

# ANNUAL REPORT 2023



STOCK CODE: 247

Silversands

Creating Better Lifescapes

 TSIM SHA TSUI PROPERTIES 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 Friendly 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](http://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 Friendly Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email at [tst247-ecom@hk.tricorglobal.com](mailto:tst247-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

### 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

## 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  
Daryl Ng Win Kong, SBS, JP

## Company Secretary

Fanny Cheng Siu King

## Auditor

KPMG  
Registered Public Interest Entity Auditors

## Solicitors

Woo, Kwan, Lee & Lo  
Clifford Chance

## Share Registrar

Tricor Friendly Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong  
Telephone : (852) 2980 1333  
Fax : (852) 2861 1465  
Email : [tst247-ecom@hk.tricorglobal.com](mailto:tst247-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](mailto: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](http://www.sino.com)  
Email : [info@sino.com](mailto:info@sino.com)

## Listing Information

Stock Code 247

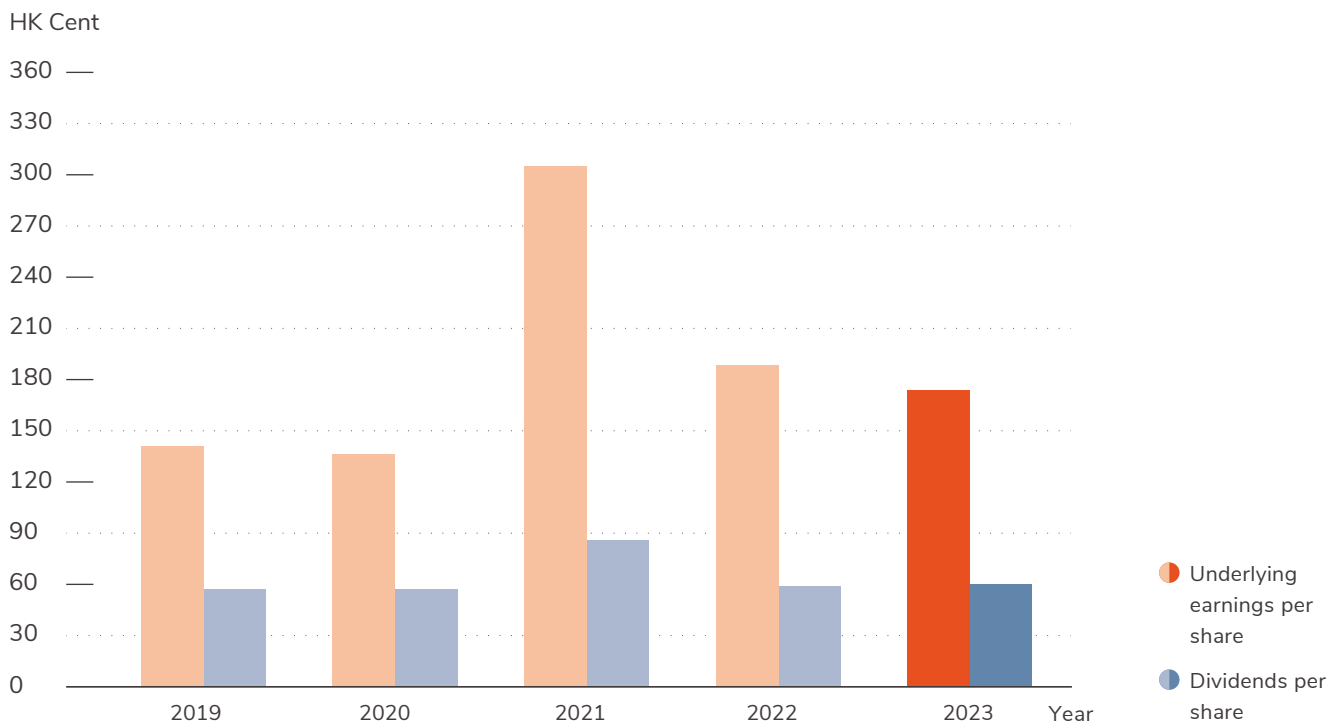
## Shareholders' Calendar

<b>Closure of Register of Members for entitlement to attend and vote at Annual General Meeting</b>	19th October, 2023 to 25th October, 2023 (both dates inclusive)
<b>Annual General Meeting</b>	25th October, 2023
<b>Closure of Register of Members for dividend entitlement</b>	31st October, 2023 to 1st November, 2023 (both dates inclusive)
<b>Record Date for final dividend entitlement</b>	1st November, 2023
<b>Last Day for lodging form of election for scrip dividend</b>	23rd November, 2023 4:30 p.m.
<b>Interim Dividend Paid</b>	HK15 cents per share 18th April, 2023
<b>Final Dividend Payable</b>	HK43 cents per share 5th December, 2023

## Group financial summary

	2019 HK\$	2020 HK\$	2021 HK\$	2022 HK\$	2023 HK\$
Turnover	<u>8,060,213,837</u>	<u>5,934,504,668</u>	<u>24,585,151,818</u>	<u>15,597,640,466</u>	<u>11,928,929,454</u>
Underlying net profit from operations	<u>2,508,693,897</u>	<u>2,471,844,783</u>	<u>5,671,648,057</u>	<u>3,599,804,393</u>	<u>3,419,559,446</u>
Profit attributable to the Company's shareholders	<u>3,714,769,199</u>	<u>901,781,260</u>	<u>5,304,883,959</u>	<u>3,159,245,014</u>	<u>3,287,132,467</u>
Underlying earnings per share (cents)	136.96	132.11	296.55	182.67	168.42
Reported earnings per share (cents)	202.80	48.20	277.37	160.31	161.90
Dividends per share (cents)					
Interim dividend	14	14	14	15	15
Final dividend	41	41	41	42	43
Special dividend	–	–	28	–	–
	<u>55</u>	<u>55</u>	<u>83</u>	<u>57</u>	<u>58</u>

### Underlying earnings & dividends per share

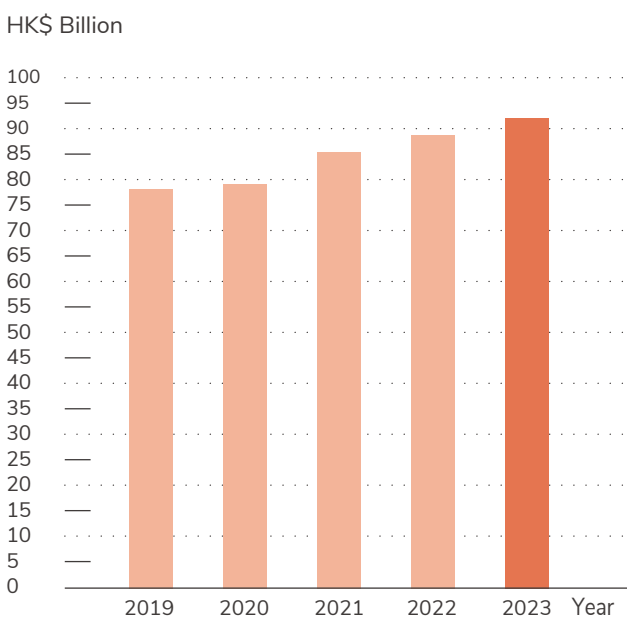


# Group financial summary (Continued)

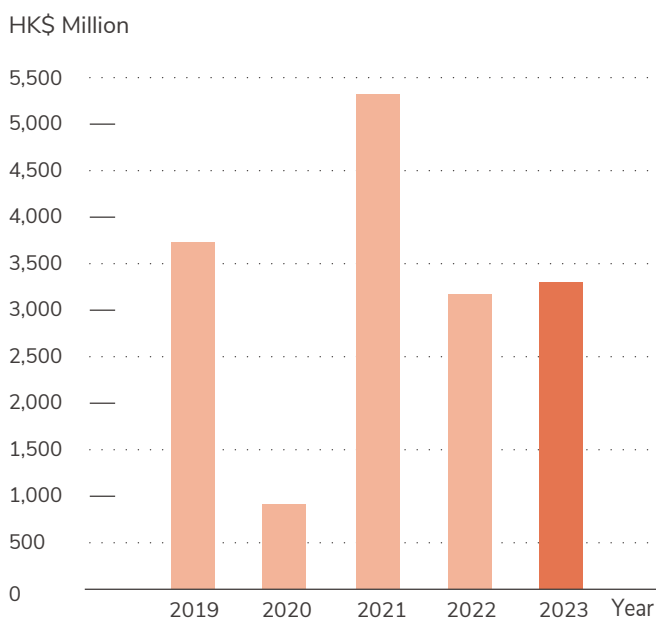
## Consolidated statement of financial position

	2019 HK\$	2020 HK\$	2021 HK\$	2022 HK\$	2023 HK\$
Non-current assets	106,983,178,886	107,109,780,881	107,683,895,041	108,335,065,373	112,404,573,768
Current assets	74,805,386,609	80,668,495,460	74,979,764,015	72,381,881,098	68,645,175,002
Current liabilities	(25,570,680,509)	(32,507,391,927)	(18,036,134,312)	(15,176,307,033)	(10,976,516,043)
	<u>156,217,884,986</u>	<u>155,270,884,414</u>	<u>164,627,524,744</u>	<u>165,540,639,438</u>	<u>170,073,232,727</u>
Share capital	13,285,452,664	14,302,286,718	15,341,990,386	16,968,256,132	18,110,498,630
Reserves	<u>64,551,971,946</u>	<u>64,580,746,144</u>	<u>69,724,442,659</u>	<u>71,290,390,595</u>	<u>73,479,700,831</u>
Shareholders' funds	77,837,424,610	78,883,032,862	85,066,433,045	88,258,646,727	91,590,199,461
Non-controlling interests	67,840,852,670	66,389,970,003	71,251,794,731	70,874,067,504	72,397,812,762
Non-current liabilities	<u>10,539,607,706</u>	<u>9,997,881,549</u>	<u>8,309,296,968</u>	<u>6,407,925,207</u>	<u>6,085,220,504</u>
	<u>156,217,884,986</u>	<u>155,270,884,414</u>	<u>164,627,524,744</u>	<u>165,540,639,438</u>	<u>170,073,232,727</u>
Shareholders' funds at book value per share	<u>42.04</u>	<u>41.68</u>	<u>43.95</u>	<u>44.00</u>	<u>44.51</u>

## Shareholders' funds

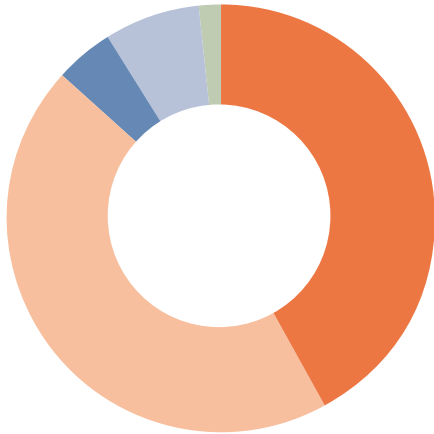


## Profit attributable to the Company's shareholders



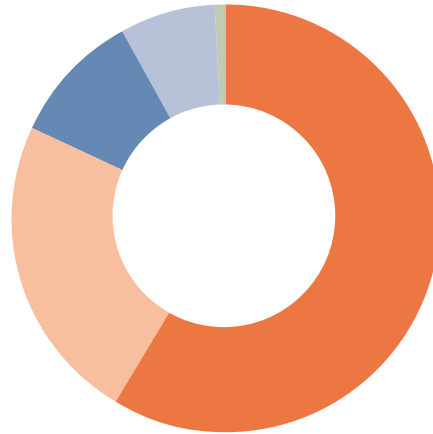
## The Company and its subsidiaries (the “Group”)

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



- Property sales **42.2%**
- Property rental **44.6%**
- 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

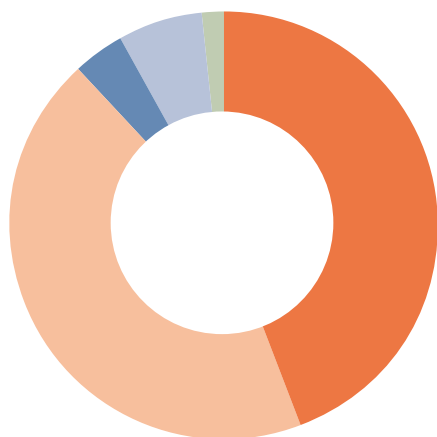


- Property sales **58.7%**
- Property rental **23.4%**
- Property management and other services **9.9%**
- Hotel operations **7.3%**
- Investments in securities and financing **0.7%**

## Group financial summary (Continued)

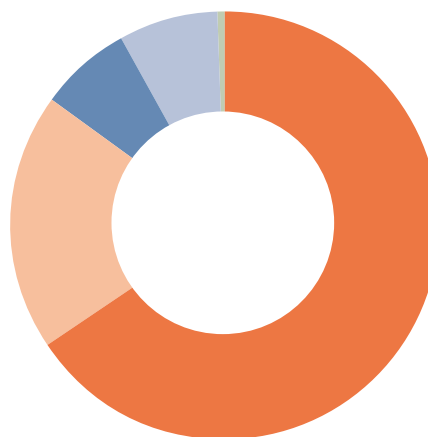
### The Group and attributable share from associates and joint ventures

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



- Property sales **44.3%**
- Property rental **44.0%**
- 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 **65.6%**
- Property rental **19.4%**
- 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\$3,419.5 million (2021/2022: HK\$3,599.8 million). Underlying earnings per share was HK\$1.68 (2021/2022: HK\$1.82).

After taking into account the revaluation loss (net of deferred taxation) on investment properties of HK\$90.2 million (2021/2022: revaluation loss of HK\$427.0 million), which is a non-cash item, the Group reported a net profit attributable to shareholders of HK\$3,287.1 million for Financial Year (2021/2022: HK\$3,159.2 million). Earnings per share for the Financial Year was HK\$1.61 (2021/2022: HK\$1.60).

## 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 18th 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 detail 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 5th December, 2023.

## Review of operations

The operations under Sino Land Company Limited ("Sino Land") represent a substantial portion of the operations of the Group as a whole. As at 30th June, 2023, Tsim Sha Tsui Properties Limited had 55.93% interest in Sino Land. Therefore, for discussion purposes, the focus here will be on the operations of Sino Land.

### (1) Sales activities

Total revenue from property sales for the Financial Year, including property sales of associates and joint ventures, attributable to Sino Land 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, Sino Land 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)

## Review of operations (Continued)

### (1) Sales activities (Continued)

Looking ahead, Sino Land 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, Sino Land 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.

### (2) Land bank

As at 30th June, 2023, Sino Land 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 Sino Land's development needs over the next few years. Sino Land will continue to be selective in replenishing its land bank to optimise its earnings potential.

During the Financial Year, Sino Land 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

## Review of operations (Continued)

### (3) Property development

During the Financial Year, Sino Land 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)

### Review of operations (Continued)

#### (3) Property development (Continued)

In Mainland China, Sino Land 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

## Review of operations (Continued)

## (3) Property development (Continued)

Sino Land 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)

### Review of operations (Continued)

#### (3) Property development (Continued)

Subsequent to the Financial Year, Sino Land 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/>

### Review of operations (Continued)

#### (4) Rental activities

For the Financial Year, Sino Land'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 Sino Land'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, Sino Land 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.

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 Sino Land'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, Sino Land stands ready to attract occupiers seeking high quality and sustainable office spaces.

# Chairman's statement (Continued)

## Review of operations (Continued)

### (4) Rental activities (Continued)

As at 30th June, 2023, Sino Land 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, Sino Land'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.

Sino Land 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 Sino Land intends to reopen the hotel in the fourth quarter of 2023 with new commercial and operational strategies.

As at 30th June, 2023, Sino Land'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.



## Review of operations (Continued)

### (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.

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. Sino Land remains confident on the outlook for the mainland property market over the medium- to-long term.

As at 30th June, 2023, Sino Land 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\$44,824.5 million. After netting off total borrowings of HK\$2,771.1 million, the Group had net cash of HK\$42,053.4 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, 40.9% is repayable within one year, 29.1% is repayable between one and two years 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\$181,049.7 million and HK\$91,590.2 million, respectively. Net book value of the Group attributable to the Company's shareholders was HK\$44.51 per share as at 30th June, 2023 (HK\$44.00 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

Sino Land is committed to building quality projects. In keeping with its mission to enhance customer satisfaction, Sino Land will, wherever possible, ensure that attractive design concepts and features are also environmentally-friendly for its developments. Management conducts regular reviews of Sino Land'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.

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.

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.

### Sustainability (Continued)

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.

Fully aware of the importance of urban biodiversity, Sino Land 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.

Sino Land is committed to exploring innovative technologies and supporting local and overseas startups. Sino Land 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 Sino Land 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, Sino Land 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.

Sino Land 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.

### Sustainability (Continued)

Sino Land 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.

Sino Land 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”.

### 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.

### Prospects (Continued)

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.

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. Sino Land 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.

## Chairman's statement (Continued)

### 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

This Sustainable Development Section highlights the Group's sustainability performance for the financial year ended 30th June, 2023 and focuses on the activities of the Company's major listed subsidiary, Sino Land Company Limited ("Sino Land"), as the operations under Sino Land represent a substantial portion of the operations of the Group. 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](http://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

- Sino Land remained as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index, with an AA rating
- Sino Land was recognised as a Top 10 (Pace-setter) in the Greater Bay Area Business Sustainability Index
- Sino Land received a B rating in the Climate Change Assessment 2022 by CDP
- Sino Land was 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
- Sino Land became the first developer in Hong Kong to be recognised among the Global 100 Most Sustainable Corporations by Corporate Knights
- Sino Land was included in the S&P Global Sustainability Yearbook 2023
- Sino Land was included in the S&P Global Sustainability Yearbook (China) 2023
- Sino Land was selected as a constituent of the Dow Jones Sustainability Asia/Pacific Index
- Sino Land was recognised as a Regional Top-rated ESG Performer by Sustainalytics
- Sino Land 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
- Sino Land 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

- Sino Land received two accolades, namely Outstanding ESG Company (Diamond Award) and ESG Leader (Platinum Award) at the ESG Achievement Awards 2021/2022
- Sino Land 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")
- Sino Land received the Grand Award in the large-sized organisation category at the Hong Kong Sustainability Award 2022, organised by HKMA
- Sino Land was 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
- Sino Land was 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
- Sino Land was 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
- Sino Land 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. Sino Land is 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 CO<sub>2</sub> removed by 78,993 trees planted. In addition, we have generated 2,595,510 kWh of renewable energy from our 2012 level.

### 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.

## Sustainable development (Continued)

### 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.

### 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.

## Sustainable development (Continued)

### 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.

### 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.

## Sustainable development (Continued)

### 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".



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 deviations are set out in this report.

## Corporate culture framework

### Our vision and mission

Incorporated in Hong Kong in 1972, the core business of the Company and its subsidiaries (together, “Group”, including its major listed subsidiary, Sino Land Company Limited (“Sino Land”)) 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’. Sino Land has been growing with the communities it serves to become one of the city’s leading developers.

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 seven Directors comprising two 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 three 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
<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

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 60 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.

All the three Independent Non-Executive Directors of the Company have served more than nine years on the Board. Pursuant to the new code provision B.2.4 under Part 2 of the Code, the Company is required to appoint a new independent non-executive director on the board at the forthcoming Annual General Meeting. During the financial year, the independence of the Independent Non-Executive Directors had been assessed in accordance with the applicable Listing Rules. After considering the confirmations of independence of the Independent Non-Executive Directors, their skills, knowledge, professionalism and experience and their commitment to their role as independent non-executive directors in the past years, the Board (including its Nomination Committee) is of the view that (a) the long tenure of the existing Independent Non-Executive Directors has not undermined their abilities to provide independent, balanced and objective views to the Board and, on the contrary, has been instrumental in facilitating communication among board members since they are able to provide unbiased opinion and tailored advice as they have gained a deep understanding of the Group's business and operation over time by virtue of their long tenure; (b) their commitment to the responsibilities of the independent non-executive directors, valuable business experience, knowledge and professionalism are tremendous assets of the Board, which had fostered and will continue to foster the sharing of diverse perspectives in the boardroom and the generation of new ideas and business strategies; and (c) all the existing Independent Non-Executive Directors remain independent pursuant to Rule 3.13 of the Listing Rules. Whilst the Board does not have any current arrangement to appoint a new independent non-executive director on the board, it will review on an on-going basis to propose new or additional appointment of independent non-executive director(s) as and when appropriate.

## Corporate governance (Continued)

### 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.

### 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 <sup>(Notes)</sup>
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	a, b
Mr. Daryl Ng Win Kong	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

*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.

## Corporate governance (Continued)

### 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](http://www.sino.com) and the Stock Exchange's website.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. 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.



## Corporate governance (Continued)

### 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.

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.

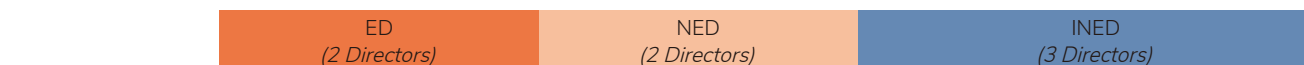
The Board as a whole is responsible for reviewing the structure, size and composition of the Board with due regard to the intended benefits of board diversity. Taking into consideration of board diversity, including gender diversity, Ms. Nikki Ng Mien Hua has been appointed as a Non-Executive Director 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 report (Continued)

## Corporate governance (Continued)

### Nomination of directors and senior management (Continued)

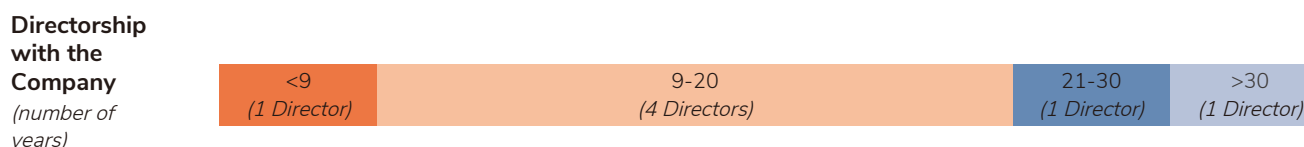
#### Board diversity policy (Continued)



Notes:  
 ED = Executive Director  
 NED = Non-Executive Director  
 INED = Independent Non-Executive Director



Note: None of Board Member is included in the ranges of 51-60 and 61-70



## 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](http://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 52 to 58.

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](http://www.sino.com) and the Stock Exchange's website.

The Audit Committee reports to the Board and holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, risk management and internal control. The Committee 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 report (Continued)

## 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\$4,393,000 and HK\$1,278,500 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 Director 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 report (Continued)

## 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
<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

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 (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
<b>Ordinary Resolutions</b>	
1 Adoption of the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2022	99.99%
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 The Honourable Ronald Joseph Arculli as Director	99.99%
3(ii) Re-election of Mr. Daryl Ng Win Kong as Director	99.99%
3(iii) Authorisation of the Board to fix the Directors' remuneration for the financial year ending 30th June, 2023	99.99%
4 Re-appointment of KPMG as Auditor for the ensuing year and to authorise the Board to fix their remuneration	99.99%
5(i) Share buy-back mandate up to 10% of the Company's issued shares	99.99%
5(ii) Share issue mandate up to 20% of the Company's issued shares	99.99%

Resolutions proposed at the 2022 AGM	Percentage of votes
--------------------------------------	---------------------

5(iii) Extension of share issue mandate to the shares bought back under the share buy-back mandate	99.99%
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**Special Resolution**

6 Adoption of the new Articles of Association of the Company	99.99%
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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](http://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](http://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](mailto: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 management report

## 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.

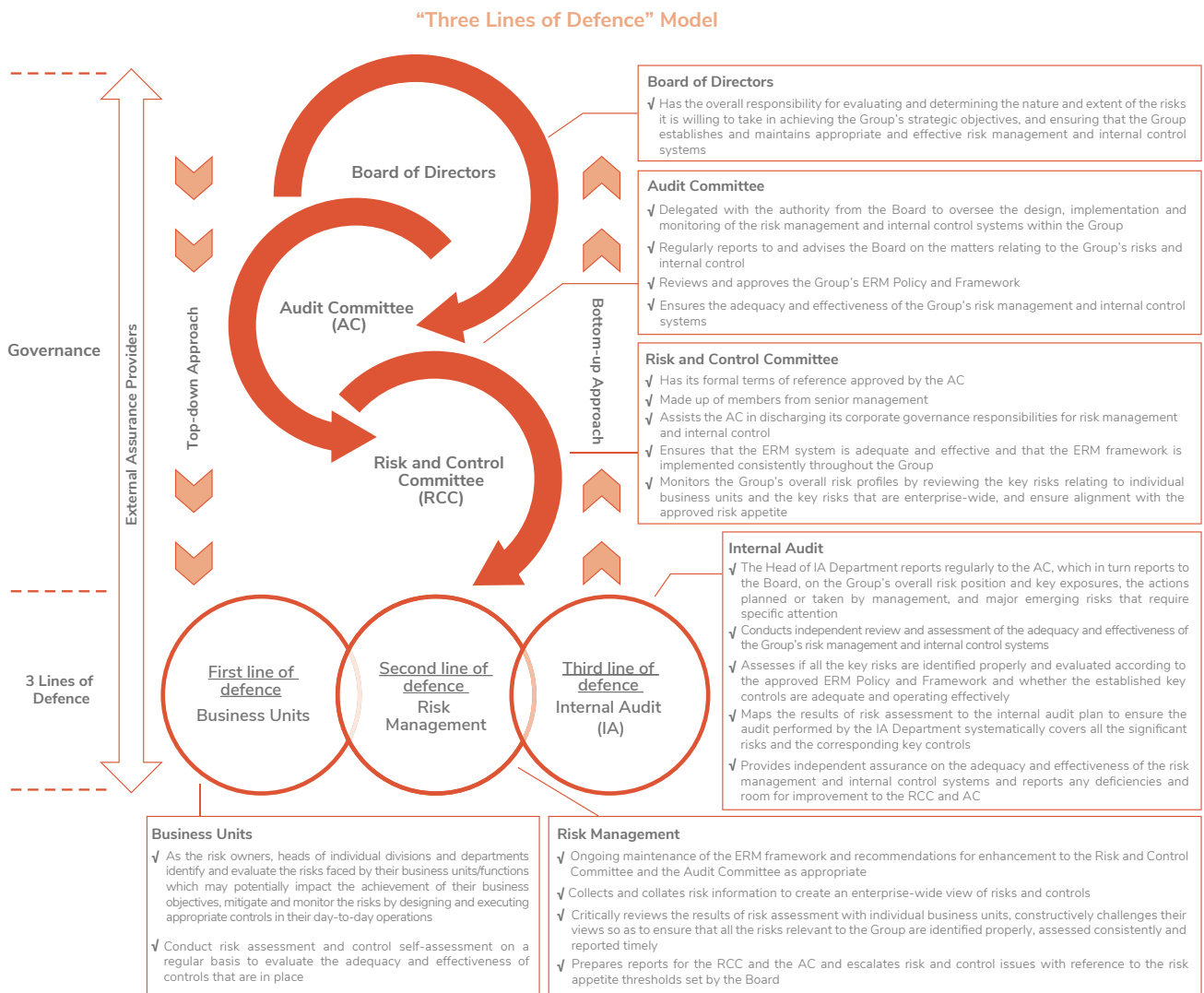
## Risk governance and management

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 report (Continued)

### 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 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.

# Risk management report (Continued)


## 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"> <li>• Closely monitoring market situation and adopting appropriate strategies promptly</li> <li>• Stress test for different scenarios</li> <li>• Regular performance review of individual business units/projects</li> </ul>

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"> <li>• Selective land bank replenishment to optimize earning potential</li> <li>• Careful consideration of business cases before commitment, studies on market transactions, joint venture partnership if necessary</li> <li>• Regular review to determine if our properties need to be enhanced or renovated</li> <li>• Continued effort to improve quality of products and services to strengthen our brand and market position</li> <li>• Investments in Mainland China, Singapore and Australia</li> </ul>

### 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"> <li>• Budgetary control mechanism established</li> <li>• Analysis and benchmarking of construction and operating costs</li> <li>• Tender/quotation procedures in place to ensure best prices are achieved through competitive bidding</li> <li>• Broadening contractor/supplier base</li> <li>• Ongoing enhancement of efficiency and productivity</li> </ul>

## Principal risks to the Group (Continued)

### Operational Risk (Continued)

Risk Description	Risk Movement*
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2. Cyber security



#### Key Controls/Mitigation Measures

- 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

- 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*
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4. Fraud




#### Key Controls/Mitigation Measures

- 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

## Risk management report (Continued)

### Principal risks to the Group (Continued)

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

For the financial risks of the Group, please refer to “Notes to the Consolidated Financial Statements” on pages 166 to 174.

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 42 to 45.

### 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 44 to 45.

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 49 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 20 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 52 to 58 of this Annual Report. Also, the financial risk management objectives and policies of the Group can be found in Note 44 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 21 to 30 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 31 to 51 and this report on pages 59 to 74 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 86.

An interim dividend of HK15 cents per share amounting to HK\$306,639,659, including HK\$1,038,051 by way of cash dividends and HK\$305,601,608 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\$884,913,271 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 200 to 211.

## 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 49, 50 and 51 to the consolidated financial statements, respectively.

## Share capital

Details of shares issued by the Company during the year are set out in Note 34 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 reserve of the Company

The Company's reserve available for distribution to shareholders as at 30th June, 2023 was the retained profits of HK\$13,246,155,764 (2022: HK\$11,951,668,115).

### 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 and other loan repayable on demand or within one year are classified as current liabilities. Repayment analysis of bank borrowings and other loan as at 30th June, 2023 are set out in Notes 32 and 33 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)

#### 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

In accordance with the Company's Articles of Association and pursuant to Appendix 14 to the Listing Rules, Ms. Nikki Ng Mien Hua, Mr. Adrian David Li Man-kiu and Mr. Steven Ong Kay Eng 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](http://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	1,483,902,681 <i>(Note)</i>	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. Daryl Ng Win Kong	–	–	–

*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

##### (i) Subsidiary

##### Sino Land Company Limited

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. Daryl Ng Win Kong	162,637	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 (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:

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

Save as disclosed above, as at 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 or any of its 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 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 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 three 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 47 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 or any of its 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 or any of its 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 major subsidiary, Sino Land Company Limited ("Sino Land"), jointly announced on 1st June, 2022 that Sino Land and/or its subsidiaries ("Sino Land Group") had entered into agreements on 1st June, 2022 ("Agreements" or individually, "Agreement") relating to the following continuing

connected transactions between Sino Land 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><b>Service provider</b> Best Result Environmental Services Limited, a wholly-owned subsidiary of Sino Land</p> <p><b>Service recipient</b> Ng Family</p>	Provision of building cleaning services and cleaning consultancy services by Sino Land 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

## 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
2. Car park management services	<p><b>Service provider</b> Sino Parking Services Limited ("SPSL"), a company held as to 50% by Sino Land and 50% by the Ng Family</p> <p><b>Service recipient</b> Sino Land 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 Sino Land Group	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>The aggregate amount payable by the relevant members of Sino Land 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

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><b>Service provider</b> Sino Estates Management Limited ("SEML"), a wholly-owned subsidiary of Sino Land</p> <p><b>Service recipient</b> Ng Family</p>	Provision of estate management services, life-style services, home maintenance services, courtesy services and general administrative services by Sino Land Group to properties developed/owned/ partly owned or to be developed/owned/ partly owned by the Ng Family	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. 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>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

## 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
4. Security services	<p><b>Service provider</b> Sino Security Services Limited, a wholly-owned subsidiary of Sino Land</p> <p><b>Service recipient</b> Ng Family</p>	Provision of security services by Sino Land 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

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><b>Service provider</b></p> <p>(i) Sino Land Group</p> <p><b>Service recipient</b></p> <p>(i) Ng Family</p>	(i) the Ng Family (as lessee) leases properties owned or to be owned by Sino Land 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	(i) The total base rent and Variable Lease Payment, if any, payable per annum shall not exceed: <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

## 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 base rent recognised as right-of-use assets according to HKFRS 16 – Leases
5. Lease of properties (Continued)	<p><b>Service provider</b></p> <p>(ii) Ng Family</p> <p><b>Service recipient</b></p> <p>(ii) Sino Land Group</p>	(ii) Sino Land 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	<p>(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> <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 the Company and Sino Land by virtue of the Ng Family being the controlling shareholder of both the Company and Sino Land. Therefore, the above transactions constituted continuing connected transactions of each of the Company and Sino Land 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](http://www.sino.com).

Details of other related party transactions are set out in Note 47 to the consolidated financial statements.

## Directors' report (Continued)

### 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	1,476,185,696 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 2,967,271 shares and trustee interest in 1,473,218,425 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.21%

Tamworth Investment Limited	545,208,458 <i>(Notes 3 and 5)</i>	Beneficial owner	27.36%
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Strathallan Investment Limited	317,920,220 <i>(Notes 3 and 5)</i>	Beneficial owner	18.32%
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Name of other shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
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Nippomo Limited	161,644,248 <i>(Notes 3 and 5)</i>	Beneficial owner	9.31%
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Fanlight Investment Limited	140,647,659 <i>(Notes 3 and 5)</i>	Beneficial owner	6.88%
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## Substantial shareholders' and other shareholders' interests (Continued)

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

Notes:

1. 2,967,271 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 2,585,133 shares by Far East Capital Pte. Ltd. and 382,138 shares by Western Properties Pte Ltd.
2. The trustee interest in 1,473,218,425 shares comprises:
  - (a) 1,356,948,266 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 140,647,659 shares by Fanlight Investment Limited, 190,598,098 shares by Nippomo Limited, 4,379,735 shares by Orient Creation Limited, 374,866,362 shares by Strathallan Investment Limited, 559,402,396 shares by Tamworth Investment Limited and 87,054,016 shares by Transpire Investment Limited; and
  - (b) 116,270,159 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. The interests of Tamworth Investment Limited, Strathallan Investment Limited, Nippomo Limited and Fanlight Investment Limited were duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong.
4. 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.
5. 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 31 to 51 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**<sup>N+</sup>, aged 71,

an Executive Director since 1978 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 Sino Land Company Limited, the major subsidiary 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**<sup>R</sup>, 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 Sino Land Company 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

### (II) Non-Executive Directors

#### **The Honourable Ronald Joseph Arculli,**

GBM, CVO, GBS, OBE, JP, aged 84,

has been a Director of the Company since 1994 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 Sino Land Company 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 Sino Land Company 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**<sup>A N R</sup>, 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 Sino Land Company 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**<sup>A+ N R</sup>, 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 Sino Land Company 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

### (III) Independent Non-Executive Directors (Continued)

#### **Mr. Steven Ong Kay Eng**<sup>A R+</sup>, aged 77,

has been an Independent Non-Executive Director since July 2005. He is also an Independent Non-Executive Director of Sino Land Company Limited and Sino Hotels (Holdings) Limited. 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.

### (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 Tsim Sha Tsui Properties Limited**  
(Incorporated in Hong Kong with limited liability)

## Opinion

We have audited the consolidated financial statements of Tsim Sha Tsui Properties Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 86 to 198, 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.

## 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 42 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.

## Independent auditor's report (Continued)

### 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.

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

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	11,928,929,454	15,597,640,466
Cost of sales		(4,180,678,874)	(5,277,594,743)
Direct expenses		(2,343,454,496)	(2,053,368,218)
Gross profit		5,404,796,084	8,266,677,505
Change in fair value of investment properties	17	178,550,889	(683,168,848)
Other income and other gains or losses		22,460,159	120,241,662
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		4,643,089	29,522,185
Gain on disposal of investment properties		494,377	4,002,696
Administrative expenses		(909,725,390)	(881,586,795)
Other operating expenses		(227,537,686)	(174,000,999)
Finance income	7	1,419,868,120	341,696,274
Finance costs	8	(102,245,234)	(60,979,647)
Less: interest capitalised	8	54,845,106	18,021,940
Finance income, net		1,372,467,992	298,738,567
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	6,773,204,704	7,307,834,042
Income tax expense	14	(862,800,204)	(1,350,947,957)
Profit for the year		5,910,404,500	5,956,886,085
Attributable to:			
The Company's shareholders		3,287,132,467	3,159,245,014
Non-controlling interests		2,623,272,033	2,797,641,071
		5,910,404,500	5,956,886,085
Earnings per share (reported earnings per share)			
Basic	16(a)	1.61	1.60

The notes on pages 94 to 198 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>5,910,404,500</u>	<u>5,956,886,085</u>
<b>Other comprehensive income</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")	<u>15,808,217</u>	<u>19,745,630</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	(456,238,708)	(520,936,013)
Change in fair value of debt instruments at FVTOCI	<u>(713,545)</u>	<u>(4,225,489)</u>
	<u>(491,867,508)</u>	<u>(473,482,879)</u>
Other comprehensive income for the year	<u>(476,059,291)</u>	<u>(453,737,249)</u>
Total comprehensive income for the year	<u>5,434,345,209</u>	<u>5,503,148,836</u>
Total comprehensive income attributable to:		
The Company's shareholders	3,018,488,508	2,910,411,927
Non-controlling interests	<u>2,415,856,701</u>	<u>2,592,736,909</u>
	<u>5,434,345,209</u>	<u>5,503,148,836</u>

The notes on pages 94 to 198 form part of these consolidated financial statements.

# Consolidated statement of financial position

At 30th June, 2023

	Notes	2023 HK\$	2022 HK\$
<b>Non-current assets</b>			
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	141,912,015	126,977,401
Right-of-use assets	21	1,176,512,988	1,158,432,452
Goodwill	20	739,233,918	739,233,918
Interests in associates	22	17,109,658,528	17,902,494,176
Interests in joint ventures	23	6,478,483,281	5,864,756,573
Equity and debt instruments	24	1,195,629,094	1,000,661,874
Advances to associates	22	3,995,171,299	3,868,401,498
Advances to joint ventures	23	10,433,170,434	11,350,113,778
Long-term loans receivable	26	3,438,924,798	2,854,595,811
Deferred taxation	35	7,651,350	4,451,104
Other assets		615,000	615,000
		<u>112,404,573,768</u>	<u>108,335,065,373</u>
<b>Current assets</b>			
Properties under development	42	9,433,372,808	18,060,607,882
Stocks of completed properties	42	7,040,877,663	2,406,869,306
Hotel inventories		8,995,232	13,662,642
Equity and debt instruments	24	12,698,479	12,362,692
Amounts due from associates	22	2,256,442,713	1,890,933,034
Amounts due from joint ventures	23	3,096,175,528	2,709,936,156
Amounts due from non-controlling interests	25	31,752,493	58,788,202
Trade and other receivables	27	1,769,761,852	1,371,843,142
Current portion of long-term loans receivable	26	109,511,988	80,586,293
Taxation recoverable		61,031,514	138,024,397
Time deposits and restricted bank deposits	28	41,978,259,144	42,006,681,206
Bank balances and cash	28	2,846,295,588	3,631,586,146
		<u>68,645,175,002</u>	<u>72,381,881,098</u>
<b>Current liabilities</b>			
Trade and other payables	29	5,086,806,587	5,360,404,711
Lease liabilities	30	41,018,314	31,180,353
Contract liabilities	31	826,871,315	2,586,016,080
Amounts due to associates	22	827,476,708	885,932,545
Amounts due to non-controlling interests	25	1,671,551,006	861,793,341
Taxation payable		1,390,260,113	3,197,452,003
Bank borrowings – due within one year	32	1,132,532,000	2,253,528,000
		<u>10,976,516,043</u>	<u>15,176,307,033</u>
<b>Net current assets</b>		<u>57,668,658,959</u>	<u>57,205,574,065</u>
<b>Total assets less current liabilities</b>		<u>170,073,232,727</u>	<u>165,540,639,438</u>

# Consolidated statement of financial position (Continued)

At 30th June, 2023

	Notes	2023 HK\$	2022 HK\$
<b>Capital and reserves</b>			
Share capital	34	18,110,498,630	16,968,256,132
Reserves		<u>73,479,700,831</u>	<u>71,290,390,595</u>
<b>Equity attributable to the Company's shareholders</b>		<b>91,590,199,461</b>	88,258,646,727
<b>Non-controlling interests</b>	38	<u>72,397,812,762</u>	<u>70,874,067,504</u>
<b>Total equity</b>		<b><u>163,988,012,223</u></b>	<u>159,132,714,231</u>
<b>Non-current liabilities</b>			
Bank borrowings – due after one year	32	831,996,000	996,632,901
Lease liabilities	30	15,377,800	13,550,745
Other loan – due after one year	33	806,575,480	743,541,413
Deferred taxation	35	2,698,816,380	2,707,581,711
Advances from associates	36	1,599,837,513	1,804,212,761
Advances from non-controlling interests	37	<u>132,617,331</u>	<u>142,405,676</u>
		<u>6,085,220,504</u>	<u>6,407,925,207</u>
		<b><u>170,073,232,727</u></b>	<u>165,540,639,438</u>

The consolidated financial statements on pages 86 to 198 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 94 to 198 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						Total HK\$	Non- controlling interests HK\$	Total HK\$
	Share capital HK\$	Capital reserve HK\$	Investment revaluation reserve HK\$	Hedging reserve HK\$	Exchange reserve HK\$	Retained profits HK\$			
At 1st July, 2021	15,341,990,386	2,779,930,268	(266,546,717)	(9,157,079)	297,780,160	66,922,436,027	85,066,433,045	71,251,794,731	156,318,227,776
Profit for the year	-	-	-	-	-	3,159,245,014	3,159,245,014	2,797,641,071	5,956,886,085
Other comprehensive income	-	-	8,229,476	28,656,675	(285,719,238)	-	(248,833,087)	(204,904,162)	(453,737,249)
Total comprehensive income for the year	-	-	8,229,476	28,656,675	(285,719,238)	3,159,245,014	2,910,411,927	2,592,736,909	5,503,148,836
Investment revaluation reserve reclassified to retained profits upon derecognition of equity instruments at FVTOCI	-	-	(268,524)	-	-	483,695	215,171	(215,171)	-
Shares issued in lieu of cash dividends	1,626,265,746	-	-	-	-	-	1,626,265,746	-	1,626,265,746
Acquisition of additional interest in a listed subsidiary	-	289,700,965	-	-	-	-	289,700,965	(369,579,194)	(79,878,229)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	-	1,239,178,369	1,239,178,369
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(3,839,848,140)	(3,839,848,140)
Final dividend – 2021	-	-	-	-	-	(793,541,406)	(793,541,406)	-	(793,541,406)
Special dividend – 2021	-	-	-	-	-	(541,930,717)	(541,930,717)	-	(541,930,717)
Interim dividend – 2022	-	-	-	-	-	(298,908,004)	(298,908,004)	-	(298,908,004)
At 30th June, 2022 and 1st July, 2022	16,968,256,132	3,069,631,233	(258,585,765)	19,499,596	12,060,922	68,447,784,609	88,258,646,727	70,874,067,504	159,132,714,231
Profit for the year	-	-	-	-	-	3,287,132,467	3,287,132,467	2,623,272,033	5,910,404,500
Other comprehensive income	-	-	8,419,190	(19,499,596)	(257,563,553)	-	(268,643,959)	(207,415,332)	(476,059,291)
Total comprehensive income for the year	-	-	8,419,190	(19,499,596)	(257,563,553)	3,287,132,467	3,018,488,508	2,415,856,701	5,434,345,209
Shares issued in lieu of cash dividends	1,142,242,498	-	-	-	-	-	1,142,242,498	-	1,142,242,498
Additional interest on non-controlling interests	-	-	-	-	-	-	-	30	30
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	(963,109)	(963,109)
Acquisition of additional interest in a listed subsidiary	-	319,918,860	-	-	-	-	319,918,860	(372,404,621)	(52,485,761)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	-	1,560,701,440	1,560,701,440
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(2,079,445,183)	(2,079,445,183)
Final dividend – 2022	-	-	-	-	-	(842,457,473)	(842,457,473)	-	(842,457,473)
Interim dividend – 2023	-	-	-	-	-	(306,639,659)	(306,639,659)	-	(306,639,659)
At 30th June, 2023	18,110,498,630	3,389,550,093	(250,166,575)	-	(245,502,631)	70,585,819,944	91,590,199,461	72,397,812,762	163,988,012,223

The notes on pages 94 to 198 form part of these consolidated financial statements.

# Consolidated statement of cash flows

For the year ended 30th June, 2023

	2023 HK\$	2022 HK\$
<b>Operating activities</b>		
Profit before taxation	6,773,204,704	7,307,834,042
Adjustments for:		
Finance costs	47,400,128	42,957,707
Depreciation of property, plant and equipment and hotel properties	125,370,516	103,327,566
Depreciation of right-of-use assets	72,851,195	77,751,700
Gain on disposal of property, plant and equipment	(389,544)	(74,074)
Property, plant and equipment written off	90,615	–
Hotel properties written off	2,527,600	–
Impairment loss on trade receivables, net of reversal	16,228,927	8,922,760
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	(1,419,868,120)	(341,696,274)
Change in fair value of financial assets at FVTPL	(4,643,089)	(29,522,185)
Gain on disposal of investment properties	(494,377)	(4,002,696)
Fair value gain on non-current interest-free unsecured other loan	(7,018,352)	(6,469,866)
Interest revenue from loans receivable	(48,387,419)	(59,630,977)
Dividend income from listed investments	(38,015,830)	(26,706,378)
Dividend income from unlisted investments	–	(185,453)
Operating cash flows before movements in working capital	4,413,250,875	7,428,266,651
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	99,293,970	230,740,822
(Decrease)/increase in trade and other payables	(273,361,527)	217,135,207
Decrease in contract liabilities	(1,759,144,765)	(3,266,232,103)
Cash generated from operations	1,874,656,919	6,775,708,525
Hong Kong Profits Tax paid	(2,483,392,419)	(337,640,570)
Taxation in other jurisdictions paid	(50,278,362)	(61,662,004)
Interest received from loans receivable	48,387,419	59,630,977
Dividends received from listed investments	38,015,830	23,817,234
Dividends received from unlisted investments	–	185,453
<b>Net cash (used in)/generated from operating activities</b>	<b>(572,610,613)</b>	<b>6,460,039,615</b>

## Consolidated statement of cash flows (Continued)

For the year ended 30th June, 2023

	2023 HK\$	2022 HK\$
<b>Investing activities</b>		
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	875,782,444	403,149,002
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	(720,562,585)	(14,668,428,415)
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
<b>Net cash from/(used in) investing activities</b>	<b>537,338,229</b>	<b>(14,277,750,374)</b>
<b>Financing activities</b>		
New other loan raised	63,582,553	–
Repayments of bank borrowings	(1,289,000,000)	(2,000,000,000)
Repayments of other loan	–	(615,785,541)
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	(6,854,634)	(8,114,381)
Interest and other finance costs paid	(116,815,751)	(44,273,429)
Dividends paid to non-controlling interests	(518,744,005)	(2,600,670,024)
<b>Net cash used in financing activities</b>	<b>(1,353,252,173)</b>	<b>(5,293,699,419)</b>

## Consolidated statement of cash flows (Continued)

For the year ended 30th June, 2023

	2023 HK\$	2022 HK\$
Net decrease in cash and cash equivalents	(1,388,524,557)	(13,111,410,178)
Cash and cash equivalents brought forward	15,348,478,147	28,607,127,354
Effect of foreign exchange rate changes	<u>(143,885,534)</u>	<u>(147,239,029)</u>
Cash and cash equivalents carried forward	<u>13,816,068,056</u>	<u>15,348,478,147</u>
<b>Analysis of the balances of cash and cash equivalents</b>		
Restricted bank deposits	23,881,212	25,746,326
Time deposits	41,954,377,932	41,980,934,880
Bank balances and cash	<u>2,846,295,588</u>	<u>3,631,586,146</u>
Deposits, bank balances and cash in the consolidated statement of financial position	44,824,554,732	45,638,267,352
Less: Time deposits with original maturity over three months and charge over deposits	<u>(30,984,605,464)</u>	<u>(30,264,042,879)</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>13,816,068,056</u>	<u>15,348,478,147</u>

The notes on pages 94 to 198 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”). 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 49.

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	<i>Property, plant and equipment: Proceeds before intended use</i>
Amendments to HKAS 37	<i>Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract</i>

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.

#### **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.



# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

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

### 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 51. 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.

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.

# 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)

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.

#### Goodwill

##### Goodwill arising on acquisitions prior to 1st January, 2005

Goodwill arising on an acquisition of net assets and operations of another entity for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

For previously capitalised goodwill arising on acquisitions of net assets and operations of another entity after 1st July, 2001, the Group has discontinued amortisation from 1st July, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

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

### 3.2 Significant accounting policies (Continued)

#### Goodwill (Continued)

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

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### 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.

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.

# 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)

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.

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.

## 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)

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.

#### 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.

# 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)

#### 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.

#### 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.



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

### 3.2 Significant accounting policies (Continued)

#### Investment properties (Continued)

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.

#### 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.

# 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)

#### **Impairment losses on hotel properties, property, plant and equipment, right-of-use assets and contract costs other than goodwill**

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.

#### **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.

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

### 3.2 Significant accounting policies (Continued)

#### 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.

#### 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.

# 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

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.

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.

## 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)

##### 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.

##### 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.

# 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)

Lease modifications (Continued)

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.

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.

## 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)

##### 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.

#### 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.

# 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)

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.

#### 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.



## 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)

(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.

(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.

# 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)

Classification and subsequent measurement of financial assets (Continued)

#### (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.

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.

## 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

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;
- 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.

# 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)

(i) Significant increase in credit risk (Continued)

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.

(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.

## 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)

(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.

(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.

# 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)

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.

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.

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

### 3.2 Significant accounting policies (Continued)

#### Financial instruments (Continued)

##### 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, other loan 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.

##### 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.

# 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)

##### Derecognition (Continued)

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.

##### 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.



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

### 3.2 Significant accounting policies (Continued)

#### Hedge accounting (Continued)

##### Assessment of hedging relationship and effectiveness (Continued)

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.

##### 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.

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.

# 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)

#### 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.

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.

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

### 3.2 Significant accounting policies (Continued)

#### Taxation (Continued)

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.

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).

# 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)

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	2,793,887,161	2,781,816,161
Interest revenue from loans receivable	48,387,419	59,630,977
Dividend income		
Listed investments	38,015,830	26,706,378
Unlisted investments	–	185,453
	<u>11,928,929,454</u>	<u>15,597,640,466</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.

## 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.

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 6. Operating segments (Continued)

### 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	2,793,887,161	2,356,581,691	783,035,535	666,606,711	3,576,922,696	3,023,188,402
	<u>9,790,220,941</u>	<u>4,586,336,706</u>	<u>5,845,161,599</u>	<u>1,481,351,087</u>	<u>15,635,382,540</u>	<u>6,067,687,793</u>
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	38,015,830	38,015,830	3,900	3,900	38,019,730	38,019,730
Financing	48,387,419	48,387,419	7,219,090	7,219,090	55,606,509	55,606,509
	<u>11,928,929,454</u>	<u>5,287,329,035</u>	<u>6,466,428,739</u>	<u>1,578,241,647</u>	<u>18,395,358,193</u>	<u>6,865,570,682</u>

### Segment assets

As at 30th June, 2023

	The Company and its subsidiaries HK\$	Associates and joint ventures HK\$	Total HK\$
Property sales	17,448,840,048	5,258,769,752	22,707,609,800
Property rental	66,438,748,206	15,306,800,191	81,745,548,397
	<u>83,887,588,254</u>	<u>20,565,569,943</u>	<u>104,453,158,197</u>
Property management and other services	947,595,217	30,469,149	978,064,366
Hotel operations	3,008,647,417	399,205,686	3,407,853,103
Investments in securities	1,360,950,396	2,553,185,932	3,914,136,328
Financing	23,363,588,081	39,711,099	23,403,299,180
	<u>112,568,369,365</u>	<u>23,588,141,809</u>	<u>136,156,511,174</u>
Segment assets			
Restricted bank deposits, time deposits, bank balances and cash			44,824,554,732
Deferred taxation and taxation recoverable			68,682,864
Total assets			<u>181,049,748,770</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 <i>HK\$</i>	Property rental <i>HK\$</i>	Property management and other services <i>HK\$</i>	Hotel operations <i>HK\$</i>	Investments in securities <i>HK\$</i>	Financing <i>HK\$</i>	Consolidated <i>HK\$</i>
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)	(66,885)	–	(92,502,551)
– Hotel properties	–	–	–	(32,867,965)	–	–	(32,867,965)
– Right-of-use assets	<u>(455,619)</u>	<u>(85,717)</u>	<u>(49,711,000)</u>	<u>(22,598,859)</u>	<u>–</u>	<u>–</u>	<u>(72,851,195)</u>

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 6. Operating segments (Continued)

### Segment results

For the year ended 30th June, 2022

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue	Results	Share of revenue	Share of results	Segment revenue	Segment results
	HK\$	HK\$	HK\$	HK\$	HK\$	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	2,781,816,161	2,406,325,163	832,125,937	730,571,466	3,613,942,098	3,136,896,629
	13,911,506,623	7,774,627,877	984,471,432	708,696,998	14,895,978,055	8,483,324,875
Property management and other services	1,147,617,763	197,498,123	116,962,797	23,294,474	1,264,580,560	220,792,597
Hotel operations	451,993,272	109,683,921	130,721,848	(16,704,368)	582,715,120	92,979,553
Investments in securities	26,891,831	26,891,831	3,900	3,900	26,895,731	26,895,731
Financing	59,630,977	59,630,977	8,512,751	8,512,751	68,143,728	68,143,728
	<u>15,597,640,466</u>	<u>8,168,332,729</u>	<u>1,240,672,728</u>	<u>723,803,755</u>	<u>16,838,313,194</u>	<u>8,892,136,484</u>

### Segment assets

As at 30th June, 2022

	The Company and its subsidiaries HK\$	Associates and joint ventures HK\$	Total HK\$
Property sales	21,445,614,148	5,034,847,284	26,480,461,432
Property rental	<u>62,269,721,047</u>	<u>15,699,820,438</u>	<u>77,969,541,485</u>
	83,715,335,195	20,734,667,722	104,450,002,917
Property management and other services	476,338,191	39,299,472	515,637,663
Hotel operations	3,036,831,901	459,644,547	3,496,476,448
Investments in securities	1,158,967,976	2,497,754,692	3,656,722,668
Financing	<u>22,781,479,606</u>	<u>35,884,316</u>	<u>22,817,363,922</u>
Segment assets	<u>111,168,952,869</u>	<u>23,767,250,749</u>	134,936,203,618
Restricted bank deposits, time deposits, bank balances and cash			45,638,267,352
Deferred taxation and taxation recoverable			<u>142,475,501</u>
Total assets			<u>180,716,946,471</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, 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)	(71,407)	–	(69,376,833)
– Hotel properties	–	–	–	(33,950,733)	–	–	(33,950,733)
– Right-of-use assets	<u>(737,592)</u>	<u>(9,171)</u>	<u>(54,506,774)</u>	<u>(22,448,122)</u>	<u>(50,041)</u>	–	<u>(77,751,700)</u>

### 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.

## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 6. Operating segments (Continued)

#### Reconciliation of profit before taxation

	2023 HK\$	2022 HK\$
Segment profit	6,865,570,682	8,892,136,484
Change in fair value of investment properties	178,550,889	(683,168,848)
Other income and other gains or losses	14,678,749	116,974,806
Change in fair value of financial assets at FVTPL	4,643,089	29,522,185
Gain on disposal of investment properties	494,377	4,002,696
Administrative expenses and other operating expenses	(1,008,722,308)	(953,725,450)
Finance income, net	1,369,175,683	298,487,855
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>6,773,204,704</u>	<u>7,307,834,042</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.

#### 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.

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 6. Operating segments (Continued)

### 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	10,907,167,110	15,035,894,448	6,279,620,901	1,167,123,966	88,430,409,344	85,488,048,586
Singapore and Australia	1,021,762,344	561,746,018	186,807,838	73,548,762	4,903,002,449	3,768,177,722
	<u>11,928,929,454</u>	<u>15,597,640,466</u>	<u>6,466,428,739</u>	<u>1,240,672,728</u>	<u>93,333,411,793</u>	<u>89,256,226,308</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.

## 7. Finance income

	2023 HK\$	2022 HK\$
Interest income on bank deposits	1,349,041,735	304,511,127
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>1,419,868,120</u>	<u>341,696,274</u>

## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 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	9,157,830	8,314,279
Imputed interest expense on non-current interest-free unsecured other loan	6,469,866	11,781,853
	<u>137,160,489</u>	<u>57,086,091</u>
Fair value adjustment on an interest rate swap reclassified from hedging reserve to profit or loss	(34,915,255)	3,893,556
	<u>102,245,234</u>	<u>60,979,647</u>
Less: Amounts capitalised to properties under development	(54,845,106)	(18,021,940)
	<u>47,400,128</u>	<u>42,957,707</u>

### 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	(114,625,657)	(319,374,499)
	<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.



# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 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.

## 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	1,639,785,795	1,520,372,314
Retirement benefit scheme contributions	<u>65,336,357</u>	<u>53,887,936</u>
Total staff costs	<u>1,705,122,152</u>	<u>1,574,260,250</u>
Auditor's remuneration		
– audit services	4,830,957	4,672,196
– non-audit services	1,278,500	843,000
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)	198,221,711	181,079,266
Gain on disposal of property, plant and equipment	(389,544)	(74,074)
Property, plant and equipment written off	90,615	–
Hotel properties written off	2,527,600	–
Impairment loss on trade receivables, net of reversal	16,228,927	8,922,760
Government grants		
– COVID-19 related	(6,525,357)	(20,836,059)
– Others	<u>(8,200,738)</u>	<u>(1,161,777)</u>

## 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 six (2022: six) 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 <sup>^</sup> HK\$ (Note ii)	Mr. Daryl Ng Win Kong <sup>^</sup> HK\$ (Note v)	The Honourable Ronald Joseph Arculli <sup>#</sup> HK\$ (Notes iii and iv)	Dr. Allan Zeman* HK\$	Mr. Adrian David Li Man-kiu* HK\$	Mr. Steven Ong Kay Eng* HK\$	Total HK\$
Fees	-	96,000	400,000	760,000	760,000	700,000	2,716,000
Salaries and other benefits	-	978,245	-	-	-	-	978,245
Retirement benefit scheme contributions	-	18,000	-	-	-	-	18,000
Discretionary bonus (Note i)	-	160,990	-	-	-	-	160,990
<b>Total emoluments</b>	<b>-</b>	<b>1,253,235</b>	<b>400,000</b>	<b>760,000</b>	<b>760,000</b>	<b>700,000</b>	<b>3,873,235</b>

2022

	Mr. Robert Ng Chee Siong <sup>^</sup> HK\$ (Note ii)	Mr. Daryl Ng Win Kong <sup>^</sup> HK\$	The Honourable Ronald Joseph Arculli <sup>#</sup> HK\$ (Note iii)	Dr. Allan Zeman* HK\$	Mr. Adrian David Li Man-kiu* HK\$	Mr. Steven Ong Kay Eng* HK\$	Total HK\$
Fees	-	96,000	400,000	760,000	760,000	700,000	2,716,000
Salaries and other benefits	-	965,940	-	-	-	-	965,940
Retirement benefit scheme contributions	-	18,000	-	-	-	-	18,000
Discretionary bonus (Note i)	-	80,495	-	-	-	-	80,495
<b>Total emoluments</b>	<b>-</b>	<b>1,160,435</b>	<b>400,000</b>	<b>760,000</b>	<b>760,000</b>	<b>700,000</b>	<b>3,780,435</b>

# 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\$1,335,760 for the year ended 30th June, 2023 (2022: HK\$1,335,760).

Note iii: A consultancy fee of HK\$2,083,330 (2022: HK\$2,083,330), including HK\$1,666,664 (2022: HK\$1,666,664) paid directly by Sino Land Company Limited ("Sino Land"), was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli is the sole proprietor.

Note iv: The Honourable Ronald Joseph Arculli retired by rotation and was re-appointed as a Non-Executive Director of the Company on 26th October, 2022.

Note v: Mr. Daryl Ng Win Kong retired by rotation and was re-appointed as an Executive Director of the Company on 26th October, 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

None (2022: none) of the five individuals with the highest emoluments in the Group is a Director of the Company whose emoluments are included in Note 12. The emoluments of these five (2022: five) 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)	32,415,766	30,042,221
Retirement benefit scheme contributions	132,000	108,500
Discretionary bonus	7,022,788	7,195,175
	<u>39,570,554</u>	<u>37,345,896</u>

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 were within the following bands:

HK\$	Number of individuals	
	2023	2022
6,000,001 – 6,500,000	1	1
6,500,001 – 7,000,000	1	2
7,500,001 – 8,000,000	1	–
8,000,001 – 8,500,000	1	1
9,500,001 – 10,000,000	–	1
10,500,001 – 11,000,000	1	–
	<b>1</b>	<b>–</b>

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	598,099,335	1,092,507,231
Over-provision in previous years	(69,710)	(2,982,655)
	<b>598,029,625</b>	<b>1,089,524,576</b>
Taxation in other jurisdictions		
Provision for the year	107,156,548	100,843,254
Under/(over)-provision in previous years	57,695,798	(334,172)
Land Appreciation Tax in Mainland China	41,795,298	91,556,866
	<b>206,647,644</b>	<b>192,065,948</b>
	<b>804,677,269</b>	<b>1,281,590,524</b>
Deferred taxation (Note 35)	58,122,935	69,357,433
	<b>862,800,204</b>	<b>1,350,947,957</b>

# 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>6,773,204,704</u>	<u>7,307,834,042</u>
Tax charge at Hong Kong Profits Tax rate	1,117,578,776	1,205,792,617
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	24,494,496	131,230,855
Tax effect of income not taxable for tax purpose	(271,814,525)	(69,231,689)
Under/(over)-provision in previous years	57,626,088	(3,316,827)
Tax effect of tax losses not recognised	50,715,158	14,014,816
Utilisation of tax losses previously not recognised	(24,953,531)	(11,963,696)
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	44,594,879	57,434,131
Land Appreciation Tax in Mainland China	<u>41,795,298</u>	<u>91,556,866</u>
Tax charge for the year	<u>862,800,204</u>	<u>1,350,947,957</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)	842,457,473	793,541,406
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)	–	541,930,717
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)	306,639,659	298,908,004
	<u>1,149,097,132</u>	<u>1,634,380,127</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	1,038,051	5,816,583
Scrip dividends	305,601,608	836,640,890
	<u>306,639,659</u>	<u>842,457,473</u>

A final dividend of HK43 cents (2022: HK42 cents) per share for the year ended 30th June, 2023, totalling HK\$884,913,271 based on 2,057,937,840 shares (2022: HK\$842,457,473 based on 2,005,851,126 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 5th December, 2023.

On 7th December, 2021, the Company issued and allotted at an issue price of HK\$23.21 per ordinary share a total of 34,020,203 ordinary shares in lieu of cash for the 2021 final dividend, and a total of 23,232,978 ordinary shares in lieu of cash for the 2021 special dividend in respect of the financial year ended 30th June, 2021.

On 6th December, 2022, the Company issued and allotted a total of 38,413,264 ordinary shares at an issue price of HK\$21.78 per ordinary share to the shareholders in lieu of cash for the 2022 final dividend.

On 18th April, 2023, the Company issued and allotted a total of 13,673,450 (2022: 13,131,100) ordinary shares at an issue price of HK\$22.35 (2022: HK\$22.65) per ordinary share, to the shareholders in lieu of cash for the 2023 interim dividend (2022: 2022 interim dividend).

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 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>3,287,132,467</u>	<u>3,159,245,014</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>2,030,408,335</u>	<u>1,970,657,648</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.

### (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\$3,419,559,446 (2022: HK\$3,599,804,393) 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.

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 16. Earnings per share (Continued)

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

A reconciliation of profit is as follows:

	2023 HK\$	2022 HK\$
Earnings for the purpose of basic earnings per share	<u>3,287,132,467</u>	<u>3,159,245,014</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>(89,275,193)</u>	<u>(350,151,211)</u>
Unrealised change in fair value of investment properties attributable to the Company's shareholders	90,259,966	427,048,946
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	73,167,446	11,386,355
Amount attributable to non-controlling interests	<u>(33,358,342)</u>	<u>(10,866,212)</u>
	<u>132,426,979</u>	<u>440,559,379</u>
Underlying profit attributable to the Company's shareholders	<u>3,419,559,446</u>	<u>3,599,804,393</u>
Underlying earnings per share	<u>1.68</u>	<u>1.82</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\$
<b>Fair value</b>					
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>
<b>At 30th June, 2023</b>	<b><u>62,553,323,300</u></b>	<b><u>96,000,000</u></b>	<b><u>2,140,827,298</u></b>	<b><u>1,216,532,125</u></b>	<b><u>66,006,682,723</u></b>

### 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>
<b>Cost</b>			
At 1st July, 2021	220,424,515	1,937,482,273	2,157,906,788
Exchange realignment	–	(46,116,505)	(46,116,505)
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)
<b>At 30th June, 2023</b>	<b>219,899,908</b>	<b>1,943,112,981</b>	<b>2,163,012,889</b>
<b>Depreciation</b>			
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
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)
<b>At 30th June, 2023</b>	<b>44,625,128</b>	<b>437,459,421</b>	<b>482,084,549</b>
<b>Carrying values</b>			
<b>At 30th June, 2023</b>	<b>175,274,780</b>	<b>1,505,653,560</b>	<b>1,680,928,340</b>
At 30th June, 2022	181,895,901	1,492,208,156	1,674,104,057

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 HK\$	Furniture, fixtures, equipment and hotel operating equipment HK\$	Leasehold improvements HK\$	Motor vehicles HK\$	Plant and machinery HK\$	Total HK\$
<b>Cost</b>						
At 1st July, 2021	169,434,195	656,357,537	55,159,993	41,342,754	17,352,249	939,646,728
Exchange realignment	(1,491,239)	(13,913,224)	(30,245)	(329,179)	(90,726)	(15,854,613)
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)	(1,397,325)	-	(1,382,921)	(1,373,223)	(7,088,330)
At 30th June, 2022 and 1st July, 2022	173,976,673	680,029,379	56,959,698	40,613,123	17,581,361	969,160,234
Exchange realignment	1,507,297	17,255,081	(78,888)	224,443	(165,879)	18,742,054
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)
<b>At 30th June, 2023</b>	<b>173,844,679</b>	<b>753,628,919</b>	<b>75,576,710</b>	<b>41,587,707</b>	<b>18,182,257</b>	<b>1,062,820,272</b>
<b>Depreciation</b>						
At 1st July, 2021	135,573,144	565,308,142	47,638,478	32,025,160	13,098,538	793,643,462
Exchange realignment	(1,334,269)	(12,150,948)	(25,317)	(245,672)	(59,872)	(13,816,078)
Provided for the year	14,760,526	46,726,127	2,398,463	3,455,493	2,036,224	69,376,833
Write off	(12,850)	(15,679)	-	-	-	(28,529)
Eliminated on disposals	(2,926,747)	(1,309,964)	-	(1,382,921)	(1,373,223)	(6,992,855)
At 30th June, 2022 and 1st July, 2022	146,059,804	598,557,678	50,011,624	33,852,060	13,701,667	842,182,833
Exchange realignment	1,391,398	15,289,709	(68,123)	160,637	(106,943)	16,666,678
Provided for the year	14,455,141	69,360,175	3,007,699	2,965,937	2,713,599	92,502,551
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)
<b>At 30th June, 2023</b>	<b>155,833,813</b>	<b>664,597,524</b>	<b>49,527,019</b>	<b>35,862,923</b>	<b>15,086,978</b>	<b>920,908,257</b>
<b>Carrying values</b>						
<b>At 30th June, 2023</b>	<b>18,010,866</b>	<b>89,031,395</b>	<b>26,049,691</b>	<b>5,724,784</b>	<b>3,095,279</b>	<b>141,912,015</b>
At 30th June, 2022	27,916,869	81,471,701	6,948,074	6,761,063	3,879,694	126,977,401

# 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. Goodwill/deemed disposal/acquisition of interest in a listed subsidiary

HK\$

### Gross amount

At 1st July, 2021, 30th June, 2022 and 30th June, 2023

739,233,918

Goodwill as at 30th June, 2023 and 2022 arose from increase in the Group's ownership in a listed subsidiary as a result of the repurchase of its own shares by the listed subsidiary itself as well as the issue of scrip dividends by the listed subsidiary in prior years.

During the year ended 30th June, 2023, the management of the Group performed an impairment review in respect of goodwill. Sino Land is the Company's major operating arm in respect of the Group's six operating divisions as set out in Note 6. The recoverable amount of these operating divisions (which are also the cash generating units) that takes into account the fair value of the underlying assets and liabilities of the listed subsidiary is not less than the carrying amount of the cash generating units, and hence the management determined that there is no impairment on goodwill as at 30th June, 2023. The amounts of goodwill are allocated to respective operating divisions disclosed in Note 6.

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 21. Right-of-use assets

	Leasehold land HK\$	Leased properties HK\$	Total HK\$
<b>Cost</b>			
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	(32,076,626)	(123,663)	(32,200,289)
	<u>1,408,451,420</u>	<u>201,274,484</u>	<u>1,609,725,904</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	37,578,823	(197,153)	37,381,670
	<u>1,446,030,243</u>	<u>252,069,694</u>	<u>1,698,099,937</u>
<b>At 30th June, 2023</b>	<b>1,446,030,243</b>	<b>252,069,694</b>	<b>1,698,099,937</b>
<b>Depreciation</b>			
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>
<b>At 30th June, 2023</b>	<b>325,345,033</b>	<b>196,241,916</b>	<b>521,586,949</b>
<b>Carrying values</b>			
<b>At 30th June, 2023</b>	<b>1,120,685,210</b>	<b>55,827,778</b>	<b>1,176,512,988</b>
At 30th June, 2022	<u>1,113,934,342</u>	<u>44,498,110</u>	<u>1,158,432,452</u>

## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 21. Right-of-use assets (Continued)

	2023 HK\$	2022 HK\$
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>

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.

## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 22. Interests in associates/advances to associates/amounts due from/to associates

	2023 HK\$	2022 HK\$
Interests in associates	<u>17,109,658,528</u>	<u>17,902,494,176</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 44.

Particulars of the principal associates at 30th June, 2023 and 2022 are set out in Note 50.

### 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>17,109,658,528</u>	<u>17,902,494,176</u>



## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 23. 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	<u>11,284,666,509</u>	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>

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 44.

Particulars of the principal joint ventures at 30th June, 2023 and 2022 are set out in Note 51.

### 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

### 24. Equity and debt instruments

Equity and debt instruments comprise:

	2023 HK\$	2022 HK\$
Listed investments at FVTOCI:		
Equity securities listed in		
Hong Kong	641,723,475	596,223,437
Singapore	119,251,873	144,637,655
Perpetual bonds listed in		
Hong Kong	<u>35,176,391</u>	<u>36,488,550</u>
	796,151,739	777,349,642
Unlisted investments at FVTOCI	<u>2,961,578</u>	<u>2,961,578</u>
	799,113,317	780,311,220
Debt instruments at FVTOCI listed in Hong Kong and Singapore	<u>182,118,428</u>	<u>33,458,728</u>
	<u>981,231,745</u>	<u>813,769,948</u>
Listed investments at FVTPL:		
Equity securities listed in Hong Kong	9,339,146	8,872,784
Equity securities listed elsewhere	<u>3,359,333</u>	<u>3,489,908</u>
	12,698,479	12,362,692
Unlisted investments at FVTPL	<u>214,397,349</u>	<u>186,891,926</u>
	<u>227,095,828</u>	<u>199,254,618</u>
Total	1,208,327,573	1,013,024,566
Less: current portion	<u>(12,698,479)</u>	<u>(12,362,692)</u>
Non-current portion	<u>1,195,629,094</u>	<u>1,000,661,874</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

## 24. 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 44.

## 25. 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 44.

## 26. 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

### 26. 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 44.

### 27. 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	360,670,054	397,601,630
Less: Allowance for credit losses	<u>(80,491,876)</u>	<u>(74,629,726)</u>
	280,178,178	322,971,904
Other receivables and prepayments	<u>1,489,583,674</u>	<u>1,048,871,238</u>
	<u>1,769,761,852</u>	<u>1,371,843,142</u>

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.

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 27. Trade and other receivables (Continued)

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	186,279,125	136,546,236
31 – 60 days	16,253,592	46,608,800
61 – 90 days	9,217,076	35,522,729
Over 90 days	68,428,385	104,294,139
	<u>280,178,178</u>	<u>322,971,904</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\$68,428,385 (2022: HK\$104,294,139) 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\$188,738,205 (2022: HK\$195,419,206), 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\$655,124,644 (2022: HK\$141,683,037).

Details of impairment assessment of trade and other receivables for the years ended 30th June, 2023 and 2022 are set out in Note 44.

## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 28. 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 Sino Land. 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 44.

### 29. Trade and other payables

At 30th June, 2023, included in trade and other payables of the Group are trade payables of HK\$148,183,555 (2022: HK\$157,971,213).

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	89,088,058	127,117,200
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
	<b>148,183,555</b>	<b>157,971,213</b>

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\$783,908,526 (2022: HK\$757,586,983), 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

### 30. 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>

### 31. 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.

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>

## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 32. 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	831,996,000	996,632,901
	<u>1,964,528,000</u>	<u>3,250,160,901</u>
Less: Current portion shown under current liabilities	(1,132,532,000)	(2,253,528,000)
	<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 Sino Land (Note 39), 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 Sino Land.

### 33. Other loan

	2023 HK\$	2022 HK\$
Unsecured other loan		
More than one year but not exceeding two years	806,575,480	743,541,413
	<u>806,575,480</u>	<u>743,541,413</u>

The other loan of the Group is unsecured, interest-free and included in non-current liability as the lender has agreed not to demand repayment within the next twelve months from the end of the reporting period. The effective interest rate for imputed interest expenses is determined based on the cost-of-funds of the Group plus a margin.



## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 34. 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	2,005,851,126	16,968,256,132	1,935,466,845	15,341,990,386
Issue of shares in lieu of cash dividends	52,086,714	1,142,242,498	70,384,281	1,626,265,746
At 30th June – ordinary shares with no par value	<u>2,057,937,840</u>	<u>18,110,498,630</u>	<u>2,005,851,126</u>	<u>16,968,256,132</u>

On 7th December, 2021, the Company issued and allotted at an issue price of HK\$23.21 per ordinary share a total of 34,020,203 ordinary shares in lieu of cash for the 2021 final dividend, and a total of 23,232,978 ordinary shares in lieu of cash for the 2021 special dividend in respect of the financial year ended 30th June, 2021.

On 6th December, 2022, the Company issued and allotted a total of 38,413,264 ordinary shares at an issue price of HK\$21.78 per ordinary share to the shareholders in lieu of cash for the 2022 final dividend.

On 18th April, 2023, the Company issued and allotted a total of 13,673,450 (2022: 13,131,100) ordinary shares at an issue price of HK\$22.35 (2022: HK\$22.65) 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

### 35. 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)	13,027,968	2,661,608,162
Exchange realignment	–	(24,555,743)	(440,786)	–	(2,838,459)	(27,834,988)
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>(9,207,798)</u>	<u>69,357,433</u>
At 30th June, 2022 and 1st July, 2022	1,034,315,750	1,332,619,201	392,500,510	(57,286,565)	981,711	2,703,130,607
Exchange realignment	–	(72,370,886)	(822,724)	–	3,105,098	(70,088,512)
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>(2,488,541)</u>	<u>58,122,935</u>
<b>At 30th June, 2023</b>	<b><u>1,088,658,026</u></b>	<b><u>1,258,035,460</u></b>	<b><u>407,219,555</u></b>	<b><u>(64,346,279)</u></b>	<b><u>1,598,268</u></b>	<b><u>2,691,165,030</u></b>

The net balance comprised deferred tax liabilities of HK\$2,698,816,380 (2022: HK\$2,707,581,711) 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\$1,211,347,637 (2022: HK\$1,012,430,419) 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\$821,370,188 (2022: HK\$665,239,116) 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.

## 36. 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.

## 37. 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.

## 38. Non-controlling interests

The table below shows details of a non-wholly owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of equity interests and voting rights held by non-controlling interests		Profit and total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		2023	2022	2023	2022	2023	2022
		%	%	HK\$	HK\$	HK\$	HK\$
Sino Land Company Limited	Hong Kong	44.1	44.5	<u>2,589,865,285</u>	<u>2,565,428,337</u>	<u>71,608,002,278</u>	<u>70,017,874,153</u>

## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 38. Non-controlling interests (Continued)

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

#### Sino Land Company Limited

	2023 HK\$	2022 HK\$
Current assets	<u>67,642,638,682</u>	<u>71,424,985,187</u>
Non-current assets	<u>111,628,634,501</u>	<u>107,558,890,604</u>
Current liabilities	<u>10,902,268,852</u>	<u>15,104,618,660</u>
Non-current liabilities	<u>5,264,160,832</u>	<u>5,650,741,664</u>
Equity attributable to the shareholders of the Company	<u>162,348,812,058</u>	<u>157,397,300,099</u>
Non-controlling interests	<u>756,031,441</u>	<u>831,215,368</u>

	For the year ended 30th June,	
	2023 HK\$	2022 HK\$
Revenue	<u>11,881,285,263</u>	<u>15,554,174,570</u>
Profit and total comprehensive income attributable to the shareholders of the Company	<u>5,364,955,964</u>	<u>5,291,290,935</u>
Profit and total comprehensive income attributable to the non-controlling interests	<u>31,079,152</u>	<u>229,312,772</u>
Profit and total comprehensive income for the year	<u>5,396,035,116</u>	<u>5,520,603,707</u>
Dividend paid to non-controlling interests	<u>1,974,145,183</u>	<u>2,792,848,140</u>

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 39. 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

### 40. Operating lease arrangements

#### The Group as lessor

Property rental income earned during the year, net of outgoings of HK\$437,305,470 (2022: HK\$375,490,998), was HK\$2,356,581,691 (2022: HK\$2,406,325,163). 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	1,819,786,721	2,095,410,892
In the second year	1,137,448,557	1,157,339,601
In the third year	607,139,390	679,308,272
In the fourth year	236,946,955	387,339,171
In the fifth year	97,486,434	136,138,087
After five years	308,083,670	43,028,790
	<u>4,206,891,727</u>	<u>4,498,564,813</u>

### 41. 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.

## 42. 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.

## 43. 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, other loan, 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

## 44. Financial instruments

### Categories of financial instruments

	2023 HK\$	2022 HK\$
<b>Financial assets</b>		
Equity and debt instruments	1,208,327,573	1,013,024,566
Financial assets at amortised costs	<u>69,528,705,328</u>	<u>69,412,327,205</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised costs	<u>9,770,217,491</u>	<u>10,401,833,129</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, other loan 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

## 44. 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\$
<b>Assets</b>		
Renminbi ("RMB")	773,843,967	637,788,011
United States Dollars ("USD")	2,174,972,485	2,063,120,810
Australian Dollars ("AUD")	626,920,588	575,373,844
New Zealand Dollars ("NZD")	24,508,179	24,231,993
Singapore Dollars ("SGD")	555,321,528	387,811,709
	<u>86,512,981</u>	<u>177,695,297</u>
<b>Liabilities</b>		
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>23,184,674</u>	<u>16,191,139</u>

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 44. 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, other loan, 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, prime rate arising from the loans receivable and market rate arising from other loan.

Details of the Group's bank borrowings entered into by the Group at the end of the reporting period are set out in Note 32.

#### 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, other loan 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

## 44. 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\$
<b>Equity and debt instruments at FVTOCI</b>		
Increase/(decrease) in investment revaluation reserve		
– as a result of increase in price	49,061,587	40,688,497
– as a result of decrease in price	<u>(49,061,587)</u>	<u>(40,688,497)</u>
<b>Equity instruments at FVTPL</b>		
Increase/(decrease) in profit for the year		
– as a result of increase in price	9,481,250	8,318,880
– as a result of decrease in price	<u>(9,481,250)</u>	<u>(8,318,880)</u>

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 44. Financial instruments (Continued)

### Financial risk management objectives and policies (Continued)

#### 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 39.

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.

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

## 44. Financial instruments (Continued)

### Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

Apart from trade receivables of HK\$80,491,876 (2022: HK\$74,629,726) 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.

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\$250,354,841 (2022: HK\$352,787,188) 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

## 44. 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.

	<b>Lifetime ECL (credit-impaired) HK\$</b>
As at 1st July, 2021	75,359,552
Impairment losses recognised	11,786,936
Impairment losses reversed	(2,864,176)
Write off	<u>(9,652,586)</u>
As at 30th June, 2022 and 1st July, 2022	74,629,726
Impairment losses recognised	17,341,994
Impairment losses reversed	(1,113,067)
Write off	<u>(10,366,777)</u>
<b>As at 30th June, 2023</b>	<b><u>80,491,876</u></b>

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

## 44. 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\$
<b>2023</b>									
Trade and other payables									
non-interest bearing	N/A	1,319,968,472	18,846,585	1,043,244,224	167,560,402	207,225,684	9,848,343	2,766,693,710	2,766,693,710
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									
non-interest bearing	N/A	-	-	-	806,575,480	-	-	806,575,480	806,575,480
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>2,834,373,353</u>	<u>3,377,782,986</u>	<u>6,829,640,877</u>	<u>3,645,644,738</u>	<u>3,328,438,013</u>	<u>9,848,343</u>	<u>20,025,728,310</u>	<u>9,770,217,491</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

## 44. Financial instruments (Continued)

### Financial risk management objectives and policies (Continued)

#### Liquidity risk (Continued)

	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\$
2022									
Trade and other payables									
non-interest bearing	N/A	1,254,441,980	13,629,362	807,995,779	407,603,960	189,606,084	20,352,744	2,693,629,909	2,693,629,909
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									
non-interest bearing	N/A	-	-	-	743,541,413	-	-	743,541,413	743,541,413
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>3,493,238,871</u>	<u>882,838,227</u>	<u>4,675,288,516</u>	<u>9,528,779,577</u>	<u>2,057,731,884</u>	<u>1,914,882,288</u>	<u>22,552,759,363</u>	<u>10,401,833,129</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>-</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

## 44. 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
<b>Financial assets</b>			
Equity instruments at FVTOCI			
– Listed equity securities (Note a)	760,975,348	740,861,092	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>12,698,479</u>	<u>12,362,692</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

## 44. 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>
<b>Unlisted investments</b>	
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>
<b>As at 30th June, 2023</b>	<b><u>217,358,927</u></b>

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 45. 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	Other loan	Lease liabilities	Total
	HK\$	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	1,354,014,967	68,977,761	10,343,309,555
Financing cash flows	(41,663,691)	99,166,170	(149,243,932)	(2,954,527)	83,546,224	(2,001,666,667)	(615,785,541)	(56,313,050)	(2,684,915,014)
Finance costs	40,199,496	8,314,279	-	-	-	955,693	11,781,853	943,071	62,194,392
Fair value adjustments	-	(9,157,830)	-	-	-	-	(6,469,866)	-	(15,627,696)
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	743,541,413	44,731,098	7,736,084,553
Financing cash flows	(114,846,309)	(177,153,555)	(58,455,837)	(9,788,345)	809,757,665	(1,289,000,000)	63,582,553	(51,749,706)	(827,653,534)
Finance costs	116,196,252	9,157,830	-	-	-	3,367,099	6,469,866	1,969,442	137,160,489
Fair value adjustments	-	(36,379,523)	-	-	-	-	(7,018,352)	-	(43,397,875)
New leases entered	-	-	-	-	-	-	-	61,679,057	61,679,057
Exchange realignment	-	-	-	-	-	-	-	(233,777)	(233,777)
At 30th June, 2023	<u>4,656,761</u>	<u>1,599,837,513</u>	<u>827,476,708</u>	<u>132,617,331</u>	<u>1,671,551,006</u>	<u>1,964,528,000</u>	<u>806,575,480</u>	<u>56,396,114</u>	<u>7,063,638,913</u>

## Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

### 46. 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>

### 47. 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
Lease/rental payments (Note i)	44,299,732	49,434,799
Consultancy fee paid (Note ii)	<u>2,083,330</u>	<u>2,083,330</u>

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 47. 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)	<u>40,182,316</u>	<u>35,545,968</u>

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 65 to 71 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

### 47. 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 as well as interest-free unsecured other loan at the end of the reporting period are set out in the Group's consolidated statement of financial position and in Notes 22, 23, 25, 33, 36 and 37.

In addition, as set out in Notes 32 and 39, the Group has pledged certain assets and granted guarantees to banks for facilities granted to the subsidiaries, associates and joint ventures of Sino Land.

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 or any of its 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	3,855,235	3,762,435
Retirement benefit scheme contributions	18,000	18,000
	<u>3,873,235</u>	<u>3,780,435</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

## 48. Statement of financial position and reserve movements of the Company

### Statement of financial position of the Company

	2023 HK\$	2022 HK\$
<b>Non-current assets</b>		
Investments in subsidiaries ( <i>Note</i> )	12,604,573,920	11,515,163,902
Advances to subsidiaries	17,909,064,303	16,590,629,578
	<u>30,513,638,223</u>	<u>28,105,793,480</u>
<b>Current assets</b>		
Trade and other receivables	8,204,119	3,242,065
Time deposits, bank balances and cash	840,102,604	816,145,246
	<u>848,306,723</u>	<u>819,387,311</u>
<b>Current liability</b>		
Trade and other payables	5,290,552	5,256,544
<b>Net current assets</b>	<u>843,016,171</u>	<u>814,130,767</u>
<b>Total assets less current liabilities</b>	<u>31,356,654,394</u>	<u>28,919,924,247</u>
<b>Capital and reserves</b>		
Share capital	18,110,498,630	16,968,256,132
Retained profits	13,246,155,764	11,951,668,115
<b>Total equity</b>	<u>31,356,654,394</u>	<u>28,919,924,247</u>

*Note: Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss. The results of subsidiaries 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

### 48. Statement of financial position and reserve movements of the Company (Continued)

#### Reserve movements of the Company

	Retained profits <i>HK\$</i>
At 1st July, 2021	<u>10,232,711,024</u>
Profit and total comprehensive income for the year	<u>3,353,337,218</u>
Final dividend – 2021	(793,541,406)
Special dividend – 2021	(541,930,717)
Interim dividend – 2022	<u>(298,908,004)</u>
At 30th June, 2022 and 1st July, 2022	<u>11,951,668,115</u>
Profit and total comprehensive income for the year	<u>2,443,584,781</u>
Final dividend – 2022	(842,457,473)
Interim dividend – 2023	<u>(306,639,659)</u>
<b>At 30th June, 2023</b>	<b><u>13,246,155,764</u></b>

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

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Acclaim Investment Limited	Hong Kong	HK\$2	100	-	100	100	-	100	Securities investment
Accomplishment Investment Limited	Hong Kong	HK\$2	100	-	100	100	-	100	Securities investment
Ackerley Estates Limited	Hong Kong	HK\$20,000,000	-	100	100	-	100	100	Property investment
Active Success Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Advance Profit Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Alfaso Investment Limited	Hong Kong	HK\$20,000	-	100	100	-	100	100	Property investment
Allbright Global Investments, S.A.	British Virgin Islands/ Hong Kong	US\$200	100	-	100	100	-	100	Securities investment
Allways Success Finance Limited	Hong Kong	HK\$10	-	100	100	-	100	100	Mortgage loan financing
Ample Way Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Apex Speed Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Asia Joint Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Consultancy services
Asian View Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property trading
Beauty Plaza Limited	Hong Kong	HK\$20,000	-	100	100	-	100	100	Property investment
Benefit Bright Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Best General Limited	Hong Kong	HK\$2	100	-	100	100	-	100	Investment holding
Best Origin Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Best Result Environmental Services Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Cleaning services
Best Wisdom Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property trading
Bestone Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading
Bright Global Holdings Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Financing
Bright Land Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property trading and investment
Brighter Investment Company Limited	Hong Kong	HK\$400,000	100	-	100	100	-	100	Securities investment

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Brighton Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property development
Capital Faith (Hong Kong) Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Central Wisdom Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading
Century Link (Hong Kong) Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Century Profit Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Champion Asia Investments Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Champion Rise Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Champion Top Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property development
Cheer Asia Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property investment
Cheer Result Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Cheer View Holdings Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property development
Citywalk Management Company Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Building management
Citywalk 2 Management Company Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Building management
Corinthia By The Sea Finance Company Limited	Hong Kong	HK\$1	-	60	60	-	60	60	Mortgage loan financing
Corinthia By The Sea Property Management Limited	Hong Kong	HK\$1	-	60	60	-	60	60	Building management
Crenshaw Investment Limited	Hong Kong	HK\$2	100	-	100	100	-	100	Securities investment
Danford Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property development
Deveron (SL) Secretaries Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Secretarial services
Deveron (TSTP) Secretaries Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Secretarial services
Dragon (Hong Kong) Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
e.Sino Company Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Investment holding
Elegant Lane Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Elite Land Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property development and trading
Entertainment City Limited	Hong Kong	HK\$4,500,000	-	100	100	-	100	100	Property investment
Ever Champion Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Excel Wisdom Development Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Falcon City Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Falcon Land Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property development
Famous General Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Famous Palace Properties Limited	Hong Kong	HK\$20,000	-	100	100	-	100	100	Property investment
Far Gain Limited	Hong Kong	HK\$10,000	-	100	100	-	100	100	Property investment
Forlink Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Fortune Glory Investments Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property investment
Fortune Hope Limited	Hong Kong	HK\$1	-	70	70	-	-	-	Property development
Free Champion Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Fu King Investment Limited	Hong Kong	HK\$1,000,000	-	100	100	-	100	100	Investment holding
Full Fair Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Fullerton Hotels & Resorts Management Pty Ltd	Australia	AUD10,000	-	100	100	-	100	100	Management services
Fullerton Hotels & Resorts Pte. Ltd.	Singapore	S\$10,000	-	100	100	-	100	100	Management services
Fung Yuen Construction Company Limited	Hong Kong	HK\$1,000,000	-	100	100	-	100	100	Building construction
Fuwin Investment Limited	British Virgin Islands	US\$1	-	100	100	-	100	100	Investment holding
Global Honest Finance Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Mortgage loan financing
Globaland Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Glorypark Limited	Hong Kong	HK\$1,000	-	100	100	-	100	100	Property investment
Golden Leaf Investment Limited	Hong Kong	HK\$20,000	-	100	100	-	100	100	Property investment
Good Champion Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Grace Rays Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Grand Central Finance Company Limited	Hong Kong	HK\$10	-	90	90	-	90	90	Mortgage loan financing

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Grand Creator Investment (BVI) Limited	British Virgin Islands/ Hong Kong	US\$10	-	60	60	-	60	60	Investment holding
Grand Creator Investment Limited	Hong Kong	HK\$2	-	60	60	-	60	60	Property trading
Grand Empire Investment Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Project management
Grand Rise Investments Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Grand Start Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Investment holding
Grandeal Limited	Hong Kong/ Mainland China	HK\$2	-	100	100	-	100	100	Property trading
Handsome Lift Investment (CI) Limited	Cayman Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Property investment
Hang Hau Station (Project Management) Limited	Hong Kong	HK\$2	-	60	60	-	60	60	Project management
Harley Investments Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Harvest Sun Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Harvestrade Investment Limited	Hong Kong	HK\$20,000	-	100	100	-	100	100	Property trading and investment
HCP Hong Kong Fully Co Ltd	Cayman Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Property investment
Hickson Limited	Hong Kong	HK\$20	-	100	100	-	100	100	Property investment
High Elite Finance Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Mortgage loan financing
High Elite Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Hong Kong Elite Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Jade Bird Development Limited	Hong Kong	HK\$100,000	-	100	100	-	100	100	Property trading and investment
Jade Line Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Jade Mate Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Jade Pine Limited	Hong Kong	HK\$20,000	-	100	100	-	100	100	Property investment
Jet Fame (Hong Kong) Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Jet Rise Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Jet Union Development Limited	Hong Kong	HK\$1	-	60	60	-	60	60	Property trading and investment
Joint Prospect Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Joint Rise Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property investment
Joy Rise Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property trading
Ka Fai Land Investment Limited	Hong Kong	HK\$500,000	100	-	100	100	-	100	Securities investment
King Century Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
King Chance Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Investment holding
King Regent Limited	Hong Kong	HK\$1	-	85	85	-	85	85	Property trading and investment
Kingdom Investment Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Kingsfield International Investments Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property investment
Land Success Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Lucky Fortress Inc.	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Securities investment
Mailcoach Investment Limited	Hong Kong	HK\$2	100	-	100	100	-	100	Securities investment
Mayfair By The Sea I Finance Company Limited	Hong Kong	HK\$100	-	100	100	-	85	85	Mortgage loan financing
Mega Sino Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Investment holding
Megafor Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Financing
Morbest Profits Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Securities investment
Multipurpose Investment Limited	Hong Kong	HK\$20,000	-	100	100	-	100	100	Property trading and investment

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Nam Lung Properties Development Company Limited	Hong Kong	HK\$10,000,001	100	-	100	100	-	100	Investment holding
Nam Lung (Singapore) Pte. Ltd.	Singapore	S\$2	100	-	100	100	-	100	Securities dealing
New Realm Enterprises Limited	British Virgin Islands	US\$1	-	100	100	-	100	100	Investment holding
Nice Scene International Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Investment holding
Ocean Treasure (Hong Kong) Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Octerworth Enterprises Limited	Hong Kong	HK\$20,000	-	100	100	-	100	100	Property investment
Olympian City 1 (Project Management) Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Project management
Olympian City 2 Finance Company Limited	Hong Kong	HK\$1,000	-	100	100	-	100	100	Mortgage loan financing
Olympian City 2 (Project Management) Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Project management
ONE SOHO Finance Company Limited	Hong Kong	HK\$10	-	60	60	-	60	60	Mortgage loan financing
Orchard Centre Holdings (Private) Limited	Singapore	S\$8,400,000	-	95	95	-	95	95	Property trading
Orchard Place (Pte.) Ltd.	Singapore	S\$1,000,000	-	95	95	-	95	95	Property trading
Orient Field Holdings Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Orient Harvest International Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading
Pacific Asia Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property trading
Pacific Shine Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property trading
Park Summit Commercial Management Company Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Building management
Peace Success Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading
Perfect Green Supplies Company Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Cleaning services
Perfect Sun Properties Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Precious Land Pte. Limited	Singapore	S\$2	-	100	100	-	100	100	Property investment

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Precious Quay Pte. Ltd.	Singapore	S\$10,000	-	100	100	-	100	100	Hotel operation and property investment
Precious Treasure Pte Ltd	Singapore	S\$20,000,000	-	100	100	-	100	100	Hotel operation and property investment
Pridegate (CI) Limited	Cayman Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Property investment
Prime Harvest (Administration Services) Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Management services
Prime Harvest Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Primewin Properties Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Pui Chee Enterprises Limited	Hong Kong	HK\$1,000,000	100	-	100	100	-	100	Securities investment
Rainbow City Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading and investment
Ramage Investment Limited	Hong Kong	HK\$2	100	-	100	100	-	100	Securities investment
Rankchief Company Limited	Hong Kong	HK\$200	-	100	100	-	100	100	Property trading
Real Maker Development Limited	Hong Kong	HK\$200,000	-	90	90	-	90	90	Property investment
Regal Crown Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property investment
Region One Investment Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Rich Tact International (CI) Limited	Cayman Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Property investment
Rich Treasure Investments Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Mortgage loan financing
Rickson Investment Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Investment holding
Roystar Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Investment holding
Ruddiman Trading Company Limited	Hong Kong	HK\$100,000	-	100	100	-	100	100	Investment holding
Saky Investment (CI) Limited	Cayman Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Property investment
Santander Investment Limited	Hong Kong	HK\$2	100	-	100	100	-	100	Securities investment

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Serenity Park Building Management Limited	Hong Kong	HK\$10	–	100	100	–	100	100	Building management
Sharp Rise Company Limited	Hong Kong	HK\$2	–	100	100	–	100	100	Property trading
Sheen Honour Limited	Hong Kong	HK\$1	–	100	100	–	100	100	Property investment
Shine Harvest International Limited	Hong Kong	HK\$2	–	100	100	–	100	100	Property trading and investment
Sidak Investment Limited	Hong Kong	HK\$20,000	–	100	100	–	100	100	Property investment
Silver Palm Limited	Hong Kong	HK\$2	–	100	100	–	100	100	Property investment
Sincere Development Limited	Hong Kong	HK\$2	–	100	100	–	100	100	Property trading and investment
Sing-Ho Finance Company Limited	Hong Kong	HK\$30,000,000	–	100	100	–	100	100	Financing
Sino (Xiamen) Realty Development Co., Ltd. <i>(Note i)</i>	Mainland China	HK\$290,000,000	–	100	100	–	100	100	Property trading and investment
Sino Administration Services Limited	Hong Kong	HK\$3	–	100	100	–	100	100	Administration services
Sino Estates Management Limited	Hong Kong	HK\$6,500,000	–	100	100	–	100	100	Building management
Sino Estates Services Limited	Hong Kong	HK\$20	–	100	100	–	100	100	Building management
Sino Fortune Garden Inc.	British Virgin Islands/ Hong Kong	US\$1	–	100	100	–	100	100	Securities investment
Sino Land Company Limited (Listed in Hong Kong)	Hong Kong	HK\$60,441,204,098	24.6	31.3	55.9	24.4	31.1	55.5	Investment holding
Sino Land Finance Limited	Hong Kong	HK\$2	–	100	100	–	100	100	Deposit placing
Sino Land (Fuzhou) Co., Ltd. <i>(Note i)</i>	Mainland China	HK\$50,000,000	–	100	100	–	100	100	Property investment
Sino Land (Guangzhou) Company Limited <i>(Note i)</i>	Mainland China	US\$3,200,000	–	100	100	–	100	100	Property investment
Sino Land (Zhangzhou) Company Limited <i>(Note i)</i>	Mainland China	HK\$374,150,000	–	100	100	–	100	100	Property development, trading and investment
Sino Land Investment (Holdings) Ltd.	Cayman Islands/ Hong Kong	US\$6,000,000	–	100	100	–	100	100	Investment holding
Sino Security Services Limited	Hong Kong	HK\$2	–	100	100	–	100	100	Security services
Sinoland China Investment Holdings Limited	Hong Kong	HK\$2	–	100	100	–	100	100	Investment holding



# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Sky Base Properties Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Investment holding
Sky Target (Hong Kong) Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property development
Sky Vision Development Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Smart Champion (Hong Kong) Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property development
Spangle Investment Limited	Hong Kong	HK\$2	100	-	100	100	-	100	Securities investment
Sparkling Investment Company Limited	Hong Kong	HK\$200	100	-	100	100	-	100	Securities investment
Standard Union Investment Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Securities investment
Star Talent Development Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property trading and investment
Success One Investment Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Sunair Investment Company Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Investment holding
Sunfairs International Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Investment holding
Sunny Force Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Sunrise Investment Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Super One Investment Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Thousand Growth Development Limited	Hong Kong	HK\$20,000	-	100	100	-	100	100	Property investment
Timeshare Development (CI) Limited	Cayman Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Property investment
Top Gallant Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property trading and investment
Top Harmony Development Limited	Hong Kong	HK\$10	-	60	60	-	60	60	Property development
Top Oasis Limited	Hong Kong	HK\$1	-	80	80	-	80	80	Property development
Trans China Investment Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Trinity Star Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Securities investment
Triple Reach International (CI) Limited	Cayman Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Property investment

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Triumph One Limited	Hong Kong	HK\$10,000	-	100	100	-	100	100	Property trading and investment
Turbolink International Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Investment holding
Union Century (Hong Kong) Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Union Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property trading
Union Harvest Investments Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property development
Union Rich Development Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Union Score Investments Limited	Hong Kong	HK\$10	-	90	90	-	90	90	Property trading
Union Top Properties Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Union Vision Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
United Link Investments Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Vantage Plus Investments Limited	British Virgin Islands/ Hong Kong	US\$100	-	85	85	-	85	85	Investment holding
Vasilon Pte Ltd	Singapore	S\$2	-	100	100	-	100	100	Investment holding
Victory Top Properties Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Vision Land Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property investment
Vista Commercial Management Company Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Building management
Weiland Development Company Limited	Hong Kong	HK\$33,140,000	-	100	100	-	100	100	Property investment
Well Faith Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Investment holding
Well Growth International Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Investment holding
Well Victory Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Wellord Investments Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Wendia Limited	Hong Kong	HK\$20	-	100	100	-	100	100	Property investment
Will Glory Company (CI) Limited	Cayman Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Property investment

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 49. 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			
			Directly %	Indirectly %	Total %	Directly %	Indirectly %	Total %	
Win Chanford Enterprises Limited	Hong Kong	HK\$1,000,000	-	52.6	52.6	-	52.6	52.6	Property investment
Win Harvest (HK) Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Winchamp Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Winning Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Investment holding
Wisdom Power Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Investment holding
Wise Century Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
Wise Grand Limited	Hong Kong	HK\$1	-	52.6	52.6	-	52.6	52.6	Property investment
Wise Land Investments Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Securities investment
World Ace Limited	Hong Kong	HK\$2	-	100	100	-	100	100	Property investment
World Empire Investment (CI) Limited	Cayman Islands/ Hong Kong	US\$1	-	100	100	-	100	100	Property investment
World Talent (Hong Kong) Limited	Hong Kong	HK\$1	-	100	100	-	100	100	Property trading
Yue Man Square Management Company Limited	Hong Kong	HK\$1	-	100	100	-	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

## 50. 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		Principal activities
		the Company	2022	
		2023	2022	
		%	%	
<b>Indirect:</b>				
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
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

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 50. 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 %	
<b>Indirect:</b> (Continued)				
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
Providence Peak Finance Company Limited	Hong Kong	25	25	Mortgage loan financing
Providence Peak Property Management Company Limited	Hong Kong	25	25	Building management

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 50. 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 %	
<b>Indirect:</b> (Continued)				
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
Sino Parking Services Limited	Hong Kong	50	50	Carpark operation
Sino Real Estate Agency Limited	Hong Kong	50	50	Real estate agency
Sky Castle Limited	Hong Kong	40	40	Property development
Tat Lee Construction Company Limited	Hong Kong	25	25	Building construction
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.

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 51. 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 %	
<b>Indirect:</b>				
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
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

# Notes to the consolidated financial statements (Continued)

For the year ended 30th June, 2023

## 51. 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 %	
<b>Indirect:</b> (Continued)				
Precious Heritage Pte. Limited	British Virgin Islands	50	50	Investment holding
Rich Century Investment Limited	Hong Kong	50	50	Property investment
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) Sino Land 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

Sino Land Company Limited (“Sino Land”) is a subsidiary of the Company. On a consolidated basis, the Company also had a general disclosure obligation under Rule 13.22 of the Listing Rules with respect to the advances to, and guarantees given for the benefits of its affiliated companies by the Company (through Sino Land and/or its subsidiaries). 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 Sino Land 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\$
Sino Land’s share of total indebtedness of its affiliated companies		
– Bank loans	7,073,251,812	9,610,555,181
Advances from Sino Land and its subsidiaries	<u>21,330,358,147</u>	<u>23,817,704,470</u>
	<u>28,403,609,959</u>	<u>33,428,259,651</u>
Sino Land’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>
Sino Land’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
<b>HONG KONG ISLAND</b>	
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
<b>KOWLOON</b>	
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	55.9%	4,360	4,360	-	-	-	-	-
2084	55.9%	6,778	6,778	-	-	-	-	-
2047	55.9%	110,332	-	110,332	-	-	-	-
2047	5.6%	78,250	-	78,250	-	-	-	-
2047	55.9%	95,675	-	95,675	-	-	-	-
2047	39.1%	6,972	-	6,972	-	-	-	-
2047	16.8%	92,505	-	-	-	92,505	-	-
2047	33.5% <sup>(1)</sup>	146,450	-	-	-	146,450	-	-
2128	9.8%	23,526	-	23,526	-	-	-	-
2127	55.9%	40,165	-	40,165	-	-	-	-
2063	55.9%	6,257	6,257	-	-	-	-	-
2128	29.4%	29,586	-	29,586	-	-	-	-
2047	25.2%	81,289	-	47,585	-	-	33,704	302
2047	55.9%	32,478	25,896	6,582	-	-	-	-
2066	33.5%	79,198	-	79,198	-	-	-	-
2060	27.9% <sup>(1)</sup>	24,514	-	24,514	-	-	-	-
2047	55.9%	63,164	-	63,164	-	-	-	-
2127	55.9%	41,049	-	41,049	-	-	-	-
2047	11.2%	52,287	52,287	-	-	-	-	-
2860	55.9%	93,675	-	93,675	-	-	-	-
2844	55.9%	21,032	15,895	5,137	-	-	-	-
2128	27.9%	5,715	-	5,715	-	-	-	-
2047	18.6%	99,118	-	-	99,118	-	-	-
2047	55.9%	5,507	5,507	-	-	-	-	-
2047	55.9%	5,844	-	5,844	-	-	-	-
2038	55.9%	35,823	-	35,823	-	-	-	-
2863	55.9%	7,907	6,983	924	-	-	-	-
2135	14.0%	172,321	-	172,321	-	-	-	-
2057	25.2%	21,821	-	21,821	-	-	-	-
2047	55.9%	87,142	-	-	87,142	-	-	-
2055	55.9%	97,906	-	97,906	-	-	-	-
2047	55.9%	63,904	-	-	63,904	-	-	-
2047	55.9%	125,979	-	125,979	-	-	-	-
2039	55.9%	122,881	-	122,881	-	-	-	-
2047	55.9%	190,637	-	73,067	-	-	117,570	265
2047	55.9%	85,960	-	-	-	-	85,960	205
2047	55.9%	3,841	-	3,841	-	-	-	-
2047	55.9% <sup>(1)</sup>	78,211	-	78,211	-	-	-	-
2047	55.9% <sup>(1)</sup>	285,771	-	285,771	-	-	-	-
2055	27.9%	33,213	-	33,213	-	-	-	-
2052	55.9%	62,731	-	38,262	-	24,469	-	-
2047	55.9%	45,147	-	45,147	-	-	-	-

## Major properties held by the Group (Continued)

### (A) PROPERTIES FOR INVESTMENT AND HOTELS (Continued)

Property name	Location
<b>KOWLOON</b>	
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
<b>NEW TERRITORIES</b>	
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	55.9% <sup>(1)</sup>	5,054	–	5,054	–	–	–	–
2058	55.9% <sup>(1)</sup>	21,009	–	21,009	–	–	–	–
2047	55.9%	63,775	–	–	63,775	–	–	–
2047	27.9%	230,391	–	230,391	–	–	–	–
2047	55.9%	30,440	–	30,440	–	–	–	–
2127	25.2%	129,284	–	129,284	–	–	–	–
2054	55.9% <sup>(1)</sup>	12,484	–	12,484	–	–	–	–
2047	55.9%	133,129	–	–	133,129 <sup>(2)</sup>	–	–	–
2047	50.3%	259,692	–	–	259,692	–	–	–
2067	55.9%	98,877	–	–	98,877	–	–	–
2047	55.9%	56,805	–	56,805	–	–	–	–
2052	55.9% <sup>(1)</sup>	137,171	–	137,171	–	–	–	–
2054	55.9% <sup>(1)</sup>	100,968	–	100,968	–	–	–	–
2064	55.9%	41,370	–	19,281	–	–	22,089	67
2047	16.8%	68,585	–	68,585	–	–	–	–
2062	33.5%	23,312	–	23,312	–	–	–	–
2047	55.9%	113,719	–	17,985	–	–	95,734	245
2057	27.9%	6,031	–	6,031	–	–	–	–
2049	55.9%	122,826	–	39,942	–	–	82,884	232
2047	55.9%	62,182	–	–	62,182	–	–	–
2059	47.5%	21,360	–	21,360	–	–	–	–
2059	55.9%	25,149	–	25,149	–	–	–	–
2052	55.9%	15,913	–	15,913	–	–	–	–
2066	55.9%	278,132	–	278,132	–	–	–	–
2062	55.9%	20,594	20,594	–	–	–	–	–
2062	55.9%	8,033	8,033	–	–	–	–	–
2053	55.9% <sup>(1)</sup>	12,033	–	12,033	–	–	–	–
2047	55.9%	140,827	–	–	44,838	–	95,989	65
2047	55.9%	107,602	–	11,101	–	–	96,501	252
2062	55.9%	26,609	18,109	8,500	–	–	–	–
2047	55.9%	17,769	–	17,769	–	–	–	–
2047	55.9%	202,198	–	147,454	–	–	54,744	150
2047	55.9%	70,852	–	22,606	–	–	48,246	146
2047	55.9%	92,189	–	–	92,189	–	–	–
2047	55.9%	621,938	–	478,692	–	–	143,246	293
2047	27.9%	15,809	–	15,809	–	–	–	–

## Major properties held by the Group (Continued)

### (A) PROPERTIES FOR INVESTMENT AND HOTELS (Continued)

Property name	Location
<b>MAINLAND CHINA</b>	
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
<b>OVERSEAS – SINGAPORE AND AUSTRALIA</b>	
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	55.9%	17,625	–	17,625	–	–	–	–
2045	55.9%	75,469	–	75,469	–	–	–	–
2054	55.9%	8,488	–	8,488	–	–	–	–
2041	55.9%	8,931	–	8,931	–	–	–	–
2039	55.9%	6,067	–	6,067	–	–	–	–
2045	12.5%	168,317	–	168,317	–	–	–	–
2059	55.9%	275,649	–	275,649	–	–	–	–
2067	55.9%	7,675	–	7,675	–	–	–	–
2067	55.9%	8,284	–	8,284	–	–	–	–
2096	55.9%	260,695	–	–	–	260,695	–	–
2067	55.9%	44,204	–	–	–	44,204	–	–
2032	55.9%	12,153	–	12,153	–	–	–	–
2096	55.9%	44,956	–	44,956	–	–	–	–
Freehold	27.9%	103,284	–	16,612	–	86,672	–	–

## Major properties held by the Group (Continued)

### (B) COMPLETED PROPERTIES FOR SALE

Property name	Location
<b>HONG KONG</b>	
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
<b>MAINLAND CHINA</b>	
Mayfair By The Lake	26 North Hubin Road, Xiamen, Fujian Province
Dynasty Park, Zhangzhou	298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province
<b>OVERSEAS – SINGAPORE</b>	
Far East Shopping Centre	545 Orchard Road
Orchard Plaza	150 Orchard Road
Orchard Shopping Centre	321 Orchard Road



## 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	27.9%	39,404 <sup>(1)</sup>	39,404 <sup>(3)</sup>	–	–
2065	16.8%	46,582	–	46,582	–
2047	18.6%	6,419	–	6,419	–
2064	50.3%	10,314 <sup>(1)</sup>	10,314 <sup>(3)</sup>	–	–
2067	16.3%	27,195	27,195 <sup>(3)</sup>	–	–
2047	55.9%	8,439	–	–	8,439
2047	55.9%	14,365	–	–	14,365
2047	55.9%	9,952	–	–	9,952
2047	55.9%	35,132	–	35,132	–
2081	55.9%	117,110 <sup>(1)</sup>	117,110 <sup>(3)</sup>	–	–
2047	27.9%	57,821	–	–	57,821
2065	55.9%	5,811	5,811 <sup>(3)</sup>	–	–
2055	55.9%	9,382	9,382 <sup>(3)</sup>	–	–
2047	55.9%	97,453	–	–	97,453
2047	55.9%	34,175	–	–	34,175
2067	55.9%	23,702	23,702 <sup>(3)</sup>	–	–
2038/2066	55.9%	13,221	1,898	11,323	–
2045/2075	55.9%	82,116	75,096	7,020	–
2870	95.0%	57,694	–	57,694	–
2076	95.0%	32,886	–	32,886	–
Freehold	95.0%	18,550	–	18,550	–

## Major properties held by the Group (Continued)

### (C) PROPERTIES UNDER DEVELOPMENT

Location	Property name	Lease expiry	Group's interest (%)	Site area (square feet)
<b>HONG KONG</b>				
8 Lai Ying Street, South West Kowloon	Grand Victoria II & III	2067	16.3%	208,262
Lot No. 765 in Demarcation District No. 332, Cheung Sha, Lantau Island		2069	55.9%	28,977
<b>MAINLAND CHINA</b>				
Land Parcel No. T102-0262, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone	The Koko	2057	27.9%	80,485
Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan Province	Chengdu International Community	2044	11.2%	14,253,628
298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	Dynasty Park, Zhangzhou	2045/ 2075	55.9%	962,939
Land Parcel No. T102-0261, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone		2058	16.8%	183,842
9 The Second Yufeng Road, Chenghua District, East Chengdu, Sichuan Province	The Palazzo, Chengdu	2048/ 2078	11.2%	2,673,385
<b>OVERSEAS – SINGAPORE</b>				
Lot No. 2843M & 2852K of MK 16, Jalan Anak Bukit	The Reserve Residences	2120	11.2%	346,149
Lot 359T of Town Subdivision 15, 5001 Beach Road	Golden Mile Complex	2068	14.0%	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		
103,185	103,185	–	–	Occupation Permit issued	July 2023
6,473	6,473	–	–	Superstructure works in progress	March 2024
138,374	–	138,374	–	Internal structure works in progress	December 2023
21,975	–	21,975	–	Planning stage	June 2024
574,825	563,526	11,299	–	Superstructure works in progress	August 2024
144,390	–	144,390	–	Superstructure works in progress	December 2024
399,069	393,052	6,017	–	Superstructure works in progress	June 2028
112,279	86,580	25,699	–	Tender stage	March 2028
85,207	18,951	66,256	–	Design stage	December 2028

## Major properties held by the Group (Continued)

### (D) PROPERTIES UNDER DEVELOPMENT IN WHICH THE GROUP HAS A DEVELOPMENT INTEREST<sup>(1)</sup>

Location	Property name	Lease expiry	Site area (square feet)
<b>HONG KONG</b>			
32B Shantung Street, Mong Kok	ONE SOHO	2068	14,961
33 Gage Street, 23 and 25 Peel Street	ONE CENTRAL PLACE	2067	9,607
1 Lohas Park Road, Tseung Kwan O	Villa Garda	2052	177,359
Aberdeen Inland Lot No. 467 (Site D), Wong Chuk Hang Station Package Four Property Development	La Montagne	2067	65,015
29 Kam Ho Road, Kam Tin South	Grand Mayfair	2067	448,719
New Kowloon Inland Lot No. 6602, Yau Tong Ventilation Building Property Development		2068	43,379
Site KL of the Remaining Portion of Tseung Kwan O Town Lot No.70, LOHAS Park Package Thirteen Property Development		2052	130,675
KIL11285, Wing Kwong Street, Sung On Street Development, To Kwa Wan		2073	30,957

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 (square feet)	Gross floor area (square feet)			Stage of completion	Estimated completion date
	Residential	Commercial	Industrial		
112,185	112,185	–	–	Occupation Permit issued	July 2023
84,261	84,261	–	–	Superstructure works in progress	September 2024
956,468	956,468	–	–	Superstructure works in progress	January 2025
638,305	638,305	–	–	Superstructure works in progress	July 2025
1,236,741	1,236,741	–	–	Superstructure works in progress	August 2025
325,342	325,342	–	–	Superstructure works in progress	April 2026
1,546,722	1,546,722	–	–	Superstructure works in progress	September 2026
278,615	232,179	46,436	–	Foundation works in progress	October 2027



