

2023-2024 INTERIM REPORT

二零二三至二零二四年 中期報告



STOCK CODE: 83

Grand Victoria
維港滙

Creating Better Lifescapes
建構更美好生活

 SINO LAND COMPANY LIMITED
信和置業有限公司

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

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

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Contents

3	Corporate information
4	Chairman's statement
16	Consolidated statement of profit or loss
17	Consolidated statement of profit or loss and other comprehensive income
18	Consolidated statement of financial position
20	Consolidated statement of changes in equity
21	Condensed consolidated statement of cash flows
23	Notes to the unaudited condensed consolidated financial statements
42	Closure of register of members
42	Purchase, sale or redemption of the Company's listed securities
42	Directors' interests
45	Substantial shareholders' and other shareholders' interests
47	Disclosure pursuant to Rule 13.22 of the Listing Rules
48	Disclosure of Directors' information pursuant to Rule 13.51B(1) of the Listing Rules
49	Remuneration Committee
49	Nomination Committee
49	Audit Committee
50	Compliance Committee
50	Codes for dealing in the Company's securities
50	Compliance with Corporate Governance Code
51	Report on review of condensed consolidated financial statements

Board of Directors

Executive Directors

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

Non-Executive Directors

Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP
 Nikki Ng Mien Hua

Independent Non-Executive Directors

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

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

Authorized Representatives

Robert Ng Chee Siong
 Ringo Chan Wing Kwong

Company Secretary

Fanny Cheng Siu King

Auditor

KPMG
 Public Interest Entity Auditor registered in accordance with
 the Accounting and Financial Reporting Council Ordinance

Solicitors

Woo, Kwan, Lee & Lo
 Clifford Chance

Share Registrar

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 16 Harcourt Road,
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 Fax : (852) 2861 1465
 Email : sinoland83-ecom@hk.tricorglobal.com

Principal Bankers

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

Investor relations contact

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Registered Office

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Listing information

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

Shareholders' calendar

Closure of Register of Members for dividend entitlement	8th to 12th March, 2024 (both dates inclusive)
Record Date for interim dividend entitlement	12th March, 2024
Last Day for lodging form of election for scrip dividend	5th April, 2024 4:30 p.m.
Interim Dividend Payable	HK15 cents per share 17th April, 2024

Chairman's statement

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

Interim results

The Group's unaudited underlying profit attributable to shareholders, excluding the effect of fair value changes on investment properties for the six months ended 31st December, 2023 ("Interim Period") was HK\$2,944.6 million (2022: HK\$2,802.3 million). Underlying earnings per share was HK\$0.35 (2022: HK\$0.36).

After taking into account the revaluation loss (net of deferred taxation) on investment properties of HK\$141.9 million (2022: revaluation loss of HK\$340.6 million), which is a non-cash item, the Group reported a net profit attributable to shareholders of HK\$2,615.9 million for the Interim Period (2022: HK\$2,459.8 million). Earnings per share for the Interim Period was HK\$0.31 (2022: HK\$0.31).

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

Dividends

The Board of Directors has declared an interim dividend of HK15 cents per share (2022: HK15 cents per share) payable on 17th April, 2024 to those shareholders whose names appear on the Register of Members of the Company on 12th March, 2024.

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

A circular containing detail of the scrip dividend scheme will be dispatched to shareholders together with the form of election for scrip dividend on or about 18th March, 2024. It is expected that the interim dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 17th April, 2024.

Business review

(1) Sales activities

Total revenue from property sales for the Interim Period, including property sales of associates and joint ventures, attributable to the Group was HK\$6,634.9 million (2022: HK\$3,899.4 million).

Total revenue from property sales comprises mainly the sales of residential units and carparking spaces in the projects completed during the Interim Period, namely Grand Victoria Phase 2 and Phase 3 in South West Kowloon and ONE SOHO in Mong Kok, as well as the sales of remaining stocks of residential units and carparking spaces in projects completed in previous financial years, including The Palazzo in Chengdu, St. George's Mansions in Ho Man Tin, La Marina in Wong Chuk Hang, Grand Central in Kwun Tong, and Silversands in Ma On Shan.

During the Interim Period, the Group launched two new residential projects in Hong Kong for sale, namely La Montagne in Wong Chuk Hang (6.5% sold) and Villa Garda III in Tseung Kwan O (26.7% sold). In addition, certain units of the remaining stocks of projects launched in previous periods have been rolled out for sale. These projects are St. George's Mansions in Ho Man Tin (24.0% sold), Grand Victoria in South West Kowloon (75.4% sold), Grand Central in Kwun Tong (100.0% sold), Grand Mayfair I and II in Yuen Long (90.3%), and ONE SOHO in Mong Kok (79.2% sold).

Looking ahead, the Group has a pipeline of new projects to be launched. These include ONE CENTRAL PLACE in Central, and Grand Mayfair III in Yuen Long which have obtained pre-sale consents. In addition, the Group expects to obtain pre-sale consent for two additional residential projects in calendar year 2024, namely Yau Tong Ventilation Building Property Development and LOHAS Park Package Thirteen Property Development. The timing for launching these projects for sale will depend on when the pre-sale consent is received and the prevailing market conditions.

(2) Land bank

As at 31st December, 2023, the Group had a land bank of approximately 19.5 million square feet of attributable floor area in Mainland China, Hong Kong, Singapore and Sydney which comprises a balanced portfolio of properties of which 47.3% is commercial; 28.6% residential; 10.1% industrial; 8.0% car parks and 6.0% hotels. In terms of breakdown of the land bank by status, 5.1 million square feet were properties under development, 13.1 million square feet of properties for investment and hotels, together with 1.3 million square feet of properties held for sale. This land bank should be sufficient to meet the Group's development needs over the next few years. The Group will continue to be selective in replenishing its land bank to optimise its earnings potential.

Chairman's statement (Continued)

Business review (Continued)

(2) Land bank (Continued)

During the Interim Period, the Group acquired in Hong Kong two sites from the HKSAR Government and was awarded the development rights of a site from the Urban Renewal Authority with total attributable floor area of 806,145 square feet. Details of the projects are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
New Kowloon Inland Lot No. 6590 Kai Tak Area 2A Site 2 and Site 3, Kai Tak, Kowloon, Hong Kong	Residential/ Commercial	50%	496,134
Shing Tak Street/Ma Tau Chung Road Development Project Kowloon City, Kowloon, Hong Kong	Residential/ Commercial	Joint Venture	228,205
Lot No. 722 in Demarcation District No. 332 Tung Chung Road, Cheung Sha, Lantau Island, New Territories, Hong Kong	Residential	100%	81,806
			<hr/> 806,145 <hr/>

Business review (Continued)

(3) Property development

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

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
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, Mong Kok, Kowloon, Hong Kong	Residential	Joint Venture	67,311
One North 8 Hong Yip Street, Yuen Long, New Territories, Hong Kong	Commercial	100%	497,620
			749,545

In Mainland China, the Group completed The Koko in Qianhai during the Interim Period. Details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
The Koko Land Parcel No. T102-0262, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, People's Republic of China	Residential/ Commercial	50%	252,412

Chairman's statement (Continued)

Business review (Continued)

(4) Rental activities

For the Interim Period, the Group's attributable gross rental revenue, including share from associates and joint ventures, was HK\$1,776.7 million (2022: HK\$1,728.3 million), representing an increase of 2.8% year-on-year. This increase was primarily driven by improved business sentiment following the reopening of borders and the return of tourists and business travelers, higher turnover rent and higher contribution from new properties. The net rental income for the Interim Period was HK\$1,469.9 million (2022: HK\$1,480.6 million), representing a decrease of 0.7% year-on-year, mainly due to additional rental-related expenses incurred for new projects as well as an increase in repair and maintenance expenses to maintain the quality of our properties.

Overall occupancy of the Group's investment property portfolio was 90.8% for the Interim Period (2022: 91.1%), a decrease of 0.3 percentage point when compared with last interim period. Among the different sectors, residential recorded the biggest improvement with its occupancy rate increased by 7.8 percentage points to 87.9% (2022: 80.1%), followed by industrial's 2.6 percentage points increase to 89.5% (2022: 86.9%), while occupancy rate for office was 86.6% (2022: 87.3%). Reported occupancy rate for retail was 93.4%, a decline of 1.5 percentage points from 94.9% last year, mainly affected by the discontinuation of a show flat in Olympian City 2 since July 2023. Excluding this impact, the retail occupancy rate would have remained largely stable year-on-year.

The market situation remained dynamic throughout the Interim Period. Despite a gradual increase in tourist arrivals to Hong Kong following the reopening of borders in January 2023, total visitor arrivals only reached 34.0 million for the year, recovering to just 52.2% of the 65.1 million recorded in 2018. A shift in behaviour was observed among Chinese tourists, with planning of their trips focusing on experiences rather than shopping. To revitalise economic activities and tourism, the HKSAR Government launched several effective campaigns and measures, and a new round of Consumption Vouchers for local citizens in July 2023. These initiatives have successfully attracted tourists to the city and encouraged domestic consumption. In response to this ever-changing operating environment, it is crucial for the Group to closely monitor changes in consumer behaviour and respond in a timely manner. Continuous efforts are being made to refine and optimise tenant mix, with ongoing marketing and promotion activities organised in our shopping malls to stimulate traffic. A series of marketing campaigns were launched on the Group's digital loyalty programme 'S+ REWARDS' to increase customer loyalty and to drive consumption in our retail properties. Overall, footfall and tenant sales at our flagship malls have experienced a marked improvement from the low of the pandemic.

Business review (Continued)

(4) Rental activities (Continued)

The office sector continued to face challenges, with demand for office space remaining slow despite the gradual phase out of the hybrid working model by certain corporates and the return of Chinese tourists and business travelers after the reopening of borders. The impact was magnified by an increase in available office space in the market, resulting in both occupancy and rental remaining under pressure. Notwithstanding these challenging operating conditions, Hong Kong is well-positioned to benefit from the 'One Country, Two Systems' principle and tremendous support from the motherland. Continuous integration into the country's development through initiatives such as the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"), the Belt and Road Initiative, and the Northern Metropolis proposed by the HKSAR Government will help to reinforce Hong Kong's position as a powerful hub connecting the country with the rest of the world. In addition, various talent schemes launched by the HKSAR Government have attracted over 220,000 applications from talents from Mainland China and overseas, resulting in a rise in accommodation demand. The Group will continue to support the HKSAR Government's initiative to engage talents, fostering a diverse and dynamic community that drives innovation and growth. The Group's portfolio of office buildings, which features top-of-the-line building specifications and recognised green credentials, is well-positioned to appeal to tenants seeking sustainable and high-quality office space.

As at 31st December, 2023, the Group has approximately 13.1 million square feet of attributable floor area of investment properties and hotels in Mainland China, Hong Kong, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 63.0%, industrial 11.9%, car parks 11.9%, hotels 9.0%, and residential 4.2%.

(5) Hotels

For the Interim Period, the Group's hotel revenue, including attributable share from associates and joint ventures, was HK\$810.9 million compared to HK\$692.8 million last interim period, and the corresponding operating profit was HK\$253.5 million (2022: HK\$229.2 million).

During the Interim Period, the HKSAR Government launched several successful campaigns and measures, including 'Hello Hong Kong', 'Happy Hong Kong' and 'Night Vibes Hong Kong' as well as popular mega-events such as the Hong Kong Sevens and financial summits. These initiatives attracted tourists to the city and boosted consumption since the borders reopened in January 2023. According to the latest figures from the Hong Kong Tourism Board, nearly 34 million tourists visited Hong Kong in 2023, gradually recovering to pre-pandemic levels. Management is particularly encouraged by the continuous recovery observed in our Singapore and Sydney operations since travel restrictions were eased and international travel resumed in early 2022, where Revenue Per Available Room exceeded pre-pandemic levels in 2019 as normalisation continued to emerge.

Although the operating conditions improved post-pandemic, our Group remained mindful of the ever-changing environment, including shifts in consumer behaviour and higher inflation. Management continued to focus on cost control while actively seeking new strategies to enhance the quality of our hotel services and improve efficiency. Conrad Hong Kong saw a significant increase in occupancy and room rates, thanks to the gradual rise in business and leisure travelers driven by the resumption of physical exhibitions, events, and local banquets. The Fullerton Ocean Park Hotel Hong Kong, positioned as a resort hotel, experienced higher demand during the summer and festive seasons, and its food and beverage performance improved as more events and weddings were hosted. The Olympian Hong Kong reopened in September 2023 with new commercial and operational strategies, successfully attracting new business and achieving respectable occupancy and room rates.

Chairman's statement (Continued)

Business review (Continued)

(5) Hotels (Continued)

As at 31st December, 2023, the Group's portfolio of hotels comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, The Fullerton Ocean Park Hotel Hong Kong, Conrad Hong Kong, The Fullerton Hotel Sydney and The Olympian Hong Kong.

(6) Mainland China business

During the Politburo meeting in December 2023, top leadership committed to boosting domestic demand and solidifying the economic recovery in 2024. To achieve this, fiscal policy will be moderately strengthened, while a prudent monetary policy will be executed with flexibility, moderation, precision, and effectiveness.

With the goal of establishing a virtuous cycle between consumption and investment, profound reforms will be implemented in key areas, providing a strong driving force for high-quality development.

To support post-pandemic economic recovery, the Central Government has implemented a series of policy measures in recent months. In the property sector, several initiatives have been introduced to stimulate the market. These include the reduction of payment ratios, the lowering of interest rates for second homes, the adoption of a non-loan-based mortgage system, and the removal of upper limit pricing restrictions on land sales in additional cities. Since November 2023, the Central Government and Central Bank have consistently offered support for the reasonable financing needs of real estate companies. These measures aim to reduce financial pressure and encourage a healthy cycle between finance and real estate. The Group remains positive about the future of the mainland property market in the medium-to-long term.

As at 31st December, 2023, the Group had approximately 3.5 million attributable square feet of land bank in Mainland China. Of the total, approximately 2.0 million square feet are projects under development and the remaining are mainly investment properties. There are three key projects under development, including 30% interest in a commercial development site in Qianhai in the Greater Bay Area, 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, 2023.

Finance

The Group's financial position remains strong. As at 31st December, 2023, the Group had cash and bank deposits of HK\$44,130.4 million. After netting off total borrowing of HK\$832.0 million, the Group had net cash of HK\$43,298.4 million as at 31st December, 2023. The Group is in net cash position, therefore gearing ratio, calculated on the basis of total borrowings less cash and bank deposits to equity attributable to the Company's shareholders, is not applicable. The Group's borrowing is denominated in Hong Kong dollars, subject to floating interest rate and repayable within two to three years. Total assets and shareholders' funds of the Group were HK\$179,086.6 million and HK\$164,516.9 million, respectively. Net book value of the Group attributable to the Company's shareholders was HK\$19.28 per share as at 31st December, 2023 (HK\$19.87 per share as at 30th June, 2023).

The majority of the Group's cash are denominated in Hong Kong dollars with a portion in US dollars, Renminbi, and Singaporean dollars.

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

Corporate governance

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

Customer service

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

Sustainability

Sino Land is committed to 'Creating Better Lifescapes' and strives to integrate sustainability into every aspect of its operations through three interconnected areas, namely Green Living, Innovative Design and Community Spirit. We seek to create long-term value for stakeholders and the communities in which we operate, and to ensure that we grow more resilient together.

Sino Land has been selected as a constituent of the Dow Jones Sustainability Asia/Pacific Index (DJSI Asia Pacific) for the second consecutive year, recognising our sustainability efforts as among the top 20% of the region. In 2023, Sino Land received an 'AA' rating in the MSCI ESG Indexes and achieved a five-star rating in the 2023 Real Estate Assessment of the Global Real Estate Sustainability Benchmark ("GRESB"). Sino Land has also been recognised as one of the top ten companies in the Greater Bay Area Business Sustainability Index for the fourth consecutive year. The Group continues to improve its position in various local and international sustainability indices. Sino Land remained a constituent member of the Hang Seng Corporate Sustainability Benchmark Index with an upgrade from AA to AA+. These recognitions are a testament to the Group's ongoing commitment to upholding corporate governance and promoting ESG and sustainability.

Various awards and accolades have recognised Sino Land's collective efforts in promoting sustainability during the Interim Period. We were awarded the Pioneer Award of Green Building Leadership (Developers), two Grand Awards, and a Merit Award at the Green Building Award 2023, jointly organised by The Hong Kong Green Building Council and the Professional Green Building Council. Sino Land was also awarded three accolades at the UNSDG Achievement Awards Hong Kong 2023, including the Grand Award, the Organisation Award – Gold, and the Individual SDG Award for its Coral REEFStorage project, as well as six accolades at the 2022/2023 ESG Achievement Awards. Sino Land received four awards at the BDO ESG Awards 2023, while winning four awards at the Hong Kong ESG Reporting Awards 2023, including Best ESG Report (Large-cap) – Grand Award, Best GRI Report – Grand Award, the Carbon Neutral Award – Grand Award, and the GRESB X HERA Excellence in Real Estate (Development Benchmark) – Grand Award. In addition, the Group received the ESG Leading Enterprise Award and Leading Environmental Initiative Award at the ESG Leading Enterprise Awards 2023 for our efforts in upholding corporate governance and promoting sustainability. Also, The Fullerton Hotel Singapore and The Fullerton Bay Hotel Singapore have been certified by the Global Sustainable Tourism Council (GSTC) Industry Criteria for Hotels.

Chairman's statement (Continued)

Sustainability (Continued)

During the Interim Period, we published our standalone sustainability report, which was independently verified by the Hong Kong Quality Assurance Agency and prepared with the adoption of eight principal local and global sustainability reporting standards and frameworks. Sino Land is also one of the first developers in Hong Kong to publish its Report with reference to the International Sustainability Standards Board (ISSB)'s new IFRS S1 and S2, along with the Taskforce on Nature-related Financial Disclosures (TNFD) beta v0.4 framework.

As we strive to mitigate climate change through decarbonisation, Sino Land received validation from the Science Based Targets initiative for its near-term science-based emissions reduction targets. Sino Land has also become the first real estate conglomerate in Hong Kong to join the Science Based Targets Network Corporate Engagement Programme.

Fully aware of the importance of urban biodiversity, the Group and the Hong Kong Innovation Foundation, in partnership with Ocean Park Corporation, Archireef Limited, and The Fullerton Ocean Park Hotel Hong Kong launched the CORAL REEFStoration project. The project's new rehabilitation facility, the CORAL REEFStoration Centre, was opened in July last year for rescued coral fragments. The public is invited for guided tours, interactive STEAM experiments, and other educational and experiential activities.

The Group is also committed to enriching communities through supporting arts and culture and promoting sports events. The Group welcomed the new Hong Kong Arts Development Council headquarters located at Landmark South that brings together various facilities, including a multipurpose exhibition hall, 'SHOWCASE', an Arts Information Centre, and 28 art studios to promote the development of arts and culture as well as creative industries. The Group has also initiated various festive events at Lee Tung Avenue to engage the public, including Moon Fest Lumiere and LED Fire Dragon Fiesta. The Group's tmtplaza, Olympian City, Citywalk, and One North broadcasted the 19th Asian Games from Hangzhou for shoppers to enjoy.

The Group and creative studio 'Mosi Mosi' jointly invited an artist with different abilities to participate in designing housewarming gifts for residents of ONE SOHO. We also collaborated with local NGOs and social enterprises for Diversity and Inclusion Month 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.

In a spirit of sharing, Sino Caring Friends, the Group's corporate volunteer team, has collaborated with seven community partners to spread festive joy by delivering over 2,000 gift packs and mooncakes to underprivileged families in Tai Kok Tsui, Sham Shui Po, Sau Mau Ping, Kwai Chung and Tuen Mun. For the 19th 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 Zubin Foundation to join us for a sustainability-themed Christmas celebration at The Fullerton Ocean Park Hotel Hong Kong. The Group's volunteer team has also organised a series of festive programmes to give a meaningful and fun-filled Christmas celebration to over 1,000 people in need.

Prospects

The global economy is recovering from the pandemic; meanwhile, a number of macro factors are at play, such as geopolitics, international trade frictions, uncertainty over interest rate hike cycle and supply chain rebalancing, which may all affect the pace of recovery.

In Mainland China, the Central Government continues to fine-tune and optimise policies to stimulate economic activities. At the Politburo meeting held on 24th July, 2023, coordinated efforts were introduced to support the real estate sector on both the supply and demand sides. On the demand side, various policies have been implemented to bolster the market, including reducing payment ratios, lowering interest rates for second homes, adopting a non-loan-based mortgage system, and lifting upper limit pricing restrictions on land sales in more cities. On the supply side, the Central Government and Central Bank consistently rendered support for the reasonable financing needs of real estate companies since November 2023. These measures are conducive to alleviating financial pressure and fostering a virtuous cycle between finance and real estate. At the World Economic Forum in January 2024, Premier Li reaffirmed China's commitment to further opening its economy, reiterating the country's vision for open, collaborative, pro-business policies for both domestic and multinational enterprises. With timely review of policies and support provided to various sectors, Mainland China's long-term fundamentals remain intact, demonstrating enormous development resilience and potential.

Buoyed by the 'One Country, Two Systems' principle and tremendous support from the motherland, Hong Kong continues to integrate into the country's development through visionary initiatives such as the GBA, the Belt and Road Initiative, and the Northern Metropolis proposed by the HKSAR Government. These will help to reinforce Hong Kong's global positioning as a powerful hub connecting the country with the rest of the world. The city offers distinctive advantages, and its unique positioning has been bolstered by the recent signing of memorandums of understanding with markets such as Egypt and Saudi Arabia, in addition to signing the First Protocol to Amend the Free Trade Agreement (FTA) between the ASEAN and Hong Kong to drive growth in economic and trade relations. These agreements promote greater commercial ties and cooperation on investment promotion exchange and collaboration. The growing ties with different markets solidify Hong Kong's positioning and further enhance its global appeal.

To revitalise economic activities and tourism following Hong Kong's full re-opening, a series of effective campaigns and measures have been launched by the HKSAR Government, including 'Hello Hong Kong', 'Happy Hong Kong' and 'Night Vibes Hong Kong' as well as popular mega events such as the Hong Kong Sevens and well-attended financial and investment summits. These initiatives managed to attract business and leisure travellers to the city and encouraged consumption. The latest figure from the Hong Kong Tourism Board indicates that close to 34 million tourists visited Hong Kong in 2023, gradually recovering to pre-pandemic level. The latest unemployment rate in Hong Kong tightened to 2.9%, while the city's population rebounded from 7.2 million in mid-2022 to 7.5 million at end-2023, both implying optimism towards the outlook of the economy.

Chairman's statement (Continued)

Prospects (Continued)

The HKSAR Government has made significant efforts in recent years to attract talents from Mainland China and beyond to Hong Kong. Various talent admission schemes have been implemented, and these schemes have received positive responses, with over 220,000 applications received and more than 135,000 applications approved as of end-2023. In addition, the HKSAR Government has made timely adjustments to the demand-side management measures for residential properties in 2023. These include shortening the applicable period of the Special Stamp Duty from three years to two years, reducing the respective rates of the Buyers' Stamp Duty and the New Residential Stamp Duty from 15% to 7.5%, and introducing a stamp duty suspension arrangement for incoming talents' acquisition of residential properties.

The Group is cautiously optimistic about the Hong Kong property market. During the Interim Period, the Group acquired three plots of lands with an attributable GFA of over 806,000 square feet, showcasing our commitment and full confidence in Hong Kong. These plots occupy strategic locations and bring the Group's attributable landbank to 19.5 million square feet, sufficient to support our property development in the medium term.

With increasing visitor arrivals and improvement in consumer sentiment thanks to the HKSAR Government's good efforts, we continue to make strides on the sustainability journey and stay committed to our mission of Creating Better Lifescapes. We are humbled by the honour of Green Building Leadership Pioneer Award at the Green Building Award 2023. Jointly organised by the Hong Kong Green Building Council and Professional Green Building Council, this prestigious, biennial award recognises our commitment to taking the initiative in setting ESG goals and sustainability targets for existing and new building projects, embracing innovation, and engaging the community. Internationally, we have been honoured with listings in Corporate Knights' '100 Most Sustainable Corporations in the World', the DJSI Asia Pacific and S&P Global's Sustainability Yearbook. The Group has received more than 130 ESG accolades during the financial year 2022/23, putting us at the forefront of the industry. We remain committed to upholding ESG and governance, and actively contributing to the development of a harmonious community.

The Group will stay vigilant and agile amid the ever-changing macro environment in 2024. Management emphasises the importance of getting the basics right, understanding the needs of customers, upholding sustainability, delivering excellence, enhancing productivity and efficiency while managing costs. The Group leverages our strong financial position and sustainable business strategy to rise to the challenges and capture opportunities that may arise.

Staff and management

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

Robert NG Chee Siong

Chairman

Hong Kong, 22nd February, 2024

Consolidated statement of profit or loss

For the six months ended 31st December, 2023

	Notes	Six months ended	
		31st December, 2023 HK\$ (Unaudited)	31st December, 2022 HK\$ (Unaudited)
Revenue	3, 4	4,922,801,825	6,382,562,292
Cost of sales		(1,840,248,122)	(2,461,092,528)
Direct expenses		(1,161,405,089)	(1,140,769,197)
Gross profit		1,921,148,614	2,780,700,567
Change in fair value of investment properties	13	17,984,978	(14,323,017)
Other income and other gains or losses		90,641,240	9,981,284
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		1,270,373	3,829,544
Gain on disposal of investment properties		281,337	161,000
Administrative expenses		(481,927,168)	(490,411,227)
Other operating expenses		(106,115,709)	(92,161,262)
Finance income	5	1,172,627,017	605,190,723
Finance costs	6	(51,291,053)	(51,116,311)
Less: interest capitalised	6	28,999,681	26,939,042
Finance income, net		1,150,335,645	581,013,454
Share of results of associates	7	292,301,592	20,986,874
Share of results of joint ventures	8	72,669,591	114,718,291
Profit before taxation	9	2,958,590,493	2,914,495,508
Income tax expense	10	(330,048,014)	(454,223,762)
Profit for the period		2,628,542,479	2,460,271,746
Profit for the period attributable to:			
The Company's shareholders		2,615,953,914	2,459,821,495
Non-controlling interests		12,588,565	450,251
		2,628,542,479	2,460,271,746
Earnings per share			
Basic	12(a)	0.31	0.31

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

Consolidated statement of profit or loss and other comprehensive income

For the six months ended 31st December, 2023

	Six months ended	
	31st December, 2023 HK\$ (Unaudited)	31st December, 2022 HK\$ (Unaudited)
Profit for the period	<u>2,628,542,479</u>	<u>2,460,271,746</u>
Other comprehensive income		
<i>Item that will not be reclassified to profit or loss:</i>		
Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")	<u>1,547,877</u>	<u>(62,888,506)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Reclassification of fair value adjustment to profit or loss on an interest rate swap	–	(6,386,091)
Exchange differences arising on translation of foreign operations	200,708,769	(156,291,193)
Change in fair value of debt instruments at FVTOCI	<u>172,045</u>	<u>(1,525,650)</u>
	<u>200,880,814</u>	<u>(164,202,934)</u>
Other comprehensive income for the period	<u>202,428,691</u>	<u>(227,091,440)</u>
Total comprehensive income for the period	<u>2,830,971,170</u>	<u>2,233,180,306</u>
Total comprehensive income attributable to:		
The Company's shareholders	2,818,382,605	2,232,730,055
Non-controlling interests	<u>12,588,565</u>	<u>450,251</u>
	<u>2,830,971,170</u>	<u>2,233,180,306</u>

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

Consolidated statement of financial position

At 31st December, 2023

	Notes	31st December, 2023 HK\$ (Unaudited)	30th June, 2023 HK\$ (Audited)
Non-current assets			
Investment properties	13	66,172,960,779	66,006,682,723
Hotel properties		1,699,792,123	1,680,928,340
Property, plant and equipment	14	142,248,565	141,849,478
Right-of-use assets		1,173,479,279	1,176,512,988
Interests in associates	15	17,264,649,649	17,076,647,976
Interests in joint ventures	16	6,534,518,522	6,478,483,281
Equity and debt instruments	24	1,211,226,558	1,192,311,834
Advances to associates	15	4,164,311,534	3,995,171,299
Advances to joint ventures	16	10,773,173,852	10,433,170,434
Long-term loans receivable		3,261,413,106	3,438,924,798
Deferred taxation		9,546,810	7,651,350
Other asset		300,000	300,000
		<u>112,407,620,777</u>	<u>111,628,634,501</u>
Current assets			
Properties under development		7,678,246,953	9,433,372,808
Stocks of completed properties		7,288,276,599	6,947,403,785
Hotel inventories		7,878,547	8,995,232
Equity and debt instruments	24	13,239,709	8,456,619
Amounts due from associates	15	2,210,214,657	2,256,442,713
Amounts due from joint ventures	16	3,307,513,344	3,096,175,528
Amounts due from non-controlling interests		14,059,341	31,752,493
Trade and other receivables	17	1,920,314,913	1,757,222,030
Current portion of long-term loans receivable		105,691,354	109,511,988
Taxation recoverable		3,140,893	61,031,514
Time deposits and restricted bank deposits	18	41,568,994,416	41,139,298,042
Bank balances and cash	18	2,561,450,716	2,792,975,930
		<u>66,679,021,442</u>	<u>67,642,638,682</u>
Current liabilities			
Trade and other payables	19	4,911,831,723	5,059,186,763
Lease liabilities		36,811,307	41,018,314
Contract liabilities		93,800,271	826,871,315
Amounts due to associates	15	888,543,496	827,476,708
Amounts due to non-controlling interests		1,700,656,010	1,671,551,006
Taxation payable		848,213,163	1,343,632,746
Bank borrowings – due within one year	20	–	1,132,532,000
		<u>8,479,855,970</u>	<u>10,902,268,852</u>
Net current assets		<u>58,199,165,472</u>	<u>56,740,369,830</u>
Total assets less current liabilities		<u>170,606,786,249</u>	<u>168,369,004,331</u>

Consolidated statement of financial position (Continued)

At 31st December, 2023

	Notes	31st December, 2023 HK\$ (Unaudited)	30th June, 2023 HK\$ (Audited)
Capital and reserves			
Share capital	21	63,304,823,838	60,441,204,098
Reserves		<u>101,212,080,960</u>	<u>101,907,607,960</u>
Equity attributable to the Company's shareholders		164,516,904,798	162,348,812,058
Non-controlling interests		<u>728,620,051</u>	<u>756,031,441</u>
Total equity		<u>165,245,524,849</u>	<u>163,104,843,499</u>
Non-current liabilities			
Bank borrowings – due after one year	20	831,996,000	831,996,000
Lease liabilities		3,658,772	15,377,800
Deferred taxation		2,754,313,912	2,684,332,188
Advances from associates	22	1,640,357,169	1,599,837,513
Advances from non-controlling interests	23	<u>130,935,547</u>	<u>132,617,331</u>
		<u>5,361,261,400</u>	<u>5,264,160,832</u>
		<u>170,606,786,249</u>	<u>168,369,004,331</u>

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

Consolidated statement of changes in equity

For the six months ended 31st December, 2023

Notes	Attributable to the Company's shareholders						Non-controlling interests HK\$	Total HK\$
	Share capital HK\$	Investment revaluation reserve HK\$	Hedging reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Total HK\$		
At 1st July, 2022	56,403,833,044	(534,138,315)	34,915,255	105,455,653	101,387,234,462	157,397,300,099	831,215,368	158,228,515,467
Profit for the period	-	-	-	-	2,459,821,495	2,459,821,495	450,251	2,460,271,746
Other comprehensive income for the period	-	(64,414,156)	(6,386,091)	(156,291,193)	-	(227,091,440)	-	(227,091,440)
Total comprehensive income for the period	-	(64,414,156)	(6,386,091)	(156,291,193)	2,459,821,495	2,232,730,055	450,251	2,233,180,306
Shares issued in lieu of cash dividend	21	2,934,925,696	-	-	-	2,934,925,696	-	2,934,925,696
Final dividend declared and paid – 2022	11	-	-	-	(3,241,625,735)	(3,241,625,735)	-	(3,241,625,735)
Dividend paid to non-controlling interests		-	-	-	-	-	(64,000,000)	(64,000,000)
At 31st December, 2022 (unaudited)	59,338,758,740	(598,552,471)	28,529,164	(50,835,540)	100,605,430,222	159,323,330,115	767,665,619	160,090,995,734
At 1st July, 2023	60,441,204,098	(518,867,195)	-	(359,323,550)	102,785,798,705	162,348,812,058	756,031,441	163,104,843,499
Profit for the period	-	-	-	-	2,615,953,914	2,615,953,914	12,588,565	2,628,542,479
Other comprehensive income for the period	-	1,719,922	-	200,708,769	-	202,428,691	-	202,428,691
Total comprehensive income for the period	-	1,719,922	-	200,708,769	2,615,953,914	2,818,382,605	12,588,565	2,830,971,170
Additional interest on non-controlling interests		-	-	-	-	-	45	45
Shares issued in lieu of cash dividend	21	2,863,619,740	-	-	-	2,863,619,740	-	2,863,619,740
Final dividend declared and paid – 2023	11	-	-	-	(3,513,909,605)	(3,513,909,605)	-	(3,513,909,605)
Dividend paid to non-controlling interests		-	-	-	-	-	(40,000,000)	(40,000,000)
At 31st December, 2023 (unaudited)	63,304,823,838	(517,147,273)	-	(158,614,781)	101,887,843,014	164,516,904,798	728,620,051	165,245,524,849

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

Condensed consolidated statement of cash flows

For the six months ended 31st December, 2023

	Six months ended	
	31st December, 2023 HK\$ (Unaudited)	31st December, 2022 HK\$ (Unaudited)
Net cash generated from operating activities	1,540,594,108	1,830,125,544
Net cash used in investing activities		
Advances to associates	(879,188,659)	(744,095,291)
Advances to joint ventures	(3,748,980,019)	(1,900,954,840)
Advances to non-controlling interests	(3,531)	(7,205,717)
Additions to investment properties	(76,534,385)	(80,414,823)
Additions to property, plant and equipment	(29,891,083)	(15,239,523)
Increase in time deposits with original maturity over three months and charge over deposits	(2,735,733,527)	(8,887,723,527)
Dividend received from associates	70,896,957	909,991,652
Dividend received from joint ventures	157,602,578	83,063,168
Decrease in restricted bank deposits	–	1,097,563
Proceeds from disposal of investment properties	800,000	2,576,000
Repayments from associates	812,946,263	284,863,091
Repayments from joint ventures	3,171,481,954	350,869,941
Repayments from non-controlling interests	17,696,683	51,969,004
Purchase of equity and debt instruments	(17,597,239)	(12,713,387)
Capital injection in associates	–	(78,494,500)
Capital injection in joint ventures	(35,144,000)	(356,555,943)
Interest received	962,436,434	178,836,845
Other investing activities	166,038	151,132
	(2,329,045,536)	(10,219,979,155)
Net cash used in financing activities		
Advances from associates	103,251,564	49,913,941
Advances from non-controlling interests	70,299,293	46,143,893
Repayments of bank borrowings	(1,132,532,000)	(23,000,000)
Repayments of lease liabilities	(22,268,921)	(28,887,110)
Repayments to associates	(19,805,046)	(353,216,868)
Repayments to non-controlling interests	(42,876,028)	(6,618,200)
Dividend paid to ordinary shareholders of the Company	(650,289,865)	(306,700,039)
Dividend paid to non-controlling interests	(40,000,000)	(64,000,000)
Interest paid	(36,979,131)	(49,762,109)
Other financing activities	–	(7,151)
	(1,771,200,134)	(736,133,643)

Condensed consolidated statement of cash flows (Continued)

For the six months ended 31st December, 2023

	Six months ended	
	31st December, 2023 HK\$ (Unaudited)	31st December, 2022 HK\$ (Unaudited)
Net decrease in cash and cash equivalents	(2,559,651,562)	(9,125,987,254)
Cash and cash equivalents at the beginning of the period	13,762,748,398	17,617,776,607
Effect of foreign exchange rate changes	21,673,879	(82,442,930)
Cash and cash equivalents at the end of the period	<u>11,224,770,715</u>	<u>8,409,346,423</u>
Analysis of the balances of cash and cash equivalents		
Restricted bank deposits	24,296,528	24,648,763
Time deposits	41,544,697,888	41,058,997,104
Bank balances and cash	<u>2,561,450,716</u>	<u>3,379,024,026</u>
Deposits, bank balances and cash in the consolidated statement of financial position	44,130,445,132	44,462,669,893
Less: Time deposits with original maturity over three months and charge over deposits	(32,881,377,889)	(36,028,674,707)
Restricted bank deposits	<u>(24,296,528)</u>	<u>(24,648,763)</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>11,224,770,715</u>	<u>8,409,346,423</u>

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

Notes to the unaudited condensed consolidated financial statements

For the six months ended 31st December, 2023

1. Basis of preparation

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

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

The financial information relating to the financial year ended 30th June, 2023 that is included in the condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 30th June, 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

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

2. Principal accounting policies

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

Other than changes in accounting policies resulting from application of new and amended Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31st December, 2023 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2023.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

2. Principal accounting policies (Continued)

Application of new and amended HKFRSs

In the current interim period, the Group has applied the following new and amended HKFRSs issued by the HKICPA, which are effective for the annual period beginning on or after 1st July, 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17	<i>Insurance contracts</i>
Amendments to HKAS 8	<i>Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Presentation of financial statements and Making materiality judgements: Disclosure of accounting policies</i>
Amendments to HKAS 12	<i>Income taxes: Deferred tax related to assets and liabilities arising from a single transaction</i>
Amendments to HKAS 12	<i>Income taxes: International tax reform – Pillar Two model rules</i>

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

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 accounting guidance relating to the offsetting mechanism and the abolition of the mechanism.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. The cessation of applying the practical expedient in paragraph 93(b) of HKAS 19, *Employee Benefits*, in conjunction with the enactment of the Amendment Ordinance resulted in a catch-up profit or loss adjustment in June 2022 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the period ended 31st December, 2023, with the corresponding adjustment to the comparative carrying amount of the LSP liability. However, since the amount of the catch-up profit or loss adjustment was immaterial, the Group did not restate the comparative figure for the condensed consolidated financial statements.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

3. Revenue

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Sales of properties	2,359,711,780	3,947,351,849
Property management and other services	619,474,420	591,321,795
Hotel operations	<u>501,891,033</u>	<u>455,151,150</u>
Revenue from goods and services	3,481,077,233	4,993,824,794
Rental income from operating leases	1,389,249,793	1,356,230,715
Interest revenue from loans receivable	35,908,016	23,246,743
Dividend income from listed investments	<u>16,566,783</u>	<u>9,260,040</u>
	<u>4,922,801,825</u>	<u>6,382,562,292</u>
Geographical market:		
Hong Kong	4,299,710,724	5,691,244,110
Mainland China	74,996,965	187,431,050
Singapore	<u>548,094,136</u>	<u>503,887,132</u>
	<u>4,922,801,825</u>	<u>6,382,562,292</u>

For the six months ended 31st December, 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\$619,474,420 and HK\$271,915,298 (six months ended 31st December, 2022: HK\$591,321,795 and HK\$247,845,659) 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\$2,359,711,780 and HK\$229,975,735 (six months ended 31st December, 2022: HK\$3,947,351,849 and HK\$207,305,491) respectively.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

4. Segment information

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

Six months ended 31st December, 2023

	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	2,359,711,780	338,920,289	4,832,856,025	517,735,666	7,192,567,805	856,655,955
Property rental	1,389,249,793	1,143,402,510	398,815,779	335,662,642	1,788,065,572	1,479,065,152
	<u>3,748,961,573</u>	<u>1,482,322,799</u>	<u>5,231,671,804</u>	<u>853,398,308</u>	<u>8,980,633,377</u>	<u>2,335,721,107</u>
Property management and other services	619,474,420	119,637,723	56,740,519	6,517,788	676,214,939	126,155,511
Hotel operations	501,891,033	189,251,526	309,095,973	64,307,578	810,987,006	253,559,104
Investments in securities	16,566,783	16,566,783	1,950	1,950	16,568,733	16,568,733
Financing	35,908,016	35,908,016	3,542,176	3,542,176	39,450,192	39,450,192
	<u>4,922,801,825</u>	<u>1,843,686,847</u>	<u>5,601,052,422</u>	<u>927,767,800</u>	<u>10,523,854,247</u>	<u>2,771,454,647</u>

Six months ended 31st December, 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	3,947,351,849	1,196,721,397	382,918	(64,068,215)	3,947,734,767	1,132,653,182
Property rental	1,356,230,715	1,165,426,574	384,906,039	326,680,443	1,741,136,754	1,492,107,017
	<u>5,303,582,564</u>	<u>2,362,147,971</u>	<u>385,288,957</u>	<u>262,612,228</u>	<u>5,688,871,521</u>	<u>2,624,760,199</u>
Property management and other services	591,321,795	122,959,709	57,281,597	7,753,121	648,603,392	130,712,830
Hotel operations	455,151,150	206,009,341	237,692,262	23,271,441	692,843,412	229,280,782
Investments in securities	9,260,040	9,260,040	1,950	1,950	9,261,990	9,261,990
Financing	23,246,743	23,246,743	3,556,918	3,556,918	26,803,661	26,803,661
	<u>6,382,562,292</u>	<u>2,723,623,804</u>	<u>683,821,684</u>	<u>297,195,658</u>	<u>7,066,383,976</u>	<u>3,020,819,462</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

4. Segment information (Continued)

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

Reconciliation of profit before taxation

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Segment profit	2,771,454,647	3,020,819,462
Change in fair value of investment properties	17,984,978	(14,323,017)
Other income and other gains or losses	88,903,395	9,154,419
Change in fair value of financial assets at FVTPL	1,270,373	3,829,544
Gain on disposal of investment properties	281,337	161,000
Administrative expenses and other operating expenses	(505,511,702)	(523,330,359)
Finance income, net	1,147,004,082	579,674,952
Results shared from associates and joint ventures		
– Other income and other gains or losses	(106,018,801)	345,628,156
– Change in fair value of investment properties	(160,861,953)	(341,544,808)
– Administrative expenses and other operating expenses	(142,592,781)	(151,475,857)
– Finance income/(costs), net	134,916,964	(28,556,237)
– Income tax (expense)/credit	(288,240,046)	14,458,253
	<u>(562,796,617)</u>	<u>(161,490,493)</u>
Profit before taxation	<u>2,958,590,493</u>	<u>2,914,495,508</u>

During the six months ended 31st December, 2023, inter-segment sales of HK\$35,939,093 (six months ended 31st December, 2022: HK\$43,647,762) were not included in the segment of “property management and other services”. There were no inter-segment sales in other operating segments. Inter-segment sales were charged on a cost plus margin basis as agreed between the parties involved.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

5. Finance income

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Interest income on bank deposits	1,086,345,651	570,073,566
Interest income on advances to associates and joint ventures and imputed interest income on non-current interest-free advances to associates and joint ventures	86,281,366	35,117,157
	<u>1,172,627,017</u>	<u>605,190,723</u>

6. Finance costs

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Interest and other finance costs on:		
Bank loans and other loans	32,322,370	51,967,259
Lease liabilities	828,757	968,773
Imputed interest expense on non-current interest-free advances from associates	18,139,926	4,566,370
	<u>51,291,053</u>	<u>57,502,402</u>
Fair value adjustment on an interest rate swap reclassified from hedging reserve to profit or loss	–	(6,386,091)
	<u>51,291,053</u>	<u>51,116,311</u>
Less: Amounts capitalised to properties under development	(28,999,681)	(26,939,042)
	<u>22,291,372</u>	<u>24,177,269</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

7. Share of results of associates

Share of results of associates included the Group's share of decrease in fair value of investment properties of the associates of HK\$25,235,684 (six months ended 31st December, 2022: HK\$177,485,429) recognised in the statement of profit or loss of the associates.

8. Share of results of joint ventures

Share of results of joint ventures included the Group's share of decrease in fair value of investment properties of the joint ventures of HK\$135,626,269 (six months ended 31st December, 2022: HK\$164,059,379) recognised in the statement of profit or loss of the joint ventures.

9. Profit before taxation

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Profit before taxation has been arrived at after charging:		
Cost of properties sold	1,840,248,122	2,461,092,528
Cost of hotel inventories recognised as direct expenses	54,947,984	49,406,528
Depreciation of hotel properties	16,835,692	16,515,001
Depreciation of property, plant and equipment	31,027,346	29,656,409
Depreciation of right-of-use assets	33,345,537	39,180,833
Loss on disposal of property, plant and equipment	19,199	85,901
Impairment loss on trade receivables, net of reversal	5,448,463	11,821,141

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

10. Income tax expense

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Tax charge comprises:		
Current taxation		
Hong Kong Profits Tax	196,460,713	283,162,013
Other jurisdictions	69,620,803	121,709,017
Land Appreciation Tax ("LAT") in Mainland China	11,405,495	32,603,644
	<u>277,487,011</u>	<u>437,474,674</u>
Deferred taxation	52,561,003	16,749,088
	<u>330,048,014</u>	<u>454,223,762</u>

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated weighted average annual tax rate used is 16.5% (six months ended 31st December, 2022: 16.5%).

Taxes on profits assessable in Singapore and Mainland China are recognised based on management's best estimate of the weighted average annual income tax rates prevailing in the countries and the regions in which the Group operates. The estimated weighted average annual tax rates used are 17% in Singapore and 25% in Mainland China (six months ended 31st December, 2022: 17% in Singapore and 25% in Mainland China).

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

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

11. Dividend paid

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Final dividend paid for the year ended 30th June, 2023 of HK43 cents per share (six months ended 31st December, 2022: HK42 cents per share for the year ended 30th June, 2022), with a scrip dividend option	<u>3,513,909,605</u>	<u>3,241,625,735</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

11. Dividend paid (Continued)

Subsequent to the end of the reporting period, the Directors determined that an interim dividend for the six months ended 31st December, 2023 of HK15 cents (six months ended 31st December, 2022: HK15 cents) per share amounting to HK\$1,279,718,001 (six months ended 31st December, 2022: HK\$1,209,189,324) would be paid to the Company's shareholders whose names appear on the Register of Members on 12th March, 2024.

12. Earnings per share

(a) Reported earnings per share

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

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Earnings for the purpose of basic earnings per share	<u>2,615,953,914</u>	<u>2,459,821,495</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>8,226,600,058</u>	<u>7,768,503,535</u>

No diluted earnings per share has been presented for the periods ended 31st December, 2023 and 2022 as there were no potential ordinary shares outstanding during the current and prior periods.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, underlying earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK\$2,944,693,000 (six months ended 31st December, 2022: HK\$2,802,368,922) is also presented, excluding the net effect of changes in fair value of investment properties of the Group and its associates and joint ventures and including realised fair value gain on interest in an associate upon sales of its properties and realised fair value gain on investment properties disposed of during the period, taking into account tax effect and the amount attributable to the Company's shareholders. The denominators used are the same as those detailed above for reported earnings per share.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

12. Earnings per share (Continued)

(b) Underlying earnings per share (Continued)

A reconciliation of profit is as follows:

	Six months ended	
	31st December, 2023 HK\$	31st December, 2022 HK\$
Earnings for the purpose of basic earnings per share	<u>2,615,953,914</u>	<u>2,459,821,495</u>
Change in fair value of investment properties	(17,984,978)	14,323,017
Effect of corresponding deferred tax	(679,105)	536,786
Share of results of associates		
– Change in fair value of investment properties	25,235,684	177,485,429
– Effect of corresponding deferred tax	(660,000)	(2,970,000)
Share of results of joint ventures		
– Change in fair value of investment properties	135,626,269	164,059,379
– Effect of corresponding deferred tax	(136,780)	117,318
	<u>141,401,090</u>	<u>353,551,929</u>
Amount attributable to non-controlling interests	<u>526,753</u>	<u>(12,894,502)</u>
Unrealised change in fair value of investment properties attributable to the Company's shareholders	141,927,843	340,657,427
Realised fair value gain on investment properties disposed of during the period, net of taxation	440,864	1,890,000
Realised fair value gain on interest in an associate upon sales of its properties during the period	<u>186,370,379</u>	<u>–</u>
	<u>328,739,086</u>	<u>342,547,427</u>
Underlying profit attributable to the Company's shareholders	<u>2,944,693,000</u>	<u>2,802,368,922</u>
Underlying earnings per share	<u>0.35</u>	<u>0.36</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

13. Investment properties

The Group's investment properties at 31st December, 2023 and 30th June, 2023 were fair-valued by Knight Frank Petty Limited and Knight Frank Pte Ltd., independent valuers not connected with the Group. The valuations for completed properties were arrived at by reference to market evidence of recent transaction prices for similar properties and/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. For investment properties under redevelopment, the valuations had been arrived at by adopting direct comparison approach with reference to comparable transactions in the locality and assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations had also taken into account the relevant future cost of development, including construction costs, finance costs, professional fees and developer's profit as of completion, which duly reflected the risks associated with the development of the properties.

The resulting fair value gain on investment properties of HK\$17,984,978 has been recognised directly in profit or loss for the six months ended 31st December, 2023 (six months ended 31st December, 2022: fair value loss of HK\$14,323,017). During the six months ended 31st December, 2022, a property under development with the carrying amount of HK\$3,078,376,336 was completed and transferred to investment properties with a fair value gain of HK\$521,623,664 recognised.

14. Property, plant and equipment

During the six months ended 31st December, 2023, additions to property, plant and equipment amounted to HK\$29,891,083 (six months ended 31st December, 2022: HK\$15,239,523).

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

	31st December, 2023 HK\$	30th June, 2023 HK\$
Interests in associates	<u>17,264,649,649</u>	<u>17,076,647,976</u>
Advances to associates	5,523,587,363	5,374,339,832
Less: Allowance	<u>(1,359,275,829)</u>	<u>(1,379,168,533)</u>
	<u>4,164,311,534</u>	<u>3,995,171,299</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

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

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 31st December, 2023, out of the Group's advances to associates net of allowance, HK\$1,314,141,865 (30th June, 2023: HK\$1,245,469,353) bear interest and the remaining balance is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

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

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

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

	31st December, 2023 HK\$	30th June, 2023 HK\$
Interests in joint ventures	<u>6,534,518,522</u>	<u>6,478,483,281</u>
Advances to joint ventures	<u>11,709,027,013</u>	<u>11,284,666,509</u>
Less: Allowance	<u>(935,853,161)</u>	<u>(851,496,075)</u>
	<u>10,773,173,852</u>	<u>10,433,170,434</u>

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 31st December, 2023, out of the Group's advances to joint ventures, HK\$3,064,618,850 (30th June, 2023: HK\$4,350,398,299) bear interest and the remaining balance is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The amounts due from joint ventures of the Group classified under current assets are unsecured and are expected to be repaid within one year from the end of the reporting period. At 31st December, 2023, out of the Group's amounts due from joint ventures, HK\$692,239 (30th June, 2023: HK\$99,242,931) bear interest and the remaining balance is interest-free.

17. Trade and other receivables

At 31st December, 2023, included in trade and other receivables of the Group are trade receivables (net of allowance for credit losses) of HK\$259,324,350 (30th June, 2023: HK\$276,146,432). Trade receivables mainly comprise rental receivables and property management and other services. Rental receivables are billed and payable in advance by tenants.

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

	31st December, 2023 HK\$	30th June, 2023 HK\$
Current or up to 30 days	129,500,495	182,475,964
31 – 60 days	33,787,642	16,252,066
61 – 90 days	14,534,176	9,214,418
Over 90 days	81,502,037	68,203,984
	<u>259,324,350</u>	<u>276,146,432</u>

Other receivables and prepayments mainly comprise receivables in relation to utility and other deposits paid of HK\$214,341,103 (30th June, 2023: HK\$188,738,055), other payments in advance of HK\$93,380,434 (30th June, 2023: HK\$94,458,599) which is mainly related to property development projects and interest receivables of HK\$817,012,339 (30th June, 2023: HK\$647,638,175).

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

At 31st December, 2023, time deposits of HK\$1,985,220,934 (30th June, 2023: HK\$2,144,203,601) were charged for finance undertakings issued by banks for certain subsidiaries, associates and joint ventures of the Company. The balance includes cash held by stakeholders of HK\$1,192,003,223 (30th June, 2023: HK\$1,466,709,383), which are restricted for payments related to property development projects or will be released by stakeholders after completion of the relevant assignments.

The restricted bank deposits of HK\$24,296,528 (30th June, 2023: HK\$23,881,212) represented deposits placed with banks, which were used as a guarantee for a construction contract.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

19. Trade and other payables

At 31st December, 2023, included in trade and other payables of the Group are trade payables of HK\$100,241,170 (30th June, 2023: HK\$143,613,613).

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

	31st December, 2023 HK\$	30th June, 2023 HK\$
1 – 30 days	59,835,475	84,518,116
31 – 60 days	12,194,873	28,009,477
61 – 90 days	2,417,177	2,554,753
Over 90 days	25,793,645	28,531,267
	<u>100,241,170</u>	<u>143,613,613</u>

Other payables mainly comprise accrual of construction cost of HK\$1,355,326,408 (30th June, 2023: HK\$1,504,597,528), rental and utilities deposits received of HK\$769,676,513 (30th June, 2023: HK\$769,115,756), receipt in advance of HK\$1,654,809,858 (30th June, 2023: HK\$1,668,221,926) which is mainly related to property development projects, and rental receipt in advance of HK\$153,905,686 (30th June, 2023: HK\$158,879,862).

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

20. Bank borrowings

The bank borrowings carry interest at contracted interest rates (which are also the effective interest rates) at Hong Kong Interbank Offered Rate plus a margin per annum. The bank borrowings of the Group are guaranteed by the Company to the extent of the Group's equity interest in the respective subsidiaries.

21. Share capital

	2023		2022	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Ordinary shares issued and fully paid with no par value:				
At 1st July	8,171,882,803	60,441,204,098	7,718,156,511	56,403,833,044
Issue of shares in lieu of cash dividends	359,570,535	2,863,619,740	343,105,646	2,934,925,696
At 31st December	8,531,453,338	63,304,823,838	8,061,262,157	59,338,758,740

On 4th December, 2023, the Company issued and allotted a total of 359,570,535 (six months ended 31st December, 2022: 343,105,646) ordinary shares at an issue price of HK\$7.964 (six months ended 31st December, 2022: HK\$8.554) per ordinary share to the shareholders in lieu of cash for the 2023 final dividend (six months ended 31st December, 2022: 2022 final dividend).

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

22. Advances from associates

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

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

23. Advances from non-controlling interests

The advances from non-controlling interests of the Group amounting to HK\$62,698,213 (30th June, 2023: HK\$63,707,922) are unsecured, bear interest at 6.25% (30th June, 2023: 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$68,237,334 (30th June, 2023: HK\$68,909,409) is unsecured, interest-free and has no fixed repayment terms. The non-controlling shareholders have agreed not to demand repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

24. Fair value measurements of financial instruments

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

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

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

	Fair value as at		Fair value hierarchy
	31st December, 2023 HK\$	30th June, 2023 HK\$	
Financial assets			
Equity instruments at FVTOCI			
– Listed equity securities (Note a)	760,360,026	757,658,088	Level 1
– Listed perpetual bonds (Note b)	34,022,312	35,176,391	Level 2
Debt instruments at FVTOCI			
– Listed debt securities (Note b)	182,501,064	182,118,428	Level 2
Unlisted investments (Note c)	240,347,094	217,358,927	Level 3
Financial assets at FVTPL			
– Listed equity securities (Note a)	7,235,771	8,456,619	Level 1

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

24. Fair value measurements of financial instruments (Continued)

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

Notes:

- (a) The fair values of all listed equity securities are determined with reference to quoted market prices in an active market as at 31st December, 2023 and 30th June, 2023.
- (b) The fair values of all listed perpetual bonds and debt securities are determined with reference to quoted market prices provided by financial institutions as at 31st December, 2023 and 30th June, 2023.
- (c) The fair values of all unlisted investments at FVTPL and FVTOCI are determined based on their net asset value, representing the fair value of the funds reported by respective fund managers, and relevant factors if deemed necessary, as at 31st December, 2023 and 30th June, 2023, except those where the Directors of the Company consider cost approximates their fair value.

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

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

Reconciliation of Level 3 fair value measurements of financial assets

	2023 HK\$	2022 HK\$
Unlisted investments		
At 1st July	217,358,927	189,853,504
Net investment	17,597,239	12,713,387
Fair value changes	2,491,221	2,622,463
Exchange realignment	2,899,707	(7,196,282)
	<hr/>	<hr/>
At 31st December	240,347,094	197,993,072

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

25. Financial guarantee contracts

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

	31st December, 2023 HK\$	30th June, 2023 HK\$
Guarantees given to banks in respect of:		
Banking facilities of associates and joint ventures attributable to the Group		
– Utilised	6,630,653,059	7,073,251,812
– Unutilised	2,455,462,508	3,019,040,843
	<u>9,086,115,567</u>	<u>10,092,292,655</u>

At 31st December, 2023 and 30th June, 2023, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates and joint ventures. At the end of both reporting periods, the Group did not recognise any liabilities in respect of such corporate financial guarantees as the Directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant. The amounts of loss allowances determined in accordance with Hong Kong Financial Reporting Standard 9, *Financial Instruments*, at the end of the reporting periods are insignificant.

26. Commitments

Capital commitments outstanding at 31st December, 2023 not provided for in the condensed consolidated financial statements were as follows:

	31st December, 2023 HK\$	30th June, 2023 HK\$
Contracted for	60,214,810	41,797,197
Authorised but not contracted for	14,416,182	186,564
	<u>74,630,992</u>	<u>41,983,761</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2023

26. Commitments (Continued)

The Group's share of capital commitments of joint ventures and associates outstanding at 31st December, 2023 not provided for in the condensed consolidated financial statements were as follows:

	31st December, 2023 HK\$	30th June, 2023 HK\$
Contracted for	91,394,611	85,258,006
Authorised but not contracted for	29,737,260	24,666,478
	<u>121,131,871</u>	<u>109,924,484</u>

27. Material related party transactions

There were no new material related party transactions during the six months ended 31st December, 2023 save as those disclosed in the Group's audited annual financial statements for the year ended 30th June, 2023.

Closure of register of members

The register of members of the Company will be closed from Friday, 8th March, 2024 to Tuesday, 12th March, 2024, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Tuesday, 12th March, 2024.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share Registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 7th March, 2024.

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

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

Directors' interests

As at 31st December, 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 Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

(a) Long positions in shares of the Company

Name of Director	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Robert Ng Chee Siong	5,054,810,279 <i>(Note)</i>	Beneficial owner of 299,058 shares, spouse interest in 6,087,488 shares and trustee interest in 5,048,423,733 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	59.24%
The Honourable Ronald Joseph Arculli	1,191,997	Beneficial owner	0.01%
Ms. Nikki Ng Mien Hua	134,425	Beneficial owner	≈ 0%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Daryl Ng Win Kong	171,418	Beneficial owner	≈ 0%
Mr. Ringo Chan Wing Kwong	387,952	Beneficial owner	≈ 0%
Mr. Gordon Lee Ching Keung	103,239	Beneficial owner	≈ 0%
Mr. Thomas Tang Wing Yung	–	–	–
Mr. Victor Tin Sio Un	51,376	Beneficial owner	≈ 0%

Directors' interests (Continued)

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

Note:

The trustee interest in 5,048,423,733 shares comprises:

- (a) 2,117,792,569 shares which were held by Tsim Sha Tsui Properties Limited, which was 72.07% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
- (b) (i) 68,898,721 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) 2,633,247,121 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 168,372,950 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 281,253 shares by Fanlight Investment Limited, 269,188 shares by Garford Nominees Limited, 60,580,603 shares by Karaganda Investments Inc., 26,128,154 shares by Orient Creation Limited, 12,698,909 shares by Strathallan Investment Limited, 38,274,781 shares by Strong Investments Limited, 29,330,025 shares by Tamworth Investment Limited and 810,037 shares by Transpire Investment Limited; and
- (d) 60,112,372 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

(b) Long positions in shares of associated corporations

(i) Holding company

Tsim Sha Tsui Properties Limited

Name of Director	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Robert Ng Chee Siong	1,517,944,406 (Note)	Beneficial owner of 815,169 shares and trustee interest in 1,517,129,237 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.11%
The Honourable Ronald Joseph Arculli	60,000	Beneficial owner	≈ 0%
Ms. Nikki Ng Mien Hua	–	–	–
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Daryl Ng Win Kong	–	–	–
Mr. Ringo Chan Wing Kwong	–	–	–
Mr. Gordon Lee Ching Keung	–	–	–
Mr. Thomas Tang Wing Yung	–	–	–
Mr. Victor Tin Sio Un	–	–	–

Note:

The trustee interest in 1,517,129,237 shares comprises:

- (a) 1,397,393,525 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 144,839,809 shares by Fanlight Investment Limited, 196,279,073 shares by Nippomo Limited, 4,510,277 shares by Orient Creation Limited, 386,039,646 shares by Strathallan Investment Limited, 576,075,968 shares by Tamworth Investment Limited and 89,648,752 shares by Transpire Investment Limited; and
- (b) 119,735,712 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 31st December, 2023, none of the Directors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial shareholders' and other shareholders' interests

As at 31st December, 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	5,066,495,708 <i>(Notes 1, 2, 3, 4, 5 and 6)</i>	Interest of controlled corporations in 18,457,975 shares and trustee interest in 5,048,037,733 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	59.38%

Tsim Sha Tsui Properties Limited	4,819,552,411 <i>(Notes 2(a), 2(b), 3, 4 and 6)</i>	Beneficial owner of 2,117,792,569 shares and interest of controlled corporations in 2,701,759,842 shares	56.49%
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Name of other shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Spangle Investment Limited	593,201,632 <i>(Notes 3 and 6)</i>	Beneficial owner	6.95%
Ka Fai Land Investment Limited	421,996,094 <i>(Notes 4 and 6)</i>	Beneficial owner	6.19%

Substantial shareholders' and other shareholders' interests

(Continued)

Long positions in shares of the Company (Continued)

Notes:

1. 18,457,975 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 5,696,484 shares by Far East Capital Pte. Ltd. and 12,761,491 shares by Western Properties Pte Ltd.
2. The trustee interest in 5,048,037,733 shares comprises:
 - (a) 2,117,792,569 shares which were held by Tsim Sha Tsui Properties Limited, which was 72.07% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
 - (b) (i) 68,898,721 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) 2,632,861,121 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 593,201,632 shares held by Spangle Investment Limited (Note 3) and 551,609,557 shares held by Ka Fai Land Investment Limited (Note 4));
 - (c) 168,372,950 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 281,253 shares by Fanlight Investment Limited, 269,188 shares by Garford Nominees Limited, 60,580,603 shares by Karaganda Investments Inc., 26,128,154 shares by Orient Creation Limited, 12,698,909 shares by Strathallan Investment Limited, 38,274,781 shares by Strong Investments Limited, 29,330,025 shares by Tamworth Investment Limited and 810,037 shares by Transpire Investment Limited; and
 - (d) 60,112,372 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. Spangle Investment Limited is a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and its shareholding was duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
4. Ka Fai Land Investment Limited is a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and its shareholding was duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
5. 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.
6. The number and the percentage of shares as disclosed are based on the substantial shareholder notices filed with the Stock Exchange.

Save as disclosed above and so far as the Directors of the Company are aware, as at 31st December, 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.

Disclosure pursuant to Rule 13.22 of the Listing Rules

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

	At 31st December, 2023 HK\$	At 30th June, 2023 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	6,630,653,059	7,073,251,812
Advances from the Group	<u>22,112,128,117</u>	<u>21,330,358,147</u>
	<u>28,742,781,176</u>	<u>28,403,609,959</u>
The Group's share of capital commitments of its affiliated companies		
– Contracted for	91,394,611	85,258,006
– Authorised but not contracted for	<u>29,737,260</u>	<u>24,666,478</u>
	<u>121,131,871</u>	<u>109,924,484</u>
The Group's share of contingent liabilities of its affiliated companies	<u>–</u>	<u>–</u>

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

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

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of the Directors since the publication of the 2023 Annual Report and up to 22nd February, 2024 (being the approval date of this Interim Report) are set out below:

Directors' updated biographical details

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

Mr. Daryl Ng Win Kong

- conferred an Honorary Doctor of Business Administration, *honoris causa* from Hong Kong Metropolitan University;
- ceased as an Advisor and appointed as a Governor of Our Hong Kong Foundation Limited;
- ceased as a Member of the Board of Mind Mental Health Hong Kong Limited;
- appointed as a member of the Steering Committee of the Research, Academic and Industry Sectors One-plus (RAISe+) Scheme of Innovation and Technology Commission;
- appointed as a member of the Board of Hong Kong Academy for Wealth Legacy of Financial Services Development Council; and
- appointed as a Special Advisor to UNESCO Asia-Pacific Awards for Cultural Heritage Conservation.

Ms. Nikki Ng Mien Hua

- appointed as a member of the Personal Data (Privacy) Advisory Committee;
- appointed as a member of the Board of Mind Mental Health Hong Kong Limited; and
- appointed as an honorary advisor of The Hong Kong Mental Wellness Association.

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

Change in Directors' emoluments

With effect from 1st January, 2024, the annual salaries of Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong, Mr. Gordon Lee Ching Keung, Mr. Thomas Tang Wing Yung and Mr. Victor Tin Sio Un are HK\$1,019,880, HK\$5,581,080, HK\$7,668,000, HK\$6,082,800 and HK\$6,562,560 and the discretionary bonuses paid to Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong, Mr. Gordon Lee Ching Keung, Mr. Thomas Tang Wing Yung and Mr. Victor Tin Sio Un for the year 2023 were HK\$165,020, HK\$677,310, HK\$3,257,023, HK\$958,410 and HK\$1,327,375 respectively.

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

Remuneration Committee

The Company has established its Remuneration Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

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

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

Nomination Committee

The Company has established its Nomination Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board with reference to the board diversity policy of the Company and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include making recommendations to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and succession planning for Directors, and regularly reviewing the time required from a Director to perform his/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.

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

Audit Committee

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

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

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

In the first quarter of 2024, the Audit Committee has reviewed the accounting policies and practices adopted by the Company and the interim report for the six months ended 31st December, 2023.

Compliance Committee

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

Codes for dealing in the Company's securities

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

Compliance with Corporate Governance Code

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 C1 to the Listing Rules (the "CG Code"). The Company has complied with all code provisions as set out in the CG Code applicable to the Company for the six months ended 31st December, 2023, except that there was no separation of the roles of the chairman and the chief executive, both of the roles are currently undertaken by the Chairman of the Board.

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

By Order of the Board

Fanny CHENG Siu King

Company Secretary

Hong Kong, 22nd February, 2024

Report on review of condensed consolidated financial statements



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

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements set out on pages 16 to 41 which comprise the consolidated statement of financial position of Sino Land Company Limited (the “Company”) as of 31st December, 2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the condensed consolidated financial statements in accordance with HKAS 34.

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements as at 31st December, 2023 are not prepared, in all material respects, in accordance with HKAS 34.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

22nd February, 2024

