



STOCK CODE: 83

Mayfair by the Sea 8
逸瓏灣8

2021-2022 INTERIM REPORT

二零二一至二零二二年 中期報告

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 Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by email at sinoland83-ecom@hk.tricorglobal.com.

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Board of Directors

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

(# Non-Executive Director)

(* Independent Non-Executive Directors)

Audit Committee

Adrian David Li Man-kiu, 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, JP

Remuneration Committee

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

Authorized Representatives

Robert Ng Chee Siong
 Ringo Chan Wing Kwong

Company Secretary

Fanny Cheng Siu King

Auditor

KPMG
 Registered Public Interest Entity Auditors

Solicitors

Woo, Kwan, Lee & Lo
 Clifford Chance

Share Registrar

Tricor Standard Limited
 Level 54, Hopewell Centre,
 183 Queen's Road East,
 Hong Kong
 Telephone : (852) 2980 1333
 Fax : (852) 2861 1465
 Email : sinoland83-ecom@hk.tricorglobal.com

Principal Bankers

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

Investor relations contact

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

Registered Office

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 Salisbury Road, Tsim Sha Tsui,
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 Telephone : (852) 2721 8388
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 Email : info@sino.com

Listing information

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

Shareholders' calendar

Closure of Register of Members for dividend entitlement	4th to 8th March, 2022 (both dates inclusive)
Record Date for interim dividend entitlement	8th March, 2022
Last Day for lodging form of election for scrip dividend	29th March, 2022 4:30 p.m.
Interim Dividend Payable	HK15 cents per share 11th April, 2022

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, 2021 ("Interim Period") was HK\$4,367.9 million (2020: HK\$2,142.5 million). Underlying earnings per share was HK\$0.58 (2020: HK\$0.30).

After taking into account the revaluation loss (net of deferred taxation) on investment properties of HK\$130.0 million (2020: revaluation loss of HK\$850.1 million), which is a non-cash item, the Group reported a net profit attributable to shareholders of HK\$4,225.5 million for the Interim Period (2020: HK\$1,286.6 million). Earnings per share for the Interim Period was HK\$0.56 (2020: HK\$0.18).

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

Dividends

The Directors have declared an interim dividend of HK15 cents per share (2020: HK14 cents per share) payable on 11th April, 2022 to those shareholders whose names appear on the Register of Members of the Company on 8th March, 2022.

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 14th March, 2022. It is expected that the interim dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 11th April, 2022.

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\$8,497.0 million (2020: HK\$2,011.8 million).

Total revenue from property sales comprises mainly the sales of residential units and carparking spaces in the project completed during the Interim Period namely Mayfair By The Sea 8 in Pak Shek Kok, as well as the sales of remaining stocks of residential units and carparking spaces in projects completed in previous financial years including Grand Central in Kwun Tong, 133 Portofino in Sai Kung, and Dynasty Park Phase III in Zhangzhou.

During the Interim Period, the Group obtained pre-sale consent for two new residential projects in Hong Kong, namely La Marina in Wong Chuk Hang and ONE CENTRAL PLACE in Central. Certain units of La Marina, and remaining stocks of Grand Central in Kwun Tong (94.0% sold), Grand Victoria in South West Kowloon (48.4% sold), Mayfair By The Sea 8 in Pak Shek Kok (98.7% sold), Silversands in Ma On Shan (67.5% sold), St. George's Mansions at Kadoorie Avenue in Ho Man Tin (6.9% sold) and ONE SOHO in Mong Kok (58.4% sold), have been launched for sale during the Interim Period.

Looking ahead, the Group has an exciting pipeline of projects to be launched. In addition to ONE CENTRAL PLACE, the Group expects to obtain pre-sale consents for three other residential projects in calendar year 2022. These projects are Kam Sheung Road Station Package One Property Development in Yuen Long, LOHAS Park Package Eleven Property Development in Tseung Kwan O, and Wong Chuk Hang Station Package Four Property Development. The timing for launching these projects for sale will depend on when the pre-sale consents are received and the prevailing market conditions.

(2) Land bank

As at 31st December, 2021, the Group has a land bank of approximately 20.3 million square feet of attributable floor area in Hong Kong, Mainland China, Singapore and Sydney which comprises a balanced portfolio of properties of which 44.0% is commercial; 30.9% residential; 11.5% industrial; 7.7% car parks and 5.9% hotels. In terms of breakdown of the land bank by status, 7.5 million square feet were properties under development, 11.9 million square feet of properties for investment and hotels, together with 0.9 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 20% interest in a commercial and residential site located in Jalan Anak Bukit, Singapore with a total gross floor area of approximately 985,498 square feet. The development to be built on top of the site will have a dynamic mix of uses including residential, serviced residences, retail, food and beverage outlets and offices, integrated with a variety of community uses including childcare services. A new bus interchange and an underground pedestrian link to Beauty World MRT Station will also be integrated within the development, providing convenience for commuters and residents. Details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
Land Parcel 950 Lot 2852K Mukim 16, Jalan Anak Bukit, Singapore	Residential/ Commercial	20%	197,100

During the Interim Period, the Group also acquired an additional 6.75% interest in Grand Victoria, an existing residential project located in South West Kowloon, from a joint venture partner. The Group's interest in the project has increased to 29.25% from 22.50%. Details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
Grand Victoria 6 Lai Ying Street and 8 Lai Ying Street, South West Kowloon, Hong Kong	Residential	29.25%	288,935

Business review (Continued)

(3) Property development

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

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
Mayfair By The Sea 8 1 Fo Yin Road, Pak Shek Kok (East), New Territories, Hong Kong	Residential	100%	412,530

In Mainland China, the Group completed Block 7 of Dynasty Park Phase III in Zhangzhou during the Interim Period. Details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area (Square feet)
Dynasty Park Phase III Block 7 No. 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, People's Republic of China	Residential/ Commercial	100%	240,210

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\$1,797.9 million (2020: HK\$1,842.9 million), representing a decrease of 2.4% year-on-year. The decline in rental income was mainly due to negative rental reversion, while overall occupancy rate remains stable at approximately 90.3% (2020: 90.3%) for the Interim Period. Despite the lower rental revenue, the level of marketing and promotion expenses were increased to help drive footfall and boost tenants' sales, and this resulted in a slightly higher decline in the net rental income. The net rental income for the Interim Period was HK\$1,557.8 million (2020: HK\$1,629.8 million), representing a decrease of 4.4% year-on-year.

Retail market sentiment in Hong Kong was improving throughout much of the Interim Period until concerns over the recent outbreak of the Omicron and Delta variants of COVID-19. During the Interim Period, in tandem with the Government's Consumption Vouchers Scheme ("Consumption Vouchers"), the Group has rolled out a series of initiatives to drive consumption in its retail properties. Apart from partnering with major payment gateways, business partners and tenants to incentivise consumers to use their Consumption Vouchers in our shopping malls, the Group organised a series of events in flagship shopping malls including Olympian City 2 and Tuen Mun Town Plaza to celebrate the 2021 Tokyo Olympic Games, which were well attended by celebrities and many of their supporters. Meanwhile, management continued to optimise tenant mix and leverage its 'S+ REWARDS' digital loyalty programme to enhance customers' shopping experience. Overall, footfall and tenant sales at our flagship malls have improved from the low of the pandemic. The Group's retail portfolio recorded a slight improvement in average occupancy rate to approximately 91.9% (2020: 90.6%).

Performance of the office sector remained challenging. The Group's office portfolio recorded an average occupancy of 89.8% (2020: 91.7%) for the Interim Period. Uncertainties surrounding the pandemic have continued to impact the office market. With an increase in available office space and slower demand, occupancy and rental remain under pressure. However, Hong Kong is poised to benefit from Central Government's support to deepen its economic integration with the country, and to enhance its status as an international financial, transportation and trade centre. These initiatives shall invigorate Hong Kong competitiveness and provide new impetus to the economy. Meanwhile, it is hopeful that the pandemic would remain well contained in order to facilitate a broader reopening of the border with Mainland China. When business travel between Hong Kong and Mainland China normalised, it is expected to bring back additional leasing demand from Mainland Chinese corporates in the longer-term.

As at 31st December, 2021, the Group has approximately 11.9 million square feet of attributable floor area of investment properties and hotels in Mainland China, Hong Kong, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 61.8%, industrial 14.6%, car parks 13.2%, hotels 7.6%, and residential 2.8%.

(5) Hotels

The hospitality industry continued to be negatively impacted by COVID-19. Due to fewer cross-border leisure and business travels, the trading condition for the Group's hotels remains challenging. A meaningful recovery will be dependent on the easing of travel restrictions and resumption of international travel.

Business review (Continued)

(5) Hotels (Continued)

The Group is taking all practicable measures to cope with the challenges. To drive sales, management has been targeting the domestic customers for staycation and long-staying businesses, as well as introducing a variety of promotional programmes for food and beverages sales. Meanwhile, the Group remained vigilant on cost control and focused on making efficiency improvements as well as improving the quality of hotel services to ensure our discerning guests have enjoyable experiences during their stay in the hotels. Notwithstanding the difficulties faced during the Interim Period, the overall performance of our hotels has showed some signs of year-on-year improvement.

During the Interim Period, the Group's hotels revenue, including attributable share from associates and joint ventures, was HK\$247.7 million (2020: HK\$163.5 million) and the corresponding gross operating profit was HK\$12.6 million (2020: gross operating loss of HK\$52.9 million).

As at 31st December, 2021, the Group's portfolio of hotels comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, Conrad Hong Kong, The Fullerton Hotel Sydney and The Olympian Hong Kong. The Fullerton Ocean Park Hotel Hong Kong is expected to be completed in the first half of 2022. The Fullerton Ocean Park Hotel Hong Kong is an oceanfront luxury resort offering 425 guest rooms, each with ocean views overlooking the South China Sea. The resort will also feature several dining destinations, an infinity pool, a kids' lagoon, an indoor kids' zone, a gym and a luxury spa.

(6) Mainland China business

Over the Interim Period, a series of regulatory and credit measures have been rolled out by the Central Government to maintain healthy land and housing markets in Mainland China. These measures are intended to encourage deleveraging of the real estate sector which will be beneficial to the long-term development of the property market in Mainland China.

As at 31st December, 2021, the Group has approximately 4.6 million attributable square feet of land bank in Mainland China. Of the total, approximately 3.5 million square feet are projects under development and the remaining are mainly investment properties. There are four key projects under development, out of which two are in Qianhai in the Greater Bay Area, including a 50% interest in a serviced apartment project and 30% interest in a commercial development site. The other two projects are the 100% interest in Dynasty Park Phase III and 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, 2021.

Finance

The Group's financial position remains strong. As at 31st December, 2021, the Group had cash and bank deposits of HK\$42,063.9 million. After netting off total borrowings of HK\$3,251.3 million, the Group had net cash of HK\$38,812.6 million as at 31st December, 2021. The Group is in net cash position, therefore gearing ratio, calculated on the basis of net debt to equity attributable to the Company's shareholders, is not applicable. Of the total borrowings, 26% repayable within one year, 43% repayable between one and two years and the remaining between three and five years. Majority of the Group's borrowings are subject to floating interest rates. Total assets and shareholders' funds of the Group were HK\$178,678.3 million and HK\$156,593.2 million, respectively. Net book value of the Group attributable to shareholders was HK\$20.56 per share as at 31st December, 2021 (HK\$20.98 per share as at 30th June, 2021).

Chairman's statement (Continued)

Finance (Continued)

As at 31st December, 2021, the majority of the Group's debts are denominated in Hong Kong dollars. Other than the above-mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars with a portion in Renminbi, Australian dollars and US dollars. The Group has maintained a sound financial management policy and foreign exchange exposure has been prudently kept at a minimal level.

Corporate governance

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

Customer service

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

Sustainability

The Group 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. The Group also takes corporate governance, integrity and business ethics to heart, as they are the cornerstones of our efforts to create long-term value for stakeholders.

In December 2021, Sino Land Company Limited ("Sino Land") was named the winner of Awards of Excellence in ESG – Category 2 Hang Seng Composite Index Constituent Companies, at the Hong Kong Corporate Governance and ESG Excellence Awards 2021, jointly organised by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of the Hong Kong Baptist University and the Hong Kong Sustainability Award (Large-sized Organisations Category) at the HKMA Hong Kong Sustainability Award 2020/21. During the Interim Period, Sino Land was also awarded four accolades at the Hong Kong ESG Reporting Awards 2021 and three accolades at the ESG Leading Enterprise Awards 2021. The Group continues to improve at various local and international sustainability indices. Sino Land received AA rating in Hang Seng Corporate Sustainability Index and has been included in Hang Seng Corporate Sustainability Index since 2012. It also ranked Top 10 in the Hong Kong Business Sustainability Index and the Greater Bay Area Business Sustainability Index. In addition, Sino Land received B rating in the Climate Change Assessment under CDP. These recognitions are a testament to the Group's commitment to upholding corporate governance and promoting ESG and sustainability.

Sustainability (Continued)

During the Interim Period, we published the stand-alone sustainability report, which is independently verified by Hong Kong Quality Assurance Agency and prepared in accordance with GRI Standards (core option) and Hong Kong Exchanges and Clearing Limited's 'Environmental, Social and Governance Reporting Guide' under Appendix 27 to the Main Board Listing Rules. For the first time, Sino Land's climate actions are disclosed in the report with reference to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

With its Sustainability Vision 2030 announced in 2020, the Group sets a clear direction for sustainability to be embraced across the Group's cross-functional operations. The Sustainability Vision 2030 highlighted three key strategies including the reduction of carbon emission and single-use plastics, renewable energy generation, and redefining property developments to focus on green living and wellness. With the collective efforts of colleagues and stakeholders, we have met the plastic reduction target ahead of schedule set in Sustainability Vision 2030 and are close to achieving our goal of reducing greenhouse gas emission.

As we strive to mitigate climate change through decarbonisation, the Group joined the list of Financial Stability Board TCFD supporters in November 2021, in demonstration of its commitment to recognising the importance of increasing transparency on climate-related risks and opportunities, making it one of five real estate developers in Hong Kong to support the TCFD. To enhance energy efficiency and support renewable energy generation, over 2,300 photovoltaic panels have been installed at properties under the Group's management in Hong Kong as at 31st December, 2021, making the Group one of the major industry players in installing the largest number of photovoltaic panels at its properties.

Committed to promoting the concept of sustainability, the Group engaged colleagues in a beach clean-up activity to collect plastic waste and collaborated with green organisations as well as artistic groups, to create and display upcycled Christmas trees and decorations at the Group's properties. Following the launch of the inaugural 'Upcycled Christmas Tree Campaign' last year, the campaign, which ran between November and December 2021, engaged colleagues and families to collect and upcycle reusable materials and waste and transform them into unique Christmas trees and ornaments. Over 100 upcycled Christmas trees have been set up at the Group's properties in Hong Kong, Singapore and Sydney.

The Group's integrated green community project ('Farm Together') to promote the concept of sustainability and biodiversity in the community, has more than doubled in size with the addition of six new sites for a total of 15 farms in Hong Kong and one in Singapore spanning a total of over 53,000 sq. ft. New farms include 'GREENHOUSE@tmtplaza' at Tuen Mun Town Plaza, Fruit Farm at Gold Coast Residences, Farm by the Coast at Gold Coast Piazza, Farm by the Marina at Gold Coast Yacht and Country Club, Tropical Farm at Hong Kong Gold Coast Hotel and Farm by the Sea 8 at Mayfair By The Sea 8.

The Group jointly launched the first Green Mortgage Plan in Hong Kong with Bank of China (Hong Kong) Limited, providing prospective purchasers with paperless and digital mortgage services for designated Sino Land residential projects that have received the BEAM Plus Platinum or Gold rating, including Grand Central, Grand Victoria, ONE SOHO and Silversands, in order to support sustainable development and shape a green future.

The built environment has a profound impact on health and well-being. Following the certification received for 133 Portofino and pre-certification received for St. George's Mansions and Landmark South. The Fullerton Ocean Park Hotel Hong Kong has been named the first hotel in Hong Kong and Mainland China to attain the WELL pre-certification under the WELL Building Standard™ v2.

Sustainability (Continued)

The Group seeks to foster a culture of innovation to harness technology and explore their business applications. Organised by the Hong Kong Innovation Foundation, the Group supported the inaugural Hong Kong Science Fair (Science Fair) with the aim of encouraging schools, teachers, and students to think out of the box and to inspire the younger generation to cultivate an innovative mindset. The Science Fair launched a competition in September 2021 for primary and secondary students to submit creations that apply their knowledge of science, technology and design. An exhibition will be held in Hong Kong Convention & Exhibition Centre to showcase the shortlisted creative projects.

For the 17th year in a row, the Group has supported Operation Santa Claus to help the less resourced in the community. To further promote sustainability through waste management and upcycling, the Group invited children from The Hub Hong Kong to a workshop at Skyline Tower's Sky Farm, where activities engaged them to creatively explore the green living and waste reduction message.

Prospects

The global pandemic of COVID-19 continues to pose challenges and the world has learned to become better at dealing with the virus and its effect on our daily lives. Vaccines have been developed in record time, medical treatments have improved, better protocols are in place to ensure outbreaks can be quickly detected and contained, and businesses have adopted emerging technologies to mitigate operational impact. With concerted efforts of the governments around the world in vaccination rollout, global economic recovery has been made possible, and major economies have seen consumer confidence gradually restored. While the Omicron and Delta variants bring new uncertainties, we are in a much better position than before to face the challenges.

Against this backdrop, Mainland China has maintained a leading position in economic recovery and epidemic control. Despite intermittent waves of resurgence, Mainland China is adhering to its zero-COVID strategy and has proven its ability to respond quickly to bring infection rates under control. Over the past months, the Central Government also introduced a series of policy fine-tuning covering a broad range of industries which will be beneficial to Mainland China's sustainable economic growth in the long term. The aim is to build an all-round well-off society and to expand the middle-income class to support domestic consumption as laid out in the "dual circulation" strategy under the 14th Five-Year Plan. With the sustainable growth, Mainland China will continue to be an important growth engine for the world.

In Hong Kong, the pandemic situation remains fluid due to ongoing threat of new variants emerging. Social distances measures are likely to remain in place for the time being, and operating conditions are expected to remain challenging. Vaccination is a critical step to protect ourselves, our families, our colleagues, and our communities. The Group will continue to play our part as a member of the business community in giving our full support to the government's vaccination programme to help achieve herd immunity.

Hong Kong is poised to benefit from the Central Government's support to deepen Hong Kong's economic integration with Mainland China, and to enhance its status as an international financial, transport and trade centre. The Northern Metropolis Development Strategy, unveiled in Hong Kong's 2021 Policy Address, will strengthen our links with the Greater Bay Area and provide a new commercial centre for the city with innovation and technology facilities, infrastructure and thousands of new jobs and homes. These initiatives shall invigorate Hong Kong competitiveness and add new impetus to the economy. Meanwhile, it is hopeful that the pandemic would remain well contained in order to facilitate a broader reopening of the border with Mainland China, which would provide Hong Kong's economic engine of important fuel.

Prospects (Continued)

COVID-19 has reshaped the way how people live, work, and learn. The needs and preferences of customers are changing rapidly, with increasing priority on quality and sustainability. The Group will stay focused while remaining flexible and agile so that we can respond more swiftly to changing customer needs and market developments. Sustainability is an important cornerstone of our business, as reflected by our commitment to reducing carbon footprint, preserving architectural and cultural heritage, building vibrant communities that support healthy living, developing environmentally certified buildings, and helping those in need to make our community a more compassionate place. At the heart of all these efforts is our steadfast commitment to Creating Better Lifescapes for the communities in which we operate. We will continue working to provide benefits to the society and deliver long-term value to our shareholders, customers, business partners and employees.

The Group will continue to operate our business in a pragmatic manner in response to market changes. Management shall maintain a policy of selectively and continuously replenishing our land bank. In terms of property sales, the Group shall continually work to ensure top quality products and deliver the best-in-class services to our customers. This is how we add value to our customers and earn their trust, which is most important in enhancing our brand. On recurrent businesses of the Group, which comprise property leasing, property management services, and hospitality, they will continue to be core pillars of the Group contributing a good and steady stream of income. Meanwhile, the Group shall remain vigilant on cost control and focus on making efficiency improvement without compromising quality of our products and services. Management will stay abreast of the latest digitalisation developments to enhance business development and operational efficiency. We believe these factors will set out a clear path for our future growth.

As we look forward, the Group will remain vigilant in monitoring the market development, whilst proactively face the challenges and seize opportunities ahead. The tapering of quantitative easing and potential interest rate hike may put pressure on further recovery of the world economy. Nevertheless, the residential market in Hong Kong remains resilient and fundamentally sound. The Group maintain a cautiously optimistic view on the outlook for the property market in Hong Kong. We have set our sights on long-term sustainable growth, whilst remaining prepared for short-term cyclical fluctuations.

Our strong commitment to Hong Kong and Mainland China remains intact and we are committed to promoting positivity in the community as we grow with it. With our strong financial position and sustainable business growth strategy, the Group is well placed to meet the challenging economic environment and to grasp opportunities.

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, 17th February, 2022

Condensed consolidated statement of profit or loss

For the six months ended 31st December, 2021

	Notes	Six months ended	
		31st December, 2021 HK\$ (Unaudited)	31st December, 2020 HK\$ (Unaudited)
Revenue	3, 4	10,892,121,664	4,097,517,736
Cost of sales		(4,209,708,398)	(1,026,390,246)
Direct expenses		(1,145,975,586)	(865,359,993)
Gross profit		5,536,437,680	2,205,767,497
Change in fair value of investment properties	13	(87,756,470)	(534,848,712)
Other income and other gains or losses		72,753,916	399,237,474
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		(1,809,751)	115,247
Gain on disposal of investment properties		1,047,650	8,325,146
Administrative expenses		(488,480,204)	(405,897,300)
Other operating expenses		(91,121,081)	(109,195,167)
Finance income	5	154,595,068	330,352,610
Finance costs	6	(25,543,873)	(43,474,583)
Less: interest capitalised	6	8,456,731	20,116,394
Finance income, net		137,507,926	306,994,421
Share of results of associates	7	396,646,652	81,659,909
Share of results of joint ventures	8	(148,340,440)	(93,902,154)
Profit before taxation	9	5,326,885,878	1,858,256,361
Income tax expense	10	(934,689,555)	(575,334,123)
Profit for the period		4,392,196,323	1,282,922,238
Profit/(loss) for the period attributable to:			
The Company's shareholders		4,225,517,118	1,286,638,929
Non-controlling interests		166,679,205	(3,716,691)
		4,392,196,323	1,282,922,238
Earnings per share (reported earnings per share)			
Basic	12(a)	0.56	0.18

The notes on pages 21 to 39 form part of these condensed consolidated financial statements. Details of dividends payable to equity shareholders of the Company are set out in Note 11.

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 31st December, 2021

	Six months ended	
	31st December, 2021 HK\$ (Unaudited)	31st December, 2020 HK\$ (Unaudited)
Profit for the period	<u>4,392,196,323</u>	<u>1,282,922,238</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>13,565,484</u>	<u>73,558,823</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of hedging instruments designated as cash flow hedges	19,074,476	(16,657,442)
Reclassification of fair value adjustment to profit or loss on an interest rate swap	5,108,301	2,384,688
Exchange differences arising on translation of foreign operations	89,284,732	1,018,791,034
Change in fair value of debt instruments at FVTOCI	<u>(565,240)</u>	<u>1,134,241</u>
	<u>112,902,269</u>	<u>1,005,652,521</u>
Other comprehensive income for the period	<u>126,467,753</u>	<u>1,079,211,344</u>
Total comprehensive income for the period	<u>4,518,664,076</u>	<u>2,362,133,582</u>
Total comprehensive income attributable to:		
The Company's shareholders	4,351,984,871	2,365,850,273
Non-controlling interests	<u>166,679,205</u>	<u>(3,716,691)</u>
	<u>4,518,664,076</u>	<u>2,362,133,582</u>

The notes on pages 21 to 39 form part of these condensed consolidated financial statements.

Condensed consolidated statement of financial position

At 31st December, 2021

	Notes	31st December, 2021 HK\$ (Unaudited)	30th June, 2021 HK\$ (Audited)
Non-current assets			
Investment properties	13	62,515,313,187	62,457,982,602
Hotel properties		1,734,578,479	1,744,774,054
Property, plant and equipment	14	137,652,569	145,816,370
Right-of-use assets		1,212,920,466	1,230,467,091
Interests in associates	15	18,170,177,975	20,293,818,968
Interests in joint ventures	16	6,014,890,856	3,104,983,220
Equity and debt instruments at FVTOCI	24	919,723,266	892,676,277
Derivative financial instrument	24	7,419,409	–
Advances to associates	15	4,449,736,764	4,411,976,921
Advances to joint ventures	16	11,296,638,663	10,376,892,013
Long-term loans receivable		2,623,182,776	2,247,138,134
Other asset		300,000	300,000
		<u>109,082,534,410</u>	<u>106,906,825,650</u>
Current assets			
Properties under development		16,977,090,655	19,015,869,625
Stocks of completed properties		3,426,060,013	4,126,192,767
Hotel inventories		16,685,647	19,461,342
Financial assets at FVTPL	24	8,105,848	9,915,599
Amounts due from associates	15	2,196,421,255	2,180,936,455
Amounts due from joint ventures	16	2,521,734,120	2,508,438,297
Amounts due from non-controlling interests		1,006,781,432	904,133,947
Trade and other receivables	17	1,119,667,649	1,670,359,428
Current portion of long-term loans receivable		110,849,211	87,829,222
Taxation recoverable		148,504,195	151,193,776
Time deposits and restricted bank deposits	18	38,252,199,437	40,542,109,834
Bank balances and cash	18	3,811,729,374	3,591,931,336
		<u>69,595,828,836</u>	<u>74,808,371,628</u>
Current liabilities			
Trade and other payables	19	5,588,274,108	5,120,150,810
Lease liabilities		48,181,907	49,241,295
Contract liabilities		2,074,765,678	5,852,248,183
Amounts due to associates	15	1,059,730,888	1,035,176,477
Amounts due to non-controlling interests		798,222,950	778,247,117
Taxation payable		2,817,593,345	2,285,716,042
Bank borrowings – due within one year	20	845,000,000	2,844,948,215
		<u>13,231,768,876</u>	<u>17,965,728,139</u>
Net current assets		<u>56,364,059,960</u>	<u>56,842,643,489</u>
Total assets less current liabilities		<u>165,446,594,370</u>	<u>163,749,469,139</u>

Condensed consolidated statement of financial position (Continued)

At 31st December, 2021

	<i>Notes</i>	31st December, 2021 <i>HK\$</i> (Unaudited)	30th June, 2021 <i>HK\$</i> (Audited)
Capital and reserves			
Share capital	21	55,396,799,859	53,211,962,913
Reserves		<u>101,196,429,693</u>	<u>101,947,734,115</u>
Equity attributable to the Company's shareholders		<u>156,593,229,552</u>	155,159,697,028
Non-controlling interests		<u>1,815,581,801</u>	<u>1,648,902,596</u>
Total equity		<u>158,408,811,353</u>	156,808,599,624
Non-current liabilities			
Long-term bank borrowings – due after one year	20	2,406,273,185	2,405,923,660
Derivative financial instrument	24	–	16,763,368
Lease liabilities		9,187,934	19,736,466
Deferred taxation		2,712,076,388	2,647,195,676
Advances from associates	22	1,765,515,314	1,705,890,142
Advances from non-controlling interests	23	<u>144,730,196</u>	<u>145,360,203</u>
		<u>7,037,783,017</u>	<u>6,940,869,515</u>
		<u>165,446,594,370</u>	<u>163,749,469,139</u>

The notes on pages 21 to 39 form part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

For the six months ended 31st December, 2021

	Notes	Attributable to the Company's shareholders					Total HK\$	Non- controlling interests HK\$	Total HK\$
		Share capital HK\$	Investment revaluation reserve HK\$	Hedging reserve HK\$	Exchange reserve HK\$	Retained profits HK\$			
At 1st July, 2020 (audited)		49,806,148,516	(649,666,130)	(17,936,434)	(335,636,146)	96,112,971,493	144,915,881,299	843,307,789	145,759,189,088
Profit/(loss) for the period		-	-	-	-	1,286,638,929	1,286,638,929	(3,716,691)	1,282,922,238
Other comprehensive income for the period		-	74,693,064	(14,272,754)	1,018,791,034	-	1,079,211,344	-	1,079,211,344
Total comprehensive income for the period		-	74,693,064	(14,272,754)	1,018,791,034	1,286,638,929	2,365,850,273	(3,716,691)	2,362,133,582
Investment revaluation reserve reclassified to retained profits upon derecognition of equity instruments at FVTOCI		-	(48,769,532)	-	-	48,769,532	-	-	-
Shares issued in lieu of cash dividend	21	2,622,041,010	-	-	-	-	2,622,041,010	-	2,622,041,010
Final dividend declared and paid - 2020	11	-	-	-	-	(2,888,515,165)	(2,888,515,165)	-	(2,888,515,165)
At 31st December, 2020 (unaudited)		52,428,189,526	(623,742,598)	(32,209,188)	683,154,888	94,559,864,789	147,015,257,417	839,591,098	147,854,848,515
At 1st July, 2021 (audited)		53,211,962,913	(550,004,076)	(16,763,368)	617,589,346	101,896,912,213	155,159,697,028	1,648,902,596	156,808,599,624
Profit for the period		-	-	-	-	4,225,517,118	4,225,517,118	166,679,205	4,392,196,323
Other comprehensive income for the period		-	13,000,244	24,182,777	89,284,732	-	126,467,753	-	126,467,753
Total comprehensive income for the period		-	13,000,244	24,182,777	89,284,732	4,225,517,118	4,351,984,871	166,679,205	4,518,664,076
Shares issued in lieu of cash dividends	21	2,184,836,946	-	-	-	-	2,184,836,946	-	2,184,836,946
Final dividend declared and paid - 2021	11	-	-	-	-	(3,032,389,290)	(3,032,389,290)	-	(3,032,389,290)
Special dividend declared and paid - 2021	11	-	-	-	-	(2,070,900,003)	(2,070,900,003)	-	(2,070,900,003)
At 31st December, 2021 (unaudited)		55,396,799,859	(537,003,832)	7,419,409	706,874,078	101,019,140,038	156,593,229,552	1,815,581,801	158,408,811,353

The notes on pages 21 to 39 form part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

For the six months ended 31st December, 2021

	Six months ended	
	31st December, 2021 HK\$ (Unaudited)	31st December, 2020 HK\$ (Unaudited)
Net cash generated from operating activities	4,205,482,124	205,857,444
Net cash used in investing activities		
Advances to associates	(59,645,645)	(1,577,760,299)
Advances to joint ventures	(1,534,845,935)	(419,035,472)
Advances to non-controlling interests	(102,676,752)	(57,422,090)
Additions to investment properties	(83,291,539)	(43,285,578)
Additions to property, plant and equipment	(28,151,373)	(22,999,876)
Increase in time deposits with original maturity over three months and charge over deposits	(4,185,016,043)	(8,580,812,829)
Dividend received from associates	29,175,000	240,080,819
Increase in restricted bank deposits	(26,930,040)	(236,117,892)
Proceeds from disposal of investment properties	2,547,650	15,962,453
Proceeds from derecognition of equity instruments at FVTOCI	–	42,053,207
Repayments from associates	125,263,226	98,880,780
Repayments from joint ventures	497,896,278	475,562,370
Repayments from non-controlling interests	29,267	4,973
Purchase of equity and debt instruments at FVTOCI	(12,124,498)	(10,468,764)
Capital injection in associates	–	(450,000,001)
Acquisition of interests in associates	(582,496,526)	–
Acquisition of additional interests in joint ventures	(8,550)	–
Reduction of capital of an associate	–	12,500,000
Other investing activities	304,318,519	338,256,724
	(5,655,956,961)	(10,174,601,475)
Net cash used in financing activities		
Advances from associates	91,776,488	171,026,816
Advances from non-controlling interests	20,877,021	12,852,631
Repayments of bank borrowings	(2,000,000,000)	–
Repayments of lease liabilities	(28,454,090)	(27,129,267)
Repayments to associates	(11,742,655)	(104,447,628)
Repayments to non-controlling interests	(1,531,195)	(4,394,056)
Dividend paid to ordinary shareholders of the Company	(2,918,452,347)	(266,474,155)
Interest paid	(20,618,473)	(33,197,056)
Other financing activities	(15,265)	(9,000)
	(4,868,160,516)	(251,771,715)

Condensed consolidated statement of cash flows (Continued)

For the six months ended 31st December, 2021

	Six months ended	
	31st December, 2021 HK\$ (Unaudited)	31st December, 2020 HK\$ (Unaudited)
Net decrease in cash and cash equivalents	(6,318,635,353)	(10,220,515,746)
Cash and cash equivalents at the beginning of the period	28,578,786,293	23,080,979,610
Effect of foreign exchange rate changes	36,576,911	172,413,629
Cash and cash equivalents at the end of the period	<u>22,296,727,851</u>	<u>13,032,877,493</u>
Analysis of the balances of cash and cash equivalents		
Restricted bank deposits	26,930,040	357,945,306
Time deposits	38,225,269,397	37,609,317,702
Bank balances and cash	<u>3,811,729,374</u>	<u>4,465,662,124</u>
Deposits, bank balances and cash in the condensed consolidated statement of financial position	42,063,928,811	42,432,925,132
Less: Time deposits with original maturity over three months and charge over deposits	(19,740,270,920)	(29,042,102,333)
Restricted bank deposits	<u>(26,930,040)</u>	<u>(357,945,306)</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>22,296,727,851</u>	<u>13,032,877,493</u>

The notes on pages 21 to 39 form part of these condensed consolidated financial statements.

Notes to the unaudited condensed consolidated financial statements

For the six months ended 31st December, 2021

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 49.

The financial information relating to the financial year ended 30th June, 2021 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, 2021 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 former auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. Principal accounting policies

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

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31st December, 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, which are mandatory effective for the annual period beginning on or after 1st July, 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30th June, 2021</i>

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

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

3. Revenue

	Six months ended	
	31st December, 2021 HK\$	31st December, 2020 HK\$
Sales of properties	8,685,166,816	1,949,855,362
Property management and other services	587,687,253	565,387,525
Hotel operations	194,913,796	128,844,437
Revenue from goods and services	9,467,767,865	2,644,087,324
Rental income from operating leases	1,384,072,628	1,416,839,350
Interest income from loans receivable	32,430,252	34,421,064
Dividend income		
– Listed investments	7,739,469	2,058,548
– Unlisted investments	111,450	111,450
	10,892,121,664	4,097,517,736
Geographical market:		
Hong Kong	10,280,759,703	3,024,468,004
Mainland China	387,422,899	915,750,968
Singapore	223,939,062	157,298,764
	10,892,121,664	4,097,517,736

For the six months ended 31st December, 2021, revenue from contracts with customers recognised over time mainly consists of property management and other service fee income and hotel room revenue of HK\$587,687,253 and HK\$103,675,080 (six months ended 31st December, 2020: HK\$565,387,525 and HK\$68,072,412) 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\$8,685,166,816 and HK\$91,238,716 (six months ended 31st December, 2020: HK\$1,949,855,362 and HK\$60,772,025) respectively.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

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, 2021

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

Six months ended 31st December, 2020

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue HK\$	Results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property sales	1,949,855,362	781,561,052	61,996,405	26,312,573	2,011,851,767	807,873,625
Property rental	1,416,839,350	1,244,022,804	436,947,039	394,948,371	1,853,786,389	1,638,971,175
	<u>3,366,694,712</u>	<u>2,025,583,856</u>	<u>498,943,444</u>	<u>421,260,944</u>	<u>3,865,638,156</u>	<u>2,446,844,800</u>
Property management and other services	565,387,525	229,914,328	56,758,764	8,697,434	622,146,289	238,611,762
Hotel operations	128,844,437	(20,454,154)	34,697,242	(32,488,876)	163,541,679	(52,943,030)
Investments in securities	2,169,998	2,169,998	1,950	1,950	2,171,948	2,171,948
Financing	34,421,064	34,421,064	5,332,125	5,332,125	39,753,189	39,753,189
	<u>4,097,517,736</u>	<u>2,271,635,092</u>	<u>595,733,525</u>	<u>402,803,577</u>	<u>4,693,251,261</u>	<u>2,674,438,669</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

4. Segment information (Continued)

Segment results represent the profit/loss before taxation earned by each segment without allocation of certain other income and other gains or losses, certain administrative expenses and other operating expenses, changes in fair value of investment properties and financial assets at FVTPL, gain on disposal of investment properties and certain finance income net of finance costs. The profit/loss before taxation earned by each segment also includes the share of results from the Group's associates and joint ventures without allocation of the associates' and joint ventures' certain other income and other gains or losses, certain administrative expenses and other operating expenses, change in fair value of investment properties, finance costs net of finance income and income tax expense. 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, 2021 HK\$	31st December, 2020 HK\$
Segment profit	5,874,768,673	2,674,438,669
Change in fair value of investment properties	(87,756,470)	(534,848,712)
Other income and other gains or losses	71,523,710	286,625,558
Change in fair value of financial assets at FVTPL	(1,809,751)	115,247
Gain on disposal of investment properties	1,047,650	8,325,146
Administrative expenses and other operating expenses	(528,295,055)	(467,741,764)
Finance income, net	137,369,313	306,388,039
Results shared from associates and joint ventures		
– Other income and other gains or losses	206,554,337	113,959,017
– Change in fair value of investment properties	(34,544,168)	(301,205,349)
– Administrative expenses and other operating expenses	(221,446,267)	(116,163,830)
– Finance costs, net	(53,950,247)	(16,056,594)
– Income tax expense	(36,575,847)	(95,579,066)
	<u>(139,962,192)</u>	<u>(415,045,822)</u>
Profit before taxation	<u>5,326,885,878</u>	<u>1,858,256,361</u>

During the six months ended 31st December, 2021, inter-segment sales of HK\$73,178,256 (six months ended 31st December, 2020: HK\$45,012,212) 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 at cost plus margin basis as agreed between both parties.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

5. Finance income

	Six months ended	
	31st December, 2021 HK\$	31st December, 2020 HK\$
Interest income on:		
– advances to associates and joint ventures	18,377,869	19,334,703
– bank deposits	128,977,915	290,543,503
Imputed interest income on non-current interest-free advances to associates and joint ventures	7,239,284	20,474,404
	<u>154,595,068</u>	<u>330,352,610</u>

6. Finance costs

	Six months ended	
	31st December, 2021 HK\$	31st December, 2020 HK\$
Interest on bank and other borrowings	15,314,674	29,634,258
Interest on lease liabilities	558,573	775,019
Imputed interest expense on non-current interest-free advances from associates	4,145,750	9,571,390
Loan facility arrangement fees and finance charges	416,575	1,109,228
	<u>20,435,572</u>	<u>41,089,895</u>
Fair value adjustment on an interest rate swap reclassified from hedging reserve to profit or loss	5,108,301	2,384,688
	<u>25,543,873</u>	<u>43,474,583</u>
Less: Amounts capitalised to properties under development	<u>(8,456,731)</u>	<u>(20,116,394)</u>
	<u>17,087,142</u>	<u>23,358,189</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

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\$8,704,217 (six months ended 31st December, 2020: HK\$254,536,419) 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\$25,839,951 (six months ended 31st December, 2020: HK\$46,668,930) recognised in the statement of profit or loss of the joint ventures.

9. Profit before taxation

	Six months ended	
	31st December, 2021 HK\$	31st December, 2020 HK\$
Profit before taxation has been arrived at after charging/(crediting):		
Cost of properties sold	4,209,708,398	1,026,390,246
Cost of hotel inventories recognised as direct expenses	26,246,379	17,027,798
Depreciation of hotel properties	17,733,154	16,446,918
Depreciation of property, plant and equipment	36,731,339	39,640,954
Depreciation of right-of-use assets	39,116,882	38,275,103
Gain on disposal of property, plant and equipment	(23,479)	(253,472)
Impairment loss on trade receivables, net of reversal	7,240,063	21,007,705

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

10. Income tax expense

	Six months ended	
	31st December, 2021 HK\$	31st December, 2020 HK\$
The charge comprises:		
Current taxation		
– Hong Kong Profits Tax	758,922,457	189,612,809
– Other jurisdictions	51,974,551	114,114,129
– Land Appreciation Tax (“LAT”) in Mainland China	75,811,641	196,515,668
	<hr/>	<hr/>
	886,708,649	500,242,606
Deferred taxation	47,980,906	75,091,517
	<hr/>	<hr/>
	934,689,555	575,334,123
	<hr/>	<hr/>

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, 2020: 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, 2020: 17% in Singapore and 25% in Mainland China).

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

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

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

11. Dividend paid

	Six months ended	
	31st December, 2021 HK\$	31st December, 2020 HK\$
Final dividend paid for the year ended 30th June, 2021 of HK41 cents per share (six months ended 31st December, 2020: HK41 cents per share for the year ended 30th June, 2020), with a scrip dividend option	3,032,389,290	2,888,515,165
Special dividend paid for the year ended 30th June, 2021 of HK28 cents per share (six months ended 31st December, 2020: nil), with a scrip dividend option	2,070,900,003	–
	<u>5,103,289,293</u>	<u>2,888,515,165</u>

Subsequent to the end of the reporting period, the Directors determined that an interim dividend for the six months ended 31st December, 2021 of HK15 cents (six months ended 31st December, 2020: HK14 cents) per share amounting to HK\$1,142,268,701 (six months ended 31st December, 2020: HK\$1,025,742,971) would be paid to the Company's shareholders whose names appear on the Register of Members on 8th March, 2022.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

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, 2021 HK\$	31st December, 2020 HK\$
Earnings for the purpose of basic earnings per share	<u>4,225,517,118</u>	<u>1,286,638,929</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>7,427,024,614</u>	<u>7,083,416,624</u>

No diluted earnings per share has been presented for the periods ended 31st December, 2021 and 2020 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, basic earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK\$4,367,900,512 (six months ended 31st December, 2020: HK\$2,142,555,952) 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, 2021

12. Earnings per share (Continued)

(b) Underlying earnings per share (Continued)

A reconciliation of profit is as follows:

	Six months ended	
	31st December, 2021 HK\$	31st December, 2020 HK\$
Earnings for the purpose of basic earnings per share	<u>4,225,517,118</u>	<u>1,286,638,929</u>
Change in fair value of investment properties	87,756,470	534,848,712
Effect of corresponding deferred taxation charges	6,031,181	21,797,835
Share of results of associates		
– Change in fair value of investment properties	8,704,217	254,536,419
– Effect of corresponding deferred taxation credit	–	(2,083,077)
Share of results of joint ventures		
– Change in fair value of investment properties	25,839,951	46,668,930
– Effect of corresponding deferred taxation charges	51,773	–
	<u>128,383,592</u>	<u>855,768,819</u>
Amount attributable to non-controlling interests	<u>1,663,755</u>	<u>(5,659,717)</u>
Unrealised change in fair value of investment properties attributable to the Company's shareholders	130,047,347	850,109,102
Realised fair value gain on investment properties disposed of during the period, net of taxation	1,173,228	5,807,921
Realised fair value gain on interest in an associate upon sales of its properties during the period	11,162,819	–
	<u>142,383,394</u>	<u>855,917,023</u>
Underlying profit attributable to the Company's shareholders	<u>4,367,900,512</u>	<u>2,142,555,952</u>
Underlying earnings per share	<u>0.58</u>	<u>0.30</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

13. Investment properties

The Group's investment properties at 31st December, 2021 and 30th June, 2021 were fair-valued by Knight Frank Petty Limited and Knight Frank Pte Ltd., independent valuers not connected with the Group. The valuations for completed properties were arrived at by reference to market evidence of recent transaction prices for similar properties and/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. For investment properties under redevelopment, the valuations had been arrived at by adopting direct comparison approach with reference to comparable transactions in the locality and assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations had also taken into account the relevant future cost of development, including construction costs, finance costs, professional fees and developer's profit as of completion, which duly reflected the risks associated with the development of the properties.

The resulting fair value loss on investment properties of HK\$87,756,470 has been recognised directly in profit or loss for the six months ended 31st December, 2021 (six months ended 31st December, 2020: HK\$534,848,712).

14. Property, plant and equipment

During the six months ended 31st December, 2021, additions to property, plant and equipment amounted to HK\$28,151,373 (six months ended 31st December, 2020: HK\$22,999,876).

15. Interests in associates/advances to associates/amounts due from/to associates

	31st December, 2021 HK\$	30th June, 2021 HK\$
Interests in associates:		
– Unlisted shares, at cost	6,561,692,129	6,096,103,185
– Share of post-acquisition profits, net of dividends received	11,608,485,846	14,197,715,783
	<u>18,170,177,975</u>	<u>20,293,818,968</u>
Advances to associates	5,749,167,751	5,749,353,592
Less: Allowance	(1,299,430,987)	(1,337,376,671)
	<u>4,449,736,764</u>	<u>4,411,976,921</u>

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

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, 2021, out of the Group's advances to associates net of allowance, HK\$1,678,463,374 (30th June, 2021: HK\$1,689,615,795) bears interest and the remaining balance is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

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

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, 2021 HK\$	30th June, 2021 HK\$
Interests in joint ventures:		
– Unlisted shares	2,232,532,655	228,363,927
– Share of post-acquisition profits, net of dividends received	3,782,358,201	2,876,619,293
	<u>6,014,890,856</u>	<u>3,104,983,220</u>
Advances to joint ventures	12,054,152,687	11,036,705,670
Less: Allowance	<u>(757,514,024)</u>	<u>(659,813,657)</u>
	<u>11,296,638,663</u>	<u>10,376,892,013</u>

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 31st December, 2021, out of the Group's advances to joint ventures net of allowance, HK\$8,746,946,102 (30th June, 2021: HK\$7,768,482,647) bears interest and the remaining balance is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The amounts due from 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, 2021, out of the Group's amounts due from joint ventures, HK\$83,781,802 (30th June, 2021: HK\$136,405,151) bears interest and the remaining balance is interest-free.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

17. Trade and other receivables

At 31st December, 2021, included in trade and other receivables of the Group are trade receivables (net of allowance for credit losses) of HK\$217,361,967 (30th June, 2021: HK\$257,787,507). 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 aged analysis of trade receivables (net of allowance for credit losses) at the end of the reporting period. The amounts not yet due mainly represent 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, 2021 HK\$	30th June, 2021 HK\$
Current	38,263,232	34,888,058
Overdue:		
1 – 30 days	47,185,115	100,156,985
31 – 60 days	38,997,615	35,207,065
61 – 90 days	23,192,470	14,536,337
Over 90 days	69,723,535	72,999,062
	217,361,967	257,787,507

Other receivables and prepayments mainly comprise receivables in relation to utility and other deposits paid of approximately HK\$191,000,000 (30th June, 2021: HK\$173,000,000), prepayments for operating expenses of approximately HK\$81,000,000 (30th June, 2021: HK\$71,000,000), other payment in advance of approximately HK\$87,000,000 (30th June, 2021: HK\$90,000,000) which is mainly related to property development projects, interest receivables of approximately HK\$69,000,000 (30th June, 2021: HK\$205,000,000) and prepayment for sales commissions of approximately HK\$24,000,000 (30th June, 2021: HK\$121,000,000) which is recognised as contract assets.

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

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

At 31st December, 2021, the time deposits of approximately HK\$2,377,138,000 (30th June, 2021: HK\$3,235,989,000) were charged for finance undertakings issued by banks for certain subsidiaries of the Company. The balance includes cash held by stakeholders of approximately HK\$2,593,001,000 (30th June, 2021: HK\$2,237,797,000), which are restricted for payments related to property development projects or will be released by stakeholders after completion of the relevant assignments.

19. Trade and other payables

At 31st December, 2021, included in trade and other payables of the Group are trade payables of HK\$194,046,077 (30th June, 2021: HK\$138,134,573).

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

	31st December, 2021 HK\$	30th June, 2021 HK\$
0 – 30 days	159,156,617	103,167,945
31 – 60 days	13,019,767	11,780,495
61 – 90 days	3,343,096	6,192,913
Over 90 days	18,526,597	16,993,220
	<u>194,046,077</u>	<u>138,134,573</u>

Other payables mainly comprise accrual of construction cost of approximately HK\$1,741,000,000 (30th June, 2021: HK\$1,818,000,000), rental and utilities deposits received of approximately HK\$753,000,000 (30th June, 2021: HK\$773,000,000), receipt in advance of approximately HK\$1,661,000,000 (30th June, 2021: HK\$1,603,000,000) which is mainly related to property development projects and rental receipt in advance of approximately HK\$176,000,000 (30th June, 2021: HK\$156,000,000).

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

20. Bank borrowings

During the six months ended 31st December, 2021, the Group did not obtain any new bank loan (six months ended 31st December, 2020: nil). All of the bank borrowings carry interest at contracted interest rates (which are also the effective interest rates) at Hong Kong Interbank Offered Rate (“HIBOR”) plus a margin per annum. The bank borrowings of the Group are guaranteed by the Company in proportion to the Group’s equity interest in the subsidiaries, and a bank borrowing is also secured by a share of a subsidiary.

21. Share capital

	2021		2020	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Ordinary shares issued and fully paid with no par value:				
At 1st July	7,396,071,440	53,211,962,913	7,045,158,938	49,806,148,516
Issue of shares in lieu of cash dividends	219,053,233	2,184,836,946	281,576,569	2,622,041,010
At 31st December	<u>7,615,124,673</u>	<u>55,396,799,859</u>	<u>7,326,735,507</u>	<u>52,428,189,526</u>

On 6th December, 2021, the Company issued and allotted at an issue price of HK\$9.974 (2020: HK\$9.312) per share a total of 134,700,143 (2020: 281,576,569) ordinary shares in lieu of cash for the 2021 final dividend and a total of 84,353,090 (2020: nil) ordinary shares in lieu of cash for the 2021 special dividend in respect of the financial year ended 30th June, 2021.

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

22. Advances from associates

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

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

23. Advances from non-controlling interests

The advances from non-controlling interests of the Group amounting to HK\$73,787,499 (30th June, 2021: HK\$74,102,290) are unsecured, bear interest at 6.25% (30th June, 2021: 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$70,942,697 (30th June, 2021: HK\$71,257,913) 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 and financial liability that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liability 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 and financial liability 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 are observable:

- Level 1 fair value measurements are those based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value as at		Fair value hierarchy
	31st December, 2021 HK\$	30th June, 2021 HK\$	
Financial assets			
Equity instruments at FVTOCI			
– Listed equity securities (Note a)	724,769,924	710,663,386	Level 1
– Listed perpetual bonds (Note b)	47,035,402	47,576,457	Level 2
Debt instruments at FVTOCI			
– Listed debt securities (Note b)	37,324,266	37,733,871	Level 2
Unlisted investments at FVTOCI (Note c)	110,593,674	96,702,563	Level 3
Financial assets at FVTPL			
– Listed equity securities (Note a)	8,105,848	9,915,599	Level 1
Derivative financial instrument			
– Interest rate swap (Note d)	7,419,409	–	Level 2
Financial liability			
Derivative financial instrument			
– Interest rate swap (Note d)	–	16,763,368	Level 2

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

24. Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liability 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, 2021 and 30th June, 2021.
- (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, 2021 and 30th June, 2021.
- (c) As at 31st December, 2021 and 30th June, 2021, the Directors of the Company consider the costs of unlisted investments approximate their fair values.
- (d) In April 2020, a wholly-owned subsidiary of the Company entered into an interest rate swap contract with a bank with aggregate notional amount of HK\$1,000,000,000. Such interest rate swap contract has the economic effect of converting borrowing from a floating rate based on HIBOR to a fixed rate. The interest rate swap was entered into for mitigating the interest rate exposure on a specific borrowing and is designated as a hedging instrument that is subject to cash flow hedge accounting.

The fair value of the interest rate swap is determined with reference to discounted cash flow as at 31st December, 2021 and 30th June, 2021. Future cash flows are estimated based on forward interest rate (from observable forward interest rates at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.

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 to the prevailing borrowing rates. For non-current financial assets and liabilities which bear interest at fixed interest rates, these rates approximated to 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

	HK\$
Unlisted investments	
At 1st July, 2020 and 31st December, 2020	2,961,578
Purchases	93,740,985
	<hr/>
At 30th June, 2021	96,702,563
Purchases	12,124,498
Exchange realignment	1,766,613
	<hr/>
At 31st December, 2021	110,593,674

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

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, 2021 HK\$	30th June, 2021 HK\$
Guarantees given to banks in respect of:		
Banking facilities of an associate and joint ventures attributable to the Group		
– Utilised	9,188,152,653	8,024,333,175
– Unutilised	3,211,216,509	4,906,921,117
	<u>12,399,369,162</u>	<u>12,931,254,292</u>
Mortgage loans granted to property purchasers	<u>137,121,945</u>	<u>513,423,879</u>

At 31st December, 2021 and 30th June, 2021, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to an associate 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.

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

Notes to the unaudited condensed consolidated financial statements (Continued)

For the six months ended 31st December, 2021

26. Commitments

Capital commitments outstanding at 31st December, 2021 not provided for in the condensed consolidated financial statements were as follows:

	<i>HK\$</i>
Contracted for	<u>18,732,500</u>

The Group's share of capital commitments of joint ventures and associates outstanding at 31st December, 2021 not provided for in the condensed consolidated financial statements were as follows:

	<i>HK\$</i>
Contracted for	550,465,118
Authorised but not contracted for	<u>115,566,886</u>
	<u>666,032,004</u>

27. Material related party transactions

There were no new material related party transactions during the six months ended 31st December, 2021 save as those disclosed in the Group's audited annual financial statements for the year ended 30th June, 2021.

Closure of register of members

The register of members of the Company will be closed from Friday, 4th March, 2022 to Tuesday, 8th March, 2022, 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, 8th March, 2022.

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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 3rd March, 2022.

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, 2021, the interests and short positions held by the Directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

(a) Long positions in shares of the Company

Name of Director	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Robert Ng Chee Siong	4,426,151,420 (Note)	Beneficial owner of 262,423 shares, spouse interest in 5,300,000 shares and trustee interest in 4,420,588,997 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	58.12%
The Honourable Ronald Joseph Arculli	1,191,997	Beneficial owner	0.01%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Daryl Ng Win Kong	150,420	Beneficial owner	≈ 0%
Mr. Ringo Chan Wing Kwong	358,806	Beneficial owner	≈ 0%
Mr. Gordon Lee Ching Keung	100,000	Beneficial owner	≈ 0%
Mr. Thomas Tang Wing Yung	–	–	–

Directors' interests (Continued)

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

Note:

The trustee interest in 4,420,588,997 shares comprises:

- (a) 1,858,345,800 shares which were held by Tsim Sha Tsui Properties Limited, which was 72.05% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
- (b) (i) 60,458,071 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) 2,301,293,292 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 147,743,713 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 245,819 shares by Fanlight Investment Limited, 236,212 shares by Garford Nominees Limited, 53,158,993 shares by Karaganda Investments Inc., 22,927,245 shares by Orient Creation Limited, 11,143,192 shares by Strathallan Investment Limited, 33,585,812 shares by Strong Investments Limited, 25,736,863 shares by Tamworth Investment Limited and 709,577 shares by Transpire Investment Limited; and
- (d) 52,748,121 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	1,436,609,368 (Note)	Beneficial owner of 771,492 shares and trustee interest in 1,435,837,876 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.09%
The Honourable Ronald Joseph Arculli	60,000	Beneficial owner	≈ 0%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Daryl Ng Win Kong	–	–	–
Mr. Ringo Chan Wing Kwong	–	–	–
Mr. Gordon Lee Ching Keung	–	–	–
Mr. Thomas Tang Wing Yung	–	–	–

Note:

The trustee interest in 1,435,837,876 shares comprises:

- (a) 1,322,517,885 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 137,078,951 shares by Fanlight Investment Limited, 185,761,978 shares by Nippomo Limited, 4,268,608 shares by Orient Creation Limited, 365,354,729 shares by Strathallan Investment Limited, 545,208,458 shares by Tamworth Investment Limited and 84,845,161 shares by Transpire Investment Limited; and
- (b) 113,319,991 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

Directors' interests (Continued)

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

(ii) Associates and joint ventures

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

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

Notes:

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

Save as disclosed above, as at 31st December, 2021, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial shareholders' and other shareholders' interests

As at 31st December, 2021, the interests and short positions of the substantial shareholders and other shareholders (other than Directors of the Company) in the shares and underlying shares of the Company as notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in shares of the Company

Name of substantial shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Mr. Philip Ng Chee Tat	4,436,233,725 <i>(Notes 1, 2, 3, 4, 5 and 6)</i>	Interest of controlled corporations in 16,196,728 shares and trustee interest in 4,420,036,997 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	58.25%
Tsim Sha Tsui Properties Limited	4,219,545,163 <i>(Notes 2(a), 2(b), 3, 4 and 6)</i>	Beneficial owner of 1,858,345,800 shares and interest of controlled corporations in 2,361,199,363 shares	55.41%

Name of other shareholder	Number of ordinary shares	Capacity and nature of interest	% of issued shares
Spangle Investment Limited	520,529,624 <i>(Notes 3 and 6)</i>	Beneficial owner	6.83%
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:

- 16,196,728 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 4,998,621 shares by Far East Ventures Pte. Ltd. and 11,198,107 shares by Western Properties Pte Ltd.
- The trustee interest in 4,420,036,997 shares comprises:
 - 1,858,345,800 shares which were held by Tsim Sha Tsui Properties Limited, which was 72.05% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
 - 60,458,071 shares which were held by Orchard Centre Holdings (Private) Limited, in which Nam Lung Properties Development Company Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited, had a 95.23% control; and
 - 2,300,741,292 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 520,529,624 shares held by Spangle Investment Limited (Note 3) and 484,032,912 shares held by Ka Fai Land Investment Limited (Note 4));
 - 147,743,713 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 245,819 shares by Fanlight Investment Limited, 236,212 shares by Garford Nominees Limited, 53,158,993 shares by Karaganda Investments Inc., 22,927,245 shares by Orient Creation Limited, 11,143,192 shares by Strathallan Investment Limited, 33,585,812 shares by Strong Investments Limited, 25,736,863 shares by Tamworth Investment Limited and 709,577 shares by Transpire Investment Limited; and
 - 52,748,121 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
- Spangle Investment Limited is a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and its shareholding was duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
- Ka Fai Land Investment Limited is a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and its shareholding was duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
- The trustee interest of Mr. Philip Ng Chee Tat was duplicated in the trustee interest of Mr. Robert Ng Chee Siong as disclosed under the section headed "Directors' interests" above as the co-executors of the estate of the late Mr. Ng Teng Fong.
- The number and the percentage of shares as disclosed are based on the substantial shareholder notices filed with the Stock Exchange.

Save as disclosed above and so far as the Directors of the Company are aware, as at 31st December, 2021, 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, 2021 HK\$	At 30th June, 2021 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	10,596,680,653	9,432,861,175
Advances from the Group	24,095,258,599	22,975,749,927
	<u>34,691,939,252</u>	<u>32,408,611,102</u>
The Group's share of capital commitments of its affiliated companies		
– Contracted for	550,465,118	–
– Authorised but not contracted for	115,566,886	–
	<u>666,032,004</u>	<u>–</u>
The Group's share of contingent liabilities of its affiliated companies	–	–

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 2021 Annual Report and up to 17th February, 2022 (being the approval date of this Interim Report) are set out below:

Director's updated biographical details

The change in the biographical details of the Director is set out below:

Mr. Daryl Ng Win Kong

- conferred Honorary Fellow of the The Hong Kong University of Science and Technology.

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

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

Change in Director's emoluments

With effect from 1st January, 2022, the annual salaries of Mr. Ringo Chan Wing Kwong, Mr. Gordon Lee Ching Keung and Mr. Thomas Tang Wing Yung are HK\$5,286,300, HK\$7,263,000 and HK\$5,610,180 and the discretionary bonuses paid to Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong, Mr. Gordon Lee Ching Keung and Mr. Thomas Tang Wing Yung for the year 2021 were HK\$80,495, HK\$857,460, HK\$2,061,675 and HK\$1,137,500 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 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 2022, 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, 2021.

Compliance Committee

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

Codes for dealing in the Company's securities

The Company has adopted its own code for dealing in the Company's securities by Directors ("Directors Dealing Code") on terms no less exacting than the required standard set out in the Model Code. The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the six months ended 31st December, 2021. 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

During the six months ended 31st December, 2021, the Company has complied with all the code provisions as set out in Appendix 14 to the Listing Rules, except that there was no separation of the roles of the chairman and the chief executive, both of the roles are currently undertaken by the Chairman of the Board.

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

By Order of the Board

Fanny CHENG Siu King

Company Secretary

Hong Kong, 17th February, 2022

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 14 to 39 which comprise the condensed consolidated statement of financial position of Sino Land Company Limited (the “Company”) as of 31st December, 2021 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and 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 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 Hong Kong Accounting Standard 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 inquiries, 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, 2021 are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
17th February, 2022

