to associates/joint ventures, amounts due from associates/joint ventures/non-controlling interests, restricted bank deposits, time deposits, bank balances and debt instruments at FVTOCI) have low credit risk because the probability of default of the counterparties is insignificant or these items do not have any past due amounts. Accordingly, the Group performed impairment assessment individually based on 12m ECL and no allowance for credit losses is provided.

With respect to credit risk arising from other receivables, the Group's exposure to credit risk arising from default of the counterparty is limited as the counterparty has good history of repayment and/or in good financial condition. Accordingly, the Group does not expect to incur a significant loss for uncollected other receivables.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

With respect to credit risk arising from loans receivable, the Group's exposure to credit risk arising from the counterparty is limited as each outstanding loans are secured by the properties purchased by the buyers and the fair value of each property exceeds the outstanding loan amount on an individual basis.

With respect to credit risk arising from advances to associates/joint ventures and amounts due from associates/joint ventures/non-controlling interests, the Group's exposure to credit risk arising from default of the counterparty is limited as the counterparty engages in property investment or property development in Hong Kong and the underlying properties are of high quality. Accordingly, the Group does not expect to incur a significant loss for uncollected advances to associates/joint ventures and amounts due from associates/joint ventures/non-controlling interests.

With respect to credit risk on debt instruments at FVTOCI, the Group only invests in debt security with low credit risk. The Group's debt instruments at FVTOCI mainly comprises listed bonds. During the years ended 30th June, 2023 and 2022, ECL on debt instruments at FVTOCI was assessed to be negligible.

With respect to credit risks on restricted bank deposits, time deposits and bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

For trade receivables, the Group uses debtors' ageing to assess the impairment for its customers in relation to its property rental operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

During the year ended 30th June, 2023, no allowance for credit losses was provided on overdue trade receivables with gross carrying amount HK\$249,704,741 (2022: HK\$351,548,849) by using collective assessment because the Group considered that credit losses on these trade receivables are insignificant.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the customers and forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific customer is updated.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table shows reconciliation of loss allowance that has been recognised for trade receivables.

	Lifetime ECL (credit-impaired) HK\$
As at 1st July, 2021	74,669,838
Impairment losses recognised	11,786,936
Impairment losses reversed	(2,537,618)
Write off	<u>(9,534,515)</u>
As at 30th June, 2022 and 1st July, 2022	74,384,641
Impairment losses recognised	17,341,994
Impairment losses reversed	(1,079,460)
Write off	<u>(10,321,845)</u>
As at 30th June, 2023	<u>80,325,330</u>

As at 30th June, 2023, no allowance for credit losses (2022: nil) is provided for loans receivable as there are no credit-impaired loans.

Other than concentration of credit risk on advances to associates/joint ventures and amounts due from associates/joint ventures/non-controlling interests, the Group does not have any other significant concentration of credit risk in which exposure is spread over a large number of counterparties.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Repayable on demand or less than 1 month HK\$	1 – 3 months HK\$	3 months to 1 year HK\$	1 – 2 years HK\$	2 – 5 years HK\$	Over 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2023									
Trade and other payables									
non-interest bearing	N/A	1,296,849,591	18,846,585	1,043,244,224	167,560,402	207,225,684	9,848,343	2,743,574,829	2,743,574,829
variable rate	5.75	937,743	-	-	-	-	-	937,743	937,743
Other liabilities									
non-interest bearing	1.50	827,476,708	1,671,551,006	-	1,705,126,445	-	-	4,204,154,159	4,167,774,636
fixed rate	6.25	331,812	663,624	2,986,309	63,707,922	-	-	67,689,667	63,707,922
Borrowings									
variable rate	5.19	685,658,618	11,317,237	490,845,100	42,674,489	856,889,452	-	2,087,384,896	1,964,528,000
Financial guarantee									
contracts	N/A	-	1,675,404,534	5,292,565,244	860,000,000	2,264,322,877	-	10,092,292,655	-
		<u>2,811,254,472</u>	<u>3,377,782,986</u>	<u>6,829,640,877</u>	<u>2,839,069,258</u>	<u>3,328,438,013</u>	<u>9,848,343</u>	<u>19,196,033,949</u>	<u>8,940,523,130</u>
Lease liabilities									
	3.00	<u>3,610,769</u>	<u>7,378,294</u>	<u>31,208,833</u>	<u>15,462,649</u>	<u>60,194</u>	<u>-</u>	<u>57,720,739</u>	<u>56,396,114</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average effective interest rate %	Repayable on demand or less than						Total undiscounted cash flows HK\$	Carrying amount HK\$
		1 month HK\$	1 – 3 months HK\$	3 months to 1 year HK\$	1 – 2 years HK\$	2 – 5 years HK\$	Over 5 years HK\$		
2022									
Trade and other payables									
non-interest bearing	N/A	1,233,053,999	13,629,362	807,995,779	407,603,960	189,606,084	20,352,744	2,672,241,928	2,672,241,928
variable rate	5.00	20,156,583	-	-	-	-	-	20,156,583	20,156,583
Other liabilities									
non-interest bearing	0.99	885,932,546	861,793,341	-	1,883,852,465	-	-	3,631,578,352	3,622,420,520
fixed rate	6.25	374,603	749,206	3,371,428	71,923,803	-	-	76,419,040	71,923,803
Borrowings									
variable rate	1.23	3,333,159	6,666,318	2,273,921,309	12,188,700	1,008,125,800	-	3,304,235,286	3,250,160,901
Financial guarantee contracts	N/A	1,329,000,000	-	1,590,000,000	6,409,669,236	860,000,000	1,894,529,544	12,083,198,780	-
		<u>3,471,850,890</u>	<u>882,838,227</u>	<u>4,675,288,516</u>	<u>8,785,238,164</u>	<u>2,057,731,884</u>	<u>1,914,882,288</u>	<u>21,787,829,969</u>	<u>9,636,903,735</u>
Lease liabilities	1.83	<u>4,575,248</u>	<u>9,239,164</u>	<u>17,744,374</u>	<u>9,128,527</u>	<u>4,643,743</u>	-	<u>45,331,056</u>	<u>44,731,098</u>

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. At the end of the reporting period, financial guarantee contracts are measured at the higher of: (i) the amount determined in accordance with HKFRS 9; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised over the guarantee period. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments (Continued)

Fair value measurements

Some of the Group's assets are measured at fair value for financial reporting purposes. The Directors have to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages external valuers to perform the valuation or the Group establishes the appropriate valuation techniques and inputs to the model as detailed in Notes b and c. The Directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1, Level 2 and Level 3 based on the degree to which the fair value is observable.

	2023 HK\$	2022 HK\$	Fair value hierarchy
Financial assets			
Equity instruments at FVTOCI			
– Listed equity securities (Note a)	757,658,088	737,367,382	Level 1
– Listed perpetual bonds (Note b)	35,176,391	36,488,550	Level 2
Debt instruments at FVTOCI			
– Listed debt securities (Note b)	182,118,428	33,458,728	Level 2
Unlisted investments (Note c)	217,358,927	189,853,504	Level 3
Financial assets at FVTPL			
– Listed equity securities (Note a)	<u>8,456,619</u>	<u>7,943,405</u>	Level 1

Notes:

- (a) The fair values of all listed equity securities are determined with reference to quoted market prices in an active market as at 30th June, 2023 and 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 30th June, 2023 and 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 30th June, 2023 and 2022, except those where the Directors of the Company consider cost approximates their fair value.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

41. Financial instruments (Continued)

Fair values of financial instruments

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

Reconciliation of Level 3 fair value measurements of financial assets

	<i>HK\$</i>
Unlisted investments	
As at 1st July, 2021	96,702,563
Net investment	64,433,165
Fair value changes	32,425,673
Exchange realignment	<u>(3,707,897)</u>
As at 30th June, 2022 and 1st July, 2022	189,853,504
Net investment	35,539,568
Fair value changes	4,307,302
Exchange realignment	<u>(12,341,447)</u>
As at 30th June, 2023	<u>217,358,927</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

42. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest and other finance costs payable	Advances from associates	Amounts due to associates	Advances from non-controlling interests	Amounts due to non-controlling interests	Bank borrowings	Lease liabilities	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1st July, 2021	4,771,013	1,705,890,142	1,035,176,477	145,360,203	778,247,117	5,250,871,875	68,977,761	8,989,294,588
Financing cash flows	(41,663,691)	99,166,170	(149,243,932)	(2,954,527)	83,546,224	(2,001,666,667)	(56,313,050)	(2,069,129,473)
Finance costs	40,199,496	8,314,279	-	-	-	955,693	943,071	50,412,539
Fair value adjustments	-	(9,157,830)	-	-	-	-	-	(9,157,830)
New leases entered	-	-	-	-	-	-	(205,254)	(205,254)
Exchange realignment	-	-	-	-	-	-	31,328,570	31,328,570
At 30th June, 2022 and 1st July, 2022	3,306,818	1,804,212,761	885,932,545	142,405,676	861,793,341	3,250,160,901	44,731,098	6,992,543,140
Financing cash flows	(114,846,309)	(177,153,555)	(58,455,837)	(9,788,345)	809,757,665	(1,289,000,000)	(51,749,706)	(891,236,087)
Finance costs	116,196,252	9,157,830	-	-	-	3,367,099	1,969,442	130,690,623
Fair value adjustments	-	(36,379,523)	-	-	-	-	-	(36,379,523)
New leases entered	-	-	-	-	-	-	61,679,057	61,679,057
Exchange realignment	-	-	-	-	-	-	(233,777)	(233,777)
At 30th June, 2023	4,656,761	1,599,837,513	827,476,708	132,617,331	1,671,551,006	1,964,528,000	56,396,114	6,257,063,433

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

43. Commitments

Capital commitments outstanding at 30th June, 2023 not provided for in the consolidated financial statements were as follows:

	2023 HK\$	2022 HK\$
Contracted for	41,797,197	63,255,003
Authorised but not contracted for	186,564	102,177
	<u>41,983,761</u>	<u>63,357,180</u>

The Group's share of capital commitments of joint ventures and associates outstanding at 30th June, 2023 not provided for in the consolidated financial statements were as follows:

	2023 HK\$	2022 HK\$
Contracted for	85,258,006	201,230,039
Authorised but not contracted for	24,666,478	19,519,550
	<u>109,924,484</u>	<u>220,749,589</u>

44. Related party disclosures

The Group had the following transactions with related parties:

(a) Related companies

	2023 HK\$	2022 HK\$
Service fees received (Note i)	219,091,902	223,594,306
Rental/lease payments (Note i)	44,299,732	49,434,799
Consultancy fee paid (Note ii)	1,666,664	1,666,664
	<u>265,058,298</u>	<u>274,695,769</u>

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

44. Related party disclosures (Continued)

(b) Associates and joint ventures

	2023 HK\$	2022 HK\$
Service fees paid (Note i)	33,498,370	33,851,240
Administrative fees received (Note iii)	53,944,627	55,331,718
Interest income received (Note iv)	40,182,316	35,545,968

Note i: Mr. Robert Ng Chee Siong, Director and the controlling shareholder of the Company, was interested in these transactions as he holds controlling interests and/or directorships in the related companies. These related party transactions also constitute continuing connected transactions and have complied with the requirements of Chapter 14A of the Listing Rules, details of which are disclosed on pages 108 to 114 in the Directors' report.

Note ii: The consultancy fee was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli, Non-Executive Director of the Company, is a sole proprietor. This also constitutes an exempted connected transaction under Chapter 14A of the Listing Rules.

Note iii: Included in the administrative fees received, HK\$53,847,427 (2022: HK\$55,234,518) represent administrative fees received from associates and joint ventures in which Mr. Robert Ng Chee Siong has controlling interests and/or directorships. These related party transactions also constitute exempted connected transactions under Chapter 14A of the Listing Rules.

Note iv: Included in the interest income received, HK\$23,562,166 (2022: HK\$24,705,914) represent interest income received from associates and joint ventures in which Mr. Robert Ng Chee Siong has controlling interests and/or directorships. These related party transactions also constitute exempted connected transactions under Chapter 14A of the Listing Rules.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

44. Related party disclosures (Continued)

Included in the advances to associates, amounts due to associates, advances from associates, amounts due from associates, advances to joint ventures and amounts due from joint ventures are amounts of HK\$2,078,888,315 (2022: HK\$2,116,025,696), HK\$3,655,234 (2022: HK\$2,446,749), HK\$977,731,943 (2022: HK\$943,243,599), HK\$1,101,354,395 (2022: HK\$1,091,323,488), HK\$693,271,692 (2022: HK\$691,244,307) and HK\$600,775 (2022: HK\$79,249,807) which represent the balances with the respective associates and joint ventures in which Mr. Robert Ng Chee Siong, Director and the controlling shareholder of the Company, has controlling interests and/or directorships. The advances are provided by the shareholders of the associates and joint ventures on a several and proportional basis. Other than the aforesaid, details of the outstanding balances with associates, joint ventures and non-controlling interests at the end of the reporting period are set out in the Group's consolidated statement of financial position and in Notes 21, 22, 24, 34 and 35.

In addition, as set out in Notes 31 and 36, the Group has pledged certain assets and granted guarantees to banks for facilities granted to the subsidiaries, associates and joint ventures.

Apart from the transactions disclosed above, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company or his connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Compensation of key management personnel

The remuneration of Directors during the year was as follows:

	2023 HK\$	2022 HK\$
Short-term benefits	33,978,370	25,026,566
Retirement benefit scheme contributions	126,000	102,000
	<u>34,104,370</u>	<u>25,128,566</u>

The remuneration of the Directors is determined by Remuneration Committee having regard to the performance of individuals and market trends.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

45. Statement of financial position and reserve movements of the Company

Statement of financial position of the Company

	2023 HK\$	2022 HK\$
Non-current assets		
Investments in subsidiaries (Note)	766,331,980	766,331,988
Interests in associates (Note)	557,179,242	557,179,242
Equity instruments at FVTOCI	674,609,912	637,677,500
Other asset	300,000	300,000
	<u>1,998,421,134</u>	<u>1,961,488,730</u>
Current assets		
Financial assets at FVTPL	8,456,619	7,943,405
Amounts due from subsidiaries	87,969,349,649	76,931,119,611
Amounts due from associates	728,598,225	725,117,242
Trade and other receivables	128,272,733	11,042,527
Time deposits, bank balances and cash	4,714,980	3,352,428
	<u>88,839,392,206</u>	<u>77,678,575,213</u>
Current liabilities		
Trade and other payables	11,552,514	11,612,062
Amount due to a subsidiary	1,038,109,844	534,509,872
Amounts due to associates	69,067,755	68,143,164
Financial guarantee contract – current	–	53,768,269
	<u>1,118,730,113</u>	<u>668,033,367</u>
Net current assets	<u>87,720,662,093</u>	<u>77,010,541,846</u>
Total assets less current liabilities	<u>89,719,083,227</u>	<u>78,972,030,576</u>
Capital and reserves		
Share capital	60,441,204,098	56,403,833,044
Reserves	29,277,879,129	22,473,918,922
Total equity	<u>89,719,083,227</u>	<u>78,877,751,966</u>
Non-current liability		
Financial guarantee contract – non-current	–	94,278,610
	<u>89,719,083,227</u>	<u>78,972,030,576</u>

Note: Investments in subsidiaries and interests in associates are included in the Company's statement of financial position at cost less any identified impairment loss. The results of subsidiaries and associates are accounted for by the Company on the basis of dividends received and receivable.

Approved and authorised for issue by the Board of Directors on 29th August, 2023 and are signed on its behalf by:

Robert NG Chee Siong
Chairman

Daryl NG Win Kong
Deputy Chairman

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

45. Statement of financial position and reserve movements of the Company (Continued)

Reserve movements of the Company

	Investment revaluation reserve <i>HK\$</i>	Retained profits <i>HK\$</i>	Total <i>HK\$</i>
At 1st July, 2021	<u>(251,652,783)</u>	<u>20,686,699,942</u>	<u>20,435,047,159</u>
Profit for the year	–	8,266,965,454	8,266,965,454
Change in fair value of equity instruments at FVTOCI	<u>17,464,304</u>	<u>–</u>	<u>17,464,304</u>
Total comprehensive income for the year	<u>17,464,304</u>	<u>8,266,965,454</u>	<u>8,284,429,758</u>
Final dividend – 2021	–	(3,032,389,290)	(3,032,389,290)
Special dividend – 2021	–	(2,070,900,003)	(2,070,900,003)
Interim dividend – 2022	–	<u>(1,142,268,702)</u>	<u>(1,142,268,702)</u>
At 30th June, 2022 and 1st July, 2022	<u>(234,188,479)</u>	<u>22,708,107,401</u>	<u>22,473,918,922</u>
Profit for the year	–	11,220,836,736	11,220,836,736
Change in fair value of equity instruments at FVTOCI	<u>33,938,530</u>	<u>–</u>	<u>33,938,530</u>
Total comprehensive income for the year	<u>33,938,530</u>	<u>11,220,836,736</u>	<u>11,254,775,266</u>
Final dividend – 2022	–	(3,241,625,735)	(3,241,625,735)
Interim dividend – 2023	–	<u>(1,209,189,324)</u>	<u>(1,209,189,324)</u>
At 30th June, 2023	<u>(200,249,949)</u>	<u>29,478,129,078</u>	<u>29,277,879,129</u>

The movement of the share capital is same as the movement disclosed at consolidated statement of changes in equity.

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries

The Directors are of the opinion that a complete list of all subsidiaries will be of excessive length. Therefore, the following list contains only the particulars of subsidiaries at 30th June, 2023 and 2022 which materially affected the results or assets and liabilities of the Group.

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023 %	2022 %	
Direct:					
Best Result Environmental Services Limited	Hong Kong	HK\$2	100	100	Cleaning services
Fu King Investment Limited	Hong Kong	HK\$1,000,000	100	100	Investment holding
Glorypark Limited	Hong Kong	HK\$1,000	100	100	Property investment
Hong Kong Elite Limited	Hong Kong	HK\$2	100	100	Property investment
King Chance Development Limited	Hong Kong	HK\$2	100	100	Investment holding
Serenity Park Building Management Limited	Hong Kong	HK\$10	100	100	Building management
Sharp Rise Company Limited	Hong Kong	HK\$2	100	100	Property trading
Sing-Ho Finance Company Limited	Hong Kong	HK\$30,000,000	100	100	Financing
Sino (Xiamen) Realty Development Co., Ltd. (Note i)	Mainland China	HK\$290,000,000	100	100	Property trading and investment
Sino Administration Services Limited	Hong Kong	HK\$3	100	100	Administration services
Sino Estates Management Limited	Hong Kong	HK\$6,500,000	100	100	Building management
Sino Estates Services Limited	Hong Kong	HK\$20	100	100	Building management
Sino Land (Fuzhou) Co., Ltd. (Note i)	Mainland China	HK\$50,000,000	100	100	Property investment
Sino Security Services Limited	Hong Kong	HK\$2	100	100	Security services
World Ace Limited	Hong Kong	HK\$2	100	100	Property investment
Indirect:					
Ackerley Estates Limited	Hong Kong	HK\$20,000,000	100	100	Property investment
Active Success Development Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Advance Profit Limited	Hong Kong	HK\$2	100	100	Property investment
Alfaso Investment Limited	Hong Kong	HK\$20,000	100	100	Property investment
Allways Success Finance Limited	Hong Kong	HK\$10	100	100	Mortgage loan financing
Ample Way Limited	Hong Kong	HK\$2	100	100	Property investment
Apex Speed Limited	Hong Kong	HK\$2	100	100	Property investment
Asia Joint Limited	Hong Kong	HK\$1	100	100	Consultancy services
Asian View Development Limited	Hong Kong	HK\$1	100	100	Property trading
Beauty Plaza Limited	Hong Kong	HK\$20,000	100	100	Property investment

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023	2022	
			%	%	
Indirect: (Continued)					
Benefit Bright Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Best Origin Limited	Hong Kong	HK\$2	100	100	Property investment
Best Wisdom Development Limited	Hong Kong	HK\$1	100	100	Property trading
Bestone Limited	Hong Kong	HK\$2	100	100	Property trading
Bright Global Holdings Limited	Hong Kong	HK\$1	100	100	Financing
Bright Land Development Limited	Hong Kong	HK\$1	100	100	Property trading and investment
Brighton Development Limited	Hong Kong	HK\$2	100	100	Property development
Capital Faith (Hong Kong) Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Central Wisdom Limited	Hong Kong	HK\$2	100	100	Property trading
Century Link (Hong Kong) Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Century Profit Limited	Hong Kong	HK\$2	100	100	Property investment
Champion Asia Investments Limited	Hong Kong	HK\$2	100	100	Property investment
Champion Rise Limited	Hong Kong	HK\$2	100	100	Property investment
Champion Top Development Limited	Hong Kong	HK\$2	100	100	Property development
Cheer Asia Development Limited	Hong Kong	HK\$1	100	100	Property investment
Cheer Result Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Cheer View Holdings Limited	Hong Kong	HK\$1	100	100	Property development
Citywalk Management Company Limited	Hong Kong	HK\$2	100	100	Building management
Citywalk 2 Management Company Limited	Hong Kong	HK\$2	100	100	Building management
Corinthia By The Sea Finance Company Limited	Hong Kong	HK\$1	60	60	Mortgage loan financing
Corinthia By The Sea Property Management Limited	Hong Kong	HK\$1	60	60	Building management
Danford Development Limited	Hong Kong	HK\$1	100	100	Property development
Deveron (SL) Secretaries Limited	Hong Kong	HK\$1	100	100	Secretarial services
Dragon (Hong Kong) Limited	Hong Kong	HK\$2	100	100	Property trading and investment

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023 %	2022 %	
Indirect: (Continued)					
e.Sino Company Limited	Hong Kong	HK\$2	100	100	Investment holding
Elegant Lane Limited	Hong Kong	HK\$2	100	100	Property investment
Elite Land Development Limited	Hong Kong	HK\$1	100	100	Property development and trading
Entertainment City Limited	Hong Kong	HK\$4,500,000	100	100	Property investment
Ever Champion Development Limited	Hong Kong	HK\$2	100	100	Property trading
Excel Wisdom Development Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Falcon City Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Falcon Land Limited	Hong Kong	HK\$1	100	100	Property development
Famous General Limited	Hong Kong	HK\$2	100	100	Property investment
Famous Palace Properties Limited	Hong Kong	HK\$20,000	100	100	Property investment
Far Gain Limited	Hong Kong	HK\$10,000	100	100	Property investment
Forlink Limited	Hong Kong	HK\$2	100	100	Property investment
Fortune Glory Investments Limited	Hong Kong	HK\$1	100	100	Property investment
Fortune Hope Limited	Hong Kong	HK\$1	70	N/A	Property development
Free Champion Limited	Hong Kong	HK\$2	100	100	Property investment
Full Fair Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Fullerton Hotels & Resorts Management Pty Ltd	Australia	AUD10,000	100	100	Management services
Fullerton Hotels & Resorts Pte. Ltd.	Singapore	S\$10,000	100	100	Management services
Fung Yuen Construction Company Limited	Hong Kong	HK\$1,000,000	100	100	Building construction
Fuwin Investment Limited	British Virgin Islands	US\$1	100	100	Investment holding
Global Honest Finance Limited	Hong Kong	HK\$2	100	100	Mortgage loan financing
Globaland Development Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Golden Leaf Investment Limited	Hong Kong	HK\$20,000	100	100	Property investment
Good Champion Development Limited	Hong Kong	HK\$2	100	100	Property investment
Grace Rays Limited	Hong Kong	HK\$2	100	100	Property investment
Grand Central Finance Company Limited	Hong Kong	HK\$10	90	90	Mortgage loan financing

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023 %	2022 %	
Indirect: (Continued)					
Grand Creator Investment (BVI) Limited	British Virgin Islands/ Hong Kong	US\$10	60	60	Investment holding
Grand Creator Investment Limited	Hong Kong	HK\$2	60	60	Property trading
Grand Empire Investment Limited	Hong Kong	HK\$2	100	100	Project management
Grand Rise Investments Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Grand Start Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Grandeal Limited	Hong Kong/ Mainland China	HK\$2	100	100	Property trading
Handsome Lift Investment (CI) Limited	Cayman Islands/ Hong Kong	US\$1	100	100	Property investment
Hang Hau Station (Project Management) Limited	Hong Kong	HK\$2	60	60	Project management
Harley Investments Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Harvest Sun Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Harvestrade Investment Limited	Hong Kong	HK\$20,000	100	100	Property trading and investment
HCP Hong Kong Fully Co Ltd	Cayman Islands/ Hong Kong	US\$1	100	100	Property investment
Hickson Limited	Hong Kong	HK\$20	100	100	Property investment
High Elite Finance Limited	Hong Kong	HK\$2	100	100	Mortgage loan financing
High Elite Limited	Hong Kong	HK\$2	100	100	Property investment
Jade Bird Development Limited	Hong Kong	HK\$100,000	100	100	Property trading and investment
Jade Line Limited	Hong Kong	HK\$2	100	100	Property investment
Jade Mate Limited	Hong Kong	HK\$2	100	100	Property investment
Jade Pine Limited	Hong Kong	HK\$20,000	100	100	Property investment
Jet Fame (Hong Kong) Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Jet Rise Limited	Hong Kong	HK\$2	100	100	Property trading and investment

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023 %	2022 %	
Indirect: (Continued)					
Jet Union Development Limited	Hong Kong	HK\$1	60	60	Property trading and investment
Joint Prospect Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Joint Rise Development Limited	Hong Kong	HK\$1	100	100	Property investment
Joy Rise Limited	Hong Kong	HK\$1	100	100	Property trading
King Century Limited	Hong Kong	HK\$2	100	100	Property investment
King Regent Limited	Hong Kong	HK\$1	85	85	Property trading and investment
Kingdom Investment Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Kingsfield International Investments Limited	Hong Kong	HK\$1	100	100	Property investment
Land Success Development Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Lucky Fortress Inc.	British Virgin Islands/ Hong Kong	US\$1	100	100	Securities investment
Mayfair By The Sea I Finance Company Limited	Hong Kong	HK\$100	100	85	Mortgage loan financing
Mega Sino Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Megaform Development Limited	Hong Kong	HK\$1	100	100	Financing
Morbest Profits Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Securities investment
Multipurpose Investment Limited	Hong Kong	HK\$20,000	100	100	Property trading and investment
New Realm Enterprises Limited	British Virgin Islands	US\$1	100	100	Investment holding
Nice Scene International Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023 %	2022 %	
Indirect: (Continued)					
Ocean Treasure (Hong Kong) Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Octerworth Enterprises Limited	Hong Kong	HK\$20,000	100	100	Property investment
Olympian City 1 (Project Management) Limited	Hong Kong	HK\$2	100	100	Project management
Olympian City 2 Finance Company Limited	Hong Kong	HK\$1,000	100	100	Mortgage loan financing
Olympian City 2 (Project Management) Limited	Hong Kong	HK\$2	100	100	Project management
ONE SOHO Finance Company Limited	Hong Kong	HK\$10	60	60	Mortgage loan financing
Orient Field Holdings Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Orient Harvest International Limited	Hong Kong	HK\$2	100	100	Property trading
Pacific Asia Limited	Hong Kong	HK\$1	100	100	Property trading
Pacific Shine Limited	Hong Kong	HK\$1	100	100	Property trading
Park Summit Commercial Management Company Limited	Hong Kong	HK\$1	100	100	Building management
Peace Success Development Limited	Hong Kong	HK\$2	100	100	Property trading
Perfect Green Supplies Company Limited	Hong Kong	HK\$1	100	100	Cleaning services
Perfect Sun Properties Limited	Hong Kong	HK\$2	100	100	Property investment
Precious Land Pte. Limited	Singapore	S\$2	100	100	Property investment
Precious Quay Pte. Ltd.	Singapore	S\$10,000	100	100	Hotel operation and property investment
Precious Treasure Pte Ltd	Singapore	S\$20,000,000	100	100	Hotel operation and property investment
Pridegate (CI) Limited	Cayman Islands/ Hong Kong	US\$1	100	100	Property investment
Prime Harvest (Administration Services) Limited	Hong Kong	HK\$2	100	100	Management services
Prime Harvest Development Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Primewin Properties Limited	Hong Kong	HK\$2	100	100	Property investment
Rainbow City Limited	Hong Kong	HK\$2	100	100	Property trading and investment

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023 %	2022 %	
Indirect: (Continued)					
Rankchief Company Limited	Hong Kong	HK\$200	100	100	Property trading
Real Maker Development Limited	Hong Kong	HK\$200,000	90	90	Property investment
Regal Crown Development Limited	Hong Kong	HK\$1	100	100	Property investment
Region One Investment Limited	Hong Kong	HK\$2	100	100	Property investment
Rich Tact International (CI) Limited	Cayman Islands/ Hong Kong	US\$1	100	100	Property investment
Rich Treasure Investments Limited	Hong Kong	HK\$1	100	100	Mortgage loan financing
Rickson Investment Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Roystar Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Ruddiman Trading Company Limited	Hong Kong	HK\$100,000	100	100	Investment holding
Saky Investment (CI) Limited	Cayman Islands/ Hong Kong	US\$1	100	100	Property investment
Sheen Honour Limited	Hong Kong	HK\$1	100	100	Property investment
Shine Harvest International Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Sidak Investment Limited	Hong Kong	HK\$20,000	100	100	Property investment
Silver Palm Limited	Hong Kong	HK\$2	100	100	Property investment
Sincere Development Limited	Hong Kong	HK\$2	100	100	Property trading and investment
Sino Fortune Garden Inc.	British Virgin Islands/ Hong Kong	US\$1	100	100	Securities investment
Sino Land Finance Limited	Hong Kong	HK\$2	100	100	Deposit placing
Sino Land (Guangzhou) Company Limited (Note i)	Mainland China	US\$3,200,000	100	100	Property investment
Sino Land (Zhangzhou) Company Limited (Note i)	Mainland China	HK\$374,150,000	100	100	Property development, trading and investment
Sino Land Investment (Holdings) Ltd.	Cayman Islands/ Hong Kong	US\$6,000,000	100	100	Investment holding

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023 %	2022 %	
Indirect: (Continued)					
Sinoland China Investment Holdings Limited	Hong Kong	HK\$2	100	100	Investment holding
Sky Base Properties Limited	Hong Kong	HK\$1	100	100	Investment holding
Sky Target (Hong Kong) Limited	Hong Kong	HK\$1	100	100	Property development
Sky Vision Development Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Smart Champion (Hong Kong) Limited	Hong Kong	HK\$1	100	100	Property development
Standard Union Investment Limited	Hong Kong	HK\$2	100	100	Securities investment
Star Talent Development Limited	Hong Kong	HK\$1	100	100	Property trading and investment
Success One Investment Limited	Hong Kong	HK\$2	100	100	Property investment
Sunair Investment Company Limited	Hong Kong	HK\$2	100	100	Investment holding
Sunfairs International Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Sunny Force Limited	Hong Kong	HK\$2	100	100	Property investment
Sunrise Investment Limited	Hong Kong	HK\$2	100	100	Property investment
Super One Investment Limited	Hong Kong	HK\$2	100	100	Property investment
Thousand Growth Development Limited	Hong Kong	HK\$20,000	100	100	Property investment
Timeshare Development (CI) Limited	Cayman Islands/ Hong Kong	US\$1	100	100	Property investment
Top Gallant Limited	Hong Kong	HK\$1	100	100	Property trading and investment
Top Harmony Development Limited	Hong Kong	HK\$10	60	60	Property development
Top Oasis Limited	Hong Kong	HK\$1	80	80	Property development
Trans China Investment Limited	Hong Kong	HK\$2	100	100	Property investment
Trinity Star Limited	Hong Kong	HK\$1	100	100	Securities investment
Triple Reach International (CI) Limited	Cayman Islands/ Hong Kong	US\$1	100	100	Property investment
Triumph One Limited	Hong Kong	HK\$10,000	100	100	Property trading and investment
Turbolink International Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Union Century (Hong Kong) Limited	Hong Kong	HK\$2	100	100	Property investment

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023	2022	
			%	%	
Indirect: (Continued)					
Union Development Limited	Hong Kong	HK\$2	100	100	Property trading
Union Harvest Investments Limited	Hong Kong	HK\$2	100	100	Property development
Union Rich Development Limited	Hong Kong	HK\$2	100	100	Property investment
Union Score Investments Limited	Hong Kong	HK\$10	90	90	Property trading
Union Top Properties Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Union Vision Limited	Hong Kong	HK\$2	100	100	Property investment
United Link Investments Limited	Hong Kong	HK\$2	100	100	Property investment
Vantage Plus Investments Limited	British Virgin Islands/ Hong Kong	US\$100	85	85	Investment holding
Vasilon Pte Ltd	Singapore	S\$2	100	100	Investment holding
Victory Top Properties Limited	Hong Kong	HK\$1	52.6	52.6	Property investment
Vision Land Limited	Hong Kong	HK\$1	100	100	Property investment
Vista Commercial Management Company Limited	Hong Kong	HK\$2	100	100	Building management
Weiland Development Company Limited	Hong Kong	HK\$33,140,000	100	100	Property investment
Well Faith Limited	Hong Kong	HK\$1	100	100	Investment holding
Well Growth International Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Well Victory Limited	Hong Kong	HK\$2	100	100	Property investment
Wellord Investments Limited	Hong Kong	HK\$2	100	100	Property investment
Wendia Limited	Hong Kong	HK\$20	100	100	Property investment
Will Glory Company (CI) Limited	Cayman Islands/ Hong Kong	US\$1	100	100	Property investment
Win Chanford Enterprises Limited	Hong Kong	HK\$1,000,000	52.6	52.6	Property investment
Win Harvest (HK) Limited	Hong Kong	HK\$2	100	100	Property investment
Winchamp Limited	Hong Kong	HK\$2	100	100	Property investment
Winning Limited	Hong Kong	HK\$1	100	100	Investment holding
Wisdom Power Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Wise Century Limited	Hong Kong	HK\$2	100	100	Property investment
Wise Grand Limited	Hong Kong	HK\$1	52.6	52.6	Property investment

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

46. Principal subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2023 %	2022 %	
Indirect: (Continued)					
Wise Land Investments Limited	Hong Kong	HK\$1	100	100	Securities investment
World Empire Investment (CI) Limited	Cayman Islands/ Hong Kong	US\$1	100	100	Property investment
World Talent (Hong Kong) Limited	Hong Kong	HK\$1	100	100	Property trading
Yue Man Square Management Company Limited	Hong Kong	HK\$1	100	100	Building management

Notes:

- i. *Wholly foreign owned enterprises established in Mainland China.*
- ii. *None of the subsidiaries had issued any debt securities at 30th June, 2023 and 2022.*

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

47. Principal associates

The Directors are of the opinion that a complete list of all associates will be of excessive length. Therefore, the following list contains only the particulars of associates at 30th June, 2023 and 2022 which materially affected the results of the year or form a substantial portion of the net assets of the Group.

Name of associate	Place of incorporation/ establishment/ operation	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
		2023 %	2022 %	
Direct:				
Sino Parking Services Limited	Hong Kong	50	50	Carpark operation
Sino Real Estate Agency Limited	Hong Kong	50	50	Real estate agency
Tat Lee Construction Company Limited	Hong Kong	25	25	Building construction
Indirect:				
Ace Glory Limited	Hong Kong	25	25	Property trading and investment
Astoria Estate Management Company Limited	Hong Kong	50	50	Building management
Best Profit Limited	Hong Kong	50	50	Property investment
Beverhill Limited	Hong Kong	20	20	Property investment
Boatswain Enterprises Limited	Hong Kong	20	20	Property investment
Brisbane Trading Company Limited	Hong Kong	50	50	Property trading
Century Rise Limited	Hong Kong	50	50	Property trading and investment
Cheer City Properties Limited	Hong Kong	20	20	Property investment
C.H.K.C. Building Management Limited	Hong Kong	25	25	Building management
Cosmos Door Limited	Hong Kong	50	50	Property investment
Credit World Limited	Hong Kong	20	20	Property trading
Direct Win Development Limited	Hong Kong	33.3	33.3	Property trading
Dynamic Wish Limited	Hong Kong	25	25	Property development
Eternal Honest Finance Company Limited	Hong Kong	50	50	Mortgage loan financing
FE Landmark Pte. Ltd.	Singapore	20	20	Property development
FEC Residences Trust	Singapore	20	20	Property development
FEC Residences Trustee Pte. Ltd.	Singapore	20	20	Trustee
FEC Retail Trust	Singapore	20	20	Property development
FEC Retail Trustee Pte. Ltd.	Singapore	20	20	Trustee
Finedale Industries Limited	Hong Kong	33.3	33.3	Property investment
Full Raise International Limited	British Virgin Islands/ Hong Kong	25	25	Investment holding

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

47. Principal associates (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
		2023 %	2022 %	
Indirect: (Continued)				
Gloryland Limited	Hong Kong	33.3	33.3	Property investment
Grace Sign Limited	Hong Kong	30	30	Property trading
Grand Palisades Finance Company Limited	Hong Kong	20	20	Mortgage loan financing
Great Maker Limited	Hong Kong	30	30	Property trading
Greater Bay Area Homeland Development Fund (GP) Limited	Cayman Islands	12.3	12.3	General Partner
Greater Bay Area Homeland Investments Limited	Hong Kong	12.3	12.3	Investment holding
Greenroll Limited	Hong Kong	30	30	Hotel operation
Island Resort Estate Management Company Limited	Hong Kong	45	45	Building management
Joy Origin Holdings Limited	Hong Kong	40	40	Investment holding
Lead Bright Finance Limited	Hong Kong	20	20	Mortgage loan financing
Lead Bright Limited	Hong Kong	20	20	Property trading
Lohas Park Package Eleven (Project Management) Limited	Hong Kong	40	40	Project management
Lohas Park Package Thirteen (Project Management) Limited	Hong Kong	25	25	Project management
Million Success Limited	Hong Kong	25	25	Property investment
More Treasure Company Limited	Hong Kong	25	25	Property investment
Murdoch Investments Inc.	British Virgin Islands/ Hong Kong	45	45	Property investment
Nimble Limited	British Virgin Islands/ Hong Kong	45	45	Investment holding
Pacific Bond Limited	Hong Kong	35	35	Property trading and investment
Pembroke Development Investments Limited	British Virgin Islands/ Hong Kong	40	40	Property trading
Providence Bay Finance Company Limited	Hong Kong	50	35	Mortgage loan financing
Providence Bay Property Management Company Limited	Hong Kong	35	35	Building management

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

47. Principal associates (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
		2023 %	2022 %	
Indirect: (Continued)				
Providence Peak Finance Company Limited	Hong Kong	25	25	Mortgage loan financing
Providence Peak Property Management Company Limited	Hong Kong	25	25	Building management
Pui Hay Enterprises Limited	Hong Kong	50	50	Property trading
Sea Dragon Limited	Hong Kong	30	30	Property investment
Silver Link Investment Limited	Hong Kong	45	45	Property trading and investment
Sky Castle Limited	Hong Kong	40	40	Property development
Teamer International Limited	Hong Kong	35	35	Property trading
The Coronation Estates Management Limited	Hong Kong	45	45	Building management
The Graces – Providence Bay Finance Company Limited	Hong Kong	50	50	Mortgage loan financing
The Graces – Providence Bay Property Management Company Limited	Hong Kong	50	50	Building management
The Hermitage Estates Management Limited	Hong Kong	50	50	Building management
Union King (Hong Kong) Limited	Hong Kong	45	45	Property investment
United Best Hong Kong Limited	Hong Kong	40	40	Property trading
Victory World Limited	Hong Kong	50	50	Property trading and investment
Wide Harvest Investment Limited	Hong Kong	25	25	Property investment
Wisekey Investment Limited	British Virgin Islands/ Hong Kong	50	50	Investment holding
中海信和(成都)物業發展有限公司 (Note)	Mainland China	20	20	Property development and trading
信和置業(成都)有限公司 (Note)	Mainland China	20	20	Property development and trading

Note: Wholly foreign owned enterprises established in Mainland China.

48. Principal joint ventures

The Directors are of the opinion that a complete list of all joint ventures will be of excessive length. Therefore, the following list contains only the particulars of joint ventures at 30th June, 2023 and 2022 which materially affected the results of the year or form a substantial portion of the net assets of the Group.

Name of joint venture	Place of incorporation/ establishment/ operation	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
		2023 %	2022 %	
Direct:				
Rich Century Investment Limited	Hong Kong	50	50	Property investment
Indirect:				
Asia Bright Development Limited	Hong Kong	29.3	29.3	Investment holding
Best Profile Limited	British Virgin Islands	50	50	Investment holding
Bright Insight Limited	Hong Kong	30	30	Investment holding
Bright Treasure Properties Limited	Hong Kong	30	30	Investment holding
Empire Funds Limited	Hong Kong	50	50	Property trading
Enterprico Investment Limited	Hong Kong	52.5 (Note i)	52.5 (Note i)	Loan financing
Famous Empire Properties Limited	Hong Kong	50	50	Property trading and investment
Far East Martin Trust	Australia	50	50	Hotel operation
Fortune Access Holdings Limited	British Virgin Islands	25	25	Investment holding
GMC Property Pte. Ltd. (formerly known as PRE 17 Pte. Ltd.)	Singapore	25	25	Property development
Grand Ample Limited	Hong Kong	33.3	33.3	Property development
Grand Apex Limited	Hong Kong	60 (Note i)	60 (Note i)	Property investment
Grand Site Development Limited	Hong Kong	50	50	Property investment
Grand Victoria Finance Company Limited	Hong Kong	29.3	29.3	Mortgage loan financing
Great Universe Development (Shenzhen) Co., Ltd. (Note ii)	Mainland China	30	30	Property development
High Crown Holdings Limited	Hong Kong	50	50	Property trading
Holland V Properties Pte. Ltd.	Singapore	50	50	Investment holding
Hua Qing Holdings Pte Ltd	Singapore	63.9	63.9	Investment holding
Kam Sheung Road Station Package One (Project Management) Limited	Hong Kong	33.3	33.3	Project management

Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

48. Principal joint ventures (Continued)

Name of joint venture	Place of incorporation/ establishment/ operation	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
		2023 %	2022 %	
Indirect: (Continued)				
Lee Tung Avenue Management Company Limited	Hong Kong	50	50	Building management
Martin Heritage Management Pty Ltd	Australia	50	50	Trustee
Parkland (Hong Kong) Limited	Hong Kong	60 (Note i)	60 (Note i)	Hotel operation
Precious Heritage Pte. Limited	British Virgin Islands	50	50	Investment holding
Sky Asia Properties Limited	Hong Kong	29.3	29.3	Property development and trading
Star Galaxy Limited	Hong Kong	29.3	29.3	Property management
The Avenue Finance Company Limited	Hong Kong	50	50	Mortgage loan financing
Top Regent Holdings Limited	Hong Kong	33.3	33.3	Investment holding
Tower Beyond Limited	Hong Kong	50	50	Investment holding
Vanguard Insight Limited	Hong Kong	50	50	Investment holding
WCH Property Development Company Limited	Hong Kong	25	25	Property development
WCH Real Estate Agency Limited	Hong Kong	25	25	Real estate agency
Wise Link Management Limited	Hong Kong	50	50	Building management
深圳前晉置業有限公司 (Note ii)	Mainland China	50	50	Property development

Notes:

(i) The Company through its subsidiaries holds more than 50% interests in these joint ventures. These joint ventures are considered as subsidiary undertakings under the Hong Kong Companies Ordinance. However, under the respective contractual arrangements, the Group does not control these joint ventures as the decisions about relevant activities require the unanimous consent of the parties sharing the control.

(ii) Wholly foreign owned enterprises established in Mainland China.

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. This information has been extracted from the relevant audited financial statements of the affiliated companies.

	At 30th June, 2023 HK\$	At 30th June, 2022 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	7,073,251,812	9,610,555,181
Advances from the Group	<u>21,330,358,147</u>	<u>23,817,704,470</u>
	<u>28,403,609,959</u>	<u>33,428,259,651</u>
The Group's share of capital commitments of its affiliated companies		
– Contracted for	85,258,006	201,230,039
– Authorised but not contracted for	<u>24,666,478</u>	<u>19,519,550</u>
	<u>109,924,484</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.

Major properties held by the Group

(A) PROPERTIES FOR INVESTMENT AND HOTELS

Property name	Location
HONG KONG ISLAND	
No. 1 Chatham Path	Mid-levels
38 Repulse Bay Road	Hong Kong South
148 Electric Road	North Point
Central Plaza	18 Harbour Road, Wan Chai
The Centrium, office	60 Wyndham Street, Central
The Centrium, retail	60 Wyndham Street, Central
Conrad Hong Kong	Pacific Place, 88 Queensway
The Fullerton Ocean Park Hotel Hong Kong	3 Ocean Drive, Aberdeen
Harbour Centre	Harbour Road & Fleming Road
The Hennessy	256 Hennessy Road, Wan Chai
The Hillside	9 Sik On Street, Wan Chai
Hollywood Centre	233 Hollywood Road
Island Resort Mall	28 Siu Sai Wan Road, Chai Wan
The Johnston	74-80 Johnston Road, Wan Chai
Landmark South	39 Yip Kan Street, Wong Chuk Hang
Lee Tung Avenue	200 Queen's Road East, Wan Chai
Marina House	68 Hing Man Street, Shau Kei Wan
One Capital Place	18 Luard Road, Wan Chai
Pacific Palisades	1 Braemar Hill Road
Pacific Plaza	418 Des Voeux Road West
The Staunton	22 Staunton Street, Central
25/F United Centre	Queensway
KOWLOON	
No. 1 Hung To Road	Kwun Tong
The Astrid	180 Argyle Street
The Avery Shopping Arcade	12, 16 and 18 Hau Wong Road
Cameron Plaza	23 Cameron Road, Tsim Sha Tsui
The Camphora	51-52 Haiphong Road
China Hong Kong City	33 Canton Road, Tsim Sha Tsui
Coronation Circle	1 Yau Cheung Road, South West Kowloon
Corporation Square	8 Lam Lok Street, Kowloon Bay
Exchange Tower	33 Wang Chiu Road, Kowloon Bay
Fullerton Centre	19 Hung To Road, Kwun Tong
Futura Plaza	111-113 How Ming Street, Kwun Tong
Hong Kong Pacific Centre	28 Hankow Road, Tsim Sha Tsui
Kwun Tong Harbour Plaza	182 Wai Yip Street, Kwun Tong
Kwun Tong Plaza	68 Hoi Yuen Road, Kwun Tong
Maison Rosé	270 Cheung Sha Wan Road, Cheung Sha Wan
Olympian City 1	11 Hoi Fai Road, MTR Olympic Station
Olympian City 2	18 Hoi Ting Road, MTR Olympic Station
Olympian City 3	1 Hoi Wang Road, South West Kowloon
The Olympian Hong Kong	18 Hoi Fai Road
Omega Plaza	32 Dundas Street

Major properties held by the Group (Continued)

Lease expiry	Group's interest (%)	Gross floor area attributable to the Group (square feet)	Attributable gross floor area (square feet)					Attributable number of carpark spaces
			Residential	Commercial	Industrial	Hotel	Carpark	
2072	100.0%	7,800	7,800	-	-	-	-	-
2084	100.0%	12,126	12,126	-	-	-	-	-
2047	100.0%	197,400	-	197,400	-	-	-	-
2047	10.0%	140,000	-	140,000	-	-	-	-
2047	100.0%	171,176	-	171,176	-	-	-	-
2047	70.0%	12,474	-	12,474	-	-	-	-
2047	30.0%	165,506	-	-	-	165,506	-	-
2047	60.0% ⁽¹⁾	262,020	-	-	-	262,020	-	-
2128	17.5%	42,091	-	42,091	-	-	-	-
2127	100.0%	71,862	-	71,862	-	-	-	-
2063	100.0%	11,195	11,195	-	-	-	-	-
2128	52.6%	52,933	-	52,933	-	-	-	-
2047	45.0%	145,438	-	85,136	-	-	60,302	540
2047	100.0%	58,108	46,331	11,777	-	-	-	-
2066	60.0%	141,698	-	141,698	-	-	-	-
2060	50.0% ⁽¹⁾	43,860	-	43,860	-	-	-	-
2047	100.0%	113,009	-	113,009	-	-	-	-
2127	100.0%	73,443	-	73,443	-	-	-	-
2047	20.0%	93,550	93,550	-	-	-	-	-
2860	100.0%	167,599	-	167,599	-	-	-	-
2844	100.0%	37,629	28,439	9,190	-	-	-	-
2128	50.0%	10,225	-	10,225	-	-	-	-
2047	33.3%	177,337	-	-	177,337	-	-	-
2047	100.0%	9,852	9,852	-	-	-	-	-
2047	100.0%	10,455	-	10,455	-	-	-	-
2038	100.0%	64,093	-	64,093	-	-	-	-
2863	100.0%	14,147	12,493	1,654	-	-	-	-
2135	25.0%	308,308	-	308,308	-	-	-	-
2057	45.0%	39,041	-	39,041	-	-	-	-
2047	100.0%	155,910	-	-	155,910	-	-	-
2055	100.0%	175,169	-	175,169	-	-	-	-
2047	100.0%	114,334	-	-	114,334	-	-	-
2047	100.0%	225,396	-	225,396	-	-	-	-
2039	100.0%	219,853	-	219,853	-	-	-	-
2047	100.0%	341,078	-	130,728	-	-	210,350	474
2047	100.0%	153,795	-	-	-	-	153,795	366
2047	100.0%	6,873	-	6,873	-	-	-	-
2047	100.0% ⁽¹⁾	139,931	-	139,931	-	-	-	-
2047	100.0% ⁽¹⁾	511,287	-	511,287	-	-	-	-
2055	50.0%	59,423	-	59,423	-	-	-	-
2052	100.0%	112,235	-	68,456	-	43,779	-	-
2047	100.0%	80,775	-	80,775	-	-	-	-

Major properties held by the Group (Continued)

(A) PROPERTIES FOR INVESTMENT AND HOTELS (Continued)

Property name	Location
KOWLOON	
Park Ivy Shopping Arcade	8 Ivy Street
Park Summit Shopping Arcade	88 Beech Street
Remington Centre	23 Hung To Road, Kwun Tong
Skyline Tower	39 Wang Kwong Road, Kowloon Bay
Sunshine Plaza Shopping Arcade	17 Sung On Street, Hung Hom
Tsim Sha Tsui Centre	Salisbury Road, Tsim Sha Tsui
Vista Shopping Arcade	188 Fuk Wa Street, Sham Shui Po
Westley Square	48 Hoi Yuen Road, Kwun Tong
Yau Tong Industrial City	17 Ko Fai Road, Yau Tong
NEW TERRITORIES	
38 Wing Kei Road	38 Wing Kei Road, Kwai Chung
Avon Mall	15 Yat Ming Street, Fanling
Citywalk	1 Yeung Uk Road, Tsuen Wan
Citywalk 2	18 Yeung Uk Road, Tsuen Wan
Commune Modern Shopping Arcade	28 Wo Fung Street, Luen Wo Hui, Fanling
Corporation Park	11 On Lai Road, Shatin
Corinthia By The Sea Shopping Arcade	23 Tong Yin Street, Tseung Kwan O
Golden Plaza	28 Shui Che Kwun Street, Yuen Long
The Graces • Providence Bay Shopping Arcade	9 Fo Chun Road, Tai Po
Grand Regentville Shopping Mall	9 Wo Mun Street, Fanling
Mansfield Industrial Centre	19 Hong Yip Street, Tung Tau, Yuen Long
Mayfair By The Sea I	23 Fo Chun Road, Tai Po
Mayfair Lane	21 Fo Chun Road, Tai Po
Oceania Heights Shopping Mall	2 Hoi Chu Road, Tuen Mun
One North	8 Hong Yip Street, Yuen Long
Paloma Bay	18 Peng Lei Road, Peng Chau
Paloma Cove	8 Ho King Street, Peng Chau
The Palazzo Shopping Arcade	28 Lok King Street, Shatin
Parklane Centre	25 Kin Wing Street, Tuen Mun
Ping Wui Centre	13-17 Ping Wui Street, Yuen Long
Riverwalk	6 Ngan Kwong Wan Road, Mui Wo
Rosedale Gardens Shopping Mall	133 Castle Peak Road, Tuen Mun
Shatin Galleria	18-24 Shan Mei Street, Fo Tan, Shatin
Springdale Mall	80 Ma Tin Road, Yuen Long
Sunley Centre	9 Wing Yin Street, Tsuen Wan
Tuen Mun Town Plaza, Phase I	1 Tuen Shun Street & 1 Tuen Shing Street, Tuen Mun
The Waterside Shopping Mall	15 On Chun Street, Ma On Shan, Shatin

Major properties held by the Group (Continued)

Lease expiry	Group's interest (%)	Gross floor area attributable to the Group (square feet)	Attributable gross floor area (square feet)					Attributable number of carpark spaces
			Residential	Commercial	Industrial	Hotel	Carpark	
2061	100.0% ⁽¹⁾	9,042	–	9,042	–	–	–	–
2058	100.0% ⁽¹⁾	37,588	–	37,588	–	–	–	–
2047	100.0%	114,103	–	–	114,103	–	–	–
2047	50.0%	412,203	–	412,203	–	–	–	–
2047	100.0%	54,461	–	54,461	–	–	–	–
2127	45.0%	231,309	–	231,309	–	–	–	–
2054	100.0% ⁽¹⁾	22,335	–	22,335	–	–	–	–
2047	100.0%	238,187	–	–	238,187 ⁽²⁾	–	–	–
2047	90.0%	464,627	–	–	464,627	–	–	–
2067	100.0%	176,906	–	–	176,906	–	–	–
2047	100.0%	101,632	–	101,632	–	–	–	–
2052	100.0% ⁽¹⁾	245,419	–	245,419	–	–	–	–
2054	100.0% ⁽¹⁾	180,646	–	180,646	–	–	–	–
2064	100.0%	74,018	–	34,497	–	–	39,521	119
2047	30.0%	122,708	–	122,708	–	–	–	–
2062	60.0%	41,708	–	41,708	–	–	–	–
2047	100.0%	203,460	–	32,178	–	–	171,282	438
2057	50.0%	10,791	–	10,791	–	–	–	–
2049	100.0%	219,754	–	71,462	–	–	148,292	415
2047	100.0%	111,253	–	–	111,253	–	–	–
2059	85.0%	38,216	–	38,216	–	–	–	–
2059	100.0%	44,996	–	44,996	–	–	–	–
2052	100.0%	28,470	–	28,470	–	–	–	–
2066	100.0%	497,620	–	497,620	–	–	–	–
2062	100.0%	36,845	36,845	–	–	–	–	–
2062	100.0%	14,372	14,372	–	–	–	–	–
2053	100.0% ⁽¹⁾	21,528	–	21,528	–	–	–	–
2047	100.0%	251,961	–	–	80,222	–	171,739	116
2047	100.0%	192,516	–	19,861	–	–	172,655	450
2062	100.0%	47,607	32,400	15,207	–	–	–	–
2047	100.0%	31,791	–	31,791	–	–	–	–
2047	100.0%	361,764	–	263,818	–	–	97,946	268
2047	100.0%	126,766	–	40,446	–	–	86,320	261
2047	100.0%	164,940	–	–	164,940	–	–	–
2047	100.0%	1,112,739	–	856,451	–	–	256,288	525
2047	50.0%	28,285	–	28,285	–	–	–	–

Major properties held by the Group (Continued)

(A) PROPERTIES FOR INVESTMENT AND HOTELS (Continued)

Property name	Location
MAINLAND CHINA	
Central Park, Xiamen	178-180 Jiahe Road, Xiamen, Fujian Province
Dynasty Park, Zhangzhou	298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province
Greenfields	Chuangye Road, Guangzhou Economic & Technology Development District, Guangzhou, Guangdong Province
Le Sommet	279 Jiahe Road, Xiamen, Fujian Province
Park Place	130 Jiahe Road, Xiamen, Fujian Province
Raffles City Shanghai	Plot 105 A&B, 228 Xizang Road Central, Huangpu District, Shanghai
Sino International Plaza	137 Wusi Road, Fuzhou, Fujian Province
OVERSEAS – SINGAPORE AND AUSTRALIA	
Clifford Pier	80 Collyer Quay, Singapore
Customs House	70 Collyer Quay, Singapore
The Fullerton Hotel Singapore	1 Fullerton Square, Singapore
The Fullerton Bay Hotel Singapore	80 Collyer Quay, Singapore
The Fullerton Waterboat House	3 Fullerton Road, Singapore
One Fullerton	1 Fullerton Road, Singapore
The Fullerton Hotel Sydney	1 Martin Place, Sydney, Australia

Major properties held by the Group (Continued)

Lease expiry	Group's interest (%)	Gross floor area attributable to the Group (square feet)	Attributable gross floor area (square feet)					Attributable number of carpark spaces
			Residential	Commercial	Industrial	Hotel	Carpark	
2046	100.0%	31,533	–	31,533	–	–	–	–
2045	100.0%	135,026	–	135,026	–	–	–	–
2054	100.0%	15,187	–	15,187	–	–	–	–
2041	100.0%	15,978	–	15,978	–	–	–	–
2039	100.0%	10,854	–	10,854	–	–	–	–
2045	22.4%	301,145	–	301,145	–	–	–	–
2059	100.0%	493,177	–	493,177	–	–	–	–
2067	100.0%	13,731	–	13,731	–	–	–	–
2067	100.0%	14,822	–	14,822	–	–	–	–
2096	100.0%	466,423	–	–	–	466,423	–	–
2067	100.0%	79,087	–	–	–	79,087	–	–
2032	100.0%	21,743	–	21,743	–	–	–	–
2096	100.0%	80,433	–	80,433	–	–	–	–
Freehold	50.0%	184,792	–	29,722	–	155,070	–	–

Major properties held by the Group (Continued)

(B) COMPLETED PROPERTIES FOR SALE

Property name	Location
HONG KONG	
La Marina	11 Heung Yip Road, Wong Chuk Hang, Hong Kong
Capital Tower	38 Wai Yip Street, Kowloon Bay, Kowloon
Chevalier Commercial Centre	Wang Hoi Road, Kowloon Bay, Kowloon
Grand Central	33 Hip Wo Street, Kwun Tong (South), Kowloon
Grand Victoria I	6 Lai Ying Street, South West Kowloon
Hewlett Centre	54 Hoi Yuen Road, Kwun Tong, Kowloon
Kowloon Plaza	485 Castle Peak Road, Cheung Sha Wan, Kowloon
Metro Centre	32 Lam Hing Street, Kowloon Bay, Kowloon
Pan Asia Centre	137 Wai Yip Street, Kwun Tong, Kowloon
St. George's Mansions	24A Kadoorie Avenue, Ho Man Tin, Kowloon
Westin Centre	26 Hung To Road, Kwun Tong, Kowloon
133 Portofino	133 Hong Kin Road, Sai Kung, New Territories
The Balmoral	1 Ma Shing Path, Tai Po, New Territories
Cambridge Plaza	188 San Wan Road, Sheung Shui, New Territories
Lincoln Centre	20 Yip Fung Street, Fanling, New Territories
Silversands	8 Yiu Sha Road, Ma On Shan, New Territories
MAINLAND CHINA	
Mayfair By The Lake	26 North Hubin Road, Xiamen, Fujian Province
Dynasty Park, Zhangzhou	298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province

Major properties held by the Group (Continued)

Lease expiry	Group's interest (%)	Gross floor area attributable to the Group (square feet)	Attributable gross floor area (square feet)		
			Residential	Commercial	Industrial
2067	50.0%	70,500 ⁽¹⁾	70,500 ⁽³⁾	–	–
2065	30.0%	83,343	–	83,343	–
2047	33.3%	11,484	–	11,484	–
2064	90.0%	18,453 ⁽¹⁾	18,453 ⁽³⁾	–	–
2067	29.3%	48,656	48,656 ⁽³⁾	–	–
2047	100.0%	15,099	–	–	15,099
2047	100.0%	25,702	–	–	25,702
2047	100.0%	17,805	–	–	17,805
2047	100.0%	62,857	–	62,857	–
2081	100.0%	209,528 ⁽¹⁾	209,528 ⁽³⁾	–	–
2047	50.0%	103,451	–	–	103,451
2065	100.0%	10,396	10,396 ⁽³⁾	–	–
2055	100.0%	16,785	16,785 ⁽³⁾	–	–
2047	100.0%	174,358	–	–	174,358
2047	100.0%	61,144	–	–	61,144
2067	100.0%	42,406	42,406 ⁽³⁾	–	–
2038/2066	100.0%	23,655	3,396	20,259	–
2045/2075	100.0%	146,918	134,358	12,560	–

Major properties held by the Group (Continued)

(C) PROPERTIES UNDER DEVELOPMENT

Location	Property name	Lease expiry	Group's interest (%)	Site area (square feet)
HONG KONG				
8 Lai Ying Street, South West Kowloon	Grand Victoria II & III	2067	29.3%	208,262
Lot No. 765 in Demarcation District No. 332, Cheung Sha, Lantau Island		2069	100.0%	28,977
MAINLAND CHINA				
Land Parcel No. T102-0262, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone	The Koko	2057	50.0%	80,485
Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan Province	Chengdu International Community	2044	20.0%	14,253,628
298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	Dynasty Park, Zhangzhou	2045/ 2075	100.0%	962,939
Land Parcel No. T102-0261, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone		2058	30.0%	183,842
9 The Second Yufeng Road, Chenghua District, East Chengdu, Sichuan Province	The Palazzo, Chengdu	2048/ 2078	20.0%	2,673,385
OVERSEAS – SINGAPORE				
Lot No. 2843M & 2852K of MK 16, Jalan Anak Bukit	The Reserve Residences	2120	20.0%	346,149
Lot 359T of Town Subdivision 15, 5001 Beach Road	Golden Mile Complex	2068	25.0%	144,908

Major properties held by the Group (Continued)

Gross floor area attributable to the Group (square feet)	Attributable gross floor area (square feet)			Stage of completion	Estimated completion date
	Residential	Commercial	Industrial		
184,614	184,614	–	–	Occupation Permit issued	July 2023
11,582	11,582	–	–	Superstructure works in progress	March 2024
247,572	–	247,572	–	Internal structure works in progress	December 2023
39,317	–	39,317	–	Planning stage	June 2024
1,028,446	1,008,231	20,215	–	Superstructure works in progress	August 2024
258,336	–	258,336	–	Superstructure works in progress	December 2024
713,993	703,228	10,765	–	Superstructure works in progress	June 2028
200,884	154,905	45,979	–	Tender stage	March 2028
152,448	33,907	118,541	–	Design stage	December 2028

Major properties held by the Group (Continued)

(D) PROPERTIES UNDER DEVELOPMENT IN WHICH THE GROUP HAS A DEVELOPMENT INTEREST⁽¹⁾

Location	Property name	Lease expiry	Site area (square feet)	Gross floor area (square feet)
HONG KONG				
32B Shantung Street, Mong Kok	ONE SOHO	2068	14,961	112,185
33 Gage Street, 23 and 25 Peel Street	ONE CENTRAL PLACE	2067	9,607	84,261
1 Lohas Park Road, Tseung Kwan O	Villa Garda	2052	177,359	956,468
Aberdeen Inland Lot No. 467 (Site D), Wong Chuk Hang Station Package Four Property Development	La Montagne	2067	65,015	638,305
29 Kam Ho Road, Kam Tin South	Grand Mayfair	2067	448,719	1,236,741
New Kowloon Inland Lot No. 6602, Yau Tong Ventilation Building Property Development		2068	43,379	325,342
Site KL of the Remaining Portion of Tseung Kwan O Town Lot No.70, LOHAS Park Package Thirteen Property Development		2052	130,675	1,546,722
KIL11285, Wing Kwong Street, Sung On Street Development, To Kwa Wan		2073	30,957	278,615

Notes to major properties held by the Group:

- (1) Properties in which the Group has a development interest and is entitled to a share of the development profits after completion in accordance with the terms and conditions of the joint development agreements.
- (2) Industrial/Office
- (3) It represents the saleable floor area.

Major properties held by the Group (Continued)

Gross floor area (<i>square feet</i>)			Stage of completion	Estimated completion date
Residential	Commercial	Industrial		
112,185	–	–	Occupation Permit issued	July 2023
84,261	–	–	Superstructure works in progress	September 2024
956,468	–	–	Superstructure works in progress	January 2025
638,305	–	–	Superstructure works in progress	July 2025
1,236,741	–	–	Superstructure works in progress	August 2025
325,342	–	–	Superstructure works in progress	April 2026
1,546,722	–	–	Superstructure works in progress	September 2026
232,179	46,436	–	Foundation works in progress	October 2027

