TSIM SHA TSUI PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

CHAIRMAN'S STATEMENT

I am pleased to present 2021/2022 Annual Report to the shareholders.

FINAL RESULTS

The Group's underlying profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the year ended 30th June, 2022 ("Financial Year") was HK$3,599.8 million (2020/2021: HK$5,671.6 million). Underlying earnings per share was HK$1.82 (2020/2021: HK$2.96).

After taking into account the revaluation loss (net of deferred taxation) on investment properties of HK$427.0 million (2020/2021: revaluation loss of HK$351.9 million), which is a non-cash item, the Group reported a net profit attributable to shareholders of HK$3,159.2 million for Financial Year (2020/2021: HK$5,304.8 million). Earnings per share for the Financial Year was HK$1.60 (2020/2021: HK$2.77).

FINAL DIVIDEND

The Directors have resolved to recommend a final dividend of HK42 cents per share in respect of the Financial Year.

The final dividend will be payable to shareholders whose names appear on the Register of Members of the Company on 2nd November, 2022. Together with the interim dividend of HK15 cents per share paid on 12th April, 2022, the total dividend for the Financial Year is HK57 cents per share.

The Directors propose that shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on 26th October, 2022; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing detail of the scrip dividend proposal will be dispatched to shareholders together with the form of election for scrip dividend on or about 9th November, 2022. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 6th December, 2022.

REVIEW OF OPERATIONS

The operations under Sino Land Company Limited ("Sino Land") represent a substantial portion of the operations of the Group as a whole. As at 30th June, 2022, Tsim Sha Tsui Properties Limited had 55.55% interest in Sino Land. Therefore, for discussion purposes, the focus here will be on the operations of Sino Land.

(1) Sales Activities

Total revenue from property sales for the Financial Year, including property sales of associates and joint ventures, attributable to Sino Land was HK$10,841.8 million (2020/2021: HK$18,596.4 million).

Total revenue from property sales comprises mainly the sales of residential units and carparking spaces in the project completed during the Financial Year namely 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 The Dynasty in Zhangzhou.

During the Financial Year, Sino Land launched three new residential projects in Hong Kong for sale, namely Villa Garda I and II in Tseung Kwan O (48.9% sold), Grand Mayfair I (Phase 1A) and Grand Mayfair II (Phase 1B) in Yuen Long (89.9% sold), and La Marina in Wong Chuk Hang (82.7% sold). In addition, certain units of the remaining stocks of projects launched in previous periods have been launched for sale. These projects are Grand Central in Kwun Tong (95.6% sold), Grand Victoria in South West Kowloon (54.7% sold), Mayfair By The Sea 8 in Pak Shek Kok (99.2% sold), Silversands in Ma On Shan (71.3% sold), St. George's Mansions at Kadoorie Avenue in Ho Man Tin (8.6% sold), ONE SOHO in Mong Kok (59.3% sold), and 133 Portofino in Sai Kung (87.9% sold).

Looking ahead, Sino Land has an exciting pipeline of new projects to be launched. In addition to Villa Garda III in Tseung Kwan O and ONE CENTRAL PLACE in Central which have obtained pre-sale consents, Sino Land expects to obtain pre-sale consents for three other residential projects in financial year 2022/2023. These projects are Grand Mayfair Phase 2 in Yuen Long, Wong Chuk Hang Station Package Four Property Development, and Yau Tong Ventilation Building Property Development. The timing for launching these projects for sale will depend on when the pre-sale consents are received and the prevailing market conditions.

(2) Land Bank

As at 30th June, 2022, Sino Land had a land bank of approximately 20.4 million square feet of attributable floor area in Mainland China, Hong Kong, Singapore and Sydney which comprises a balanced portfolio of properties of which 45.7% is commercial; 29.9% residential; 10.8% industrial; 7.7% car parks and 5.9% hotels. In terms of breakdown of the land bank by status, 6.8 million square feet were properties under development, 12.1 million square feet of properties for investment and hotels, together with 1.5 million square feet of properties held for sale. This land bank should be sufficient to meet Sino Land's development needs over the next few years. Sino Land will continue to be selective in replenishing its land bank to optimise its earnings potential.

During the Financial Year, Sino Land acquired 20% interest in a commercial and residential site located in Jalan Anak Bukit, Singapore with a total gross floor area of approximately 1,007,026 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.

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

Details of the two projects 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%	201,405
Golden Mile Complex Lot 359T of Town Subdivision 15, 5001 Beach Road, Singapore	Residential/ Commercial	25%	152,448
			353,853

During the Financial Year, Sino Land also acquired an additional 6.75% interest in Grand Victoria, an existing residential project located in South West Kowloon, from a joint venture partner. Sino Land's interest in the project has increased from 22.50% to 29.25%. 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

(3) Property Development

During the Financial Year, Sino Land 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, Sino Land completed Blocks 7 and 11 of Dynasty Park Phase III in Zhangzhou and Phases 3A2 and 3B1 of The Palazzo in Chengdu during the Financial Year. Details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area *(Square feet)*
Dynasty Park Phase III Blocks 7 and 11, No. 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, People's Republic of China	Residential/ Commercial	100%	322,734
The Palazzo Phases 3A2 and 3B1, No. 9, The Second Yufeng Road, Chenghua District, East Chengdu, Sichuan Province, People's Republic of China	Residential/ Commercial	20%	565,673
			888,407

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

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

Subsequent to the Financial Year, Sino Land obtained Occupation Permit for the following projects in Hong Kong. Details of the projects are as follows:

Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
La Marina 11 Heung Yip Road, Wong Chuk Hang, Hong Kong	Residential	Joint Venture	246,496
Landmark South 39 Yip Kan Street, Wong Chuk Hang, Hong Kong	Commercial	60%	141,698
			388,194

(4) Rental Activities

For the Financial Year, Sino Land's attributable gross rental revenue, including share from associates and joint ventures, was HK$3,546.1 million (2020/2021: HK$3,664.6 million), representing a decrease of 3.2% year-on-year. The decline in rental income was mainly due to negative rental reversion and rental relief granted to selected tenants, while Sino Land recorded a slight improvement in average occupancy rate to 90.8% for the Financial Year (2020/2021: 89.8%). The net rental income for the Financial Year was HK$3,101.6 million (2020/2021: HK$3,216.5 million), representing a decrease of 3.5% year-on-year.

The pandemic situation remained fluid throughout the Financial Year. Retail market sentiment in Hong Kong was improving throughout much of the first half of the Financial Year until the fifth wave of COVID-19 started in early 2022. During this challenging time, Sino Land has proactively worked with our tenants to find solutions to alleviate the pressure. A wide range of support measures were offered on a case-by-case basis. Online and offline marketing campaigns were launched to enhance customers' shopping experience and to boost tenants' businesses. In tandem with the Government's Consumption Vouchers Schemes ("Consumption Vouchers"), Sino Land 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 incentivised consumers to use their Consumption Vouchers in our shopping malls, Sino Land 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. As our flagship shopping malls are primarily situated in close proximity to residential developments, tenant sales were well supported by local consumption demand. Overall, footfall and tenant sales at our flagship malls have improved from the low of the pandemic. Sino Land's retail portfolio recorded an improvement in average occupancy rate to approximately 92.9% (2020/2021: 90.4%).

Performance of the office sector remained challenging. Uncertainties surrounding the pandemic have continued to impact the office market. With an increase in available office space and slower demand, occupancy and rental remain under pressure. Sino Land's office portfolio recorded an average occupancy of 89.7% (2020/2021: 91.0%) for the Financial Year. Notwithstanding the challenging operating conditions, Hong Kong is poised to benefit from Central Government's support to deepen its economic integration with the country, and to enhance its status as an international financial, transportation and trade centre. The Northern Metropolis Development Strategy, 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 provide new impetus to the economy. 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 is normalised, it is expected to bring back additional leasing demand from Mainland Chinese corporates in the longer-term. Meanwhile, Sino Land continued to enhance our portfolio to increase our competitiveness. Landmark South and One North are two of Sino Land's new projects which utilizes best-in-class building specifications and accredited green features. Sino Land recently obtained the Occupation Permit for the Landmark South, and it should attract occupiers seeking high quality and sustainable office spaces.

As at 30th June, 2022, Sino Land has approximately 12.1 million square feet of attributable floor area of investment properties and hotels in Mainland China, Hong Kong, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 61.5%, industrial 13.3%, car parks 12.9%, hotels 9.6%, and residential 2.7%.

(5) Hotels

For the Financial Year, Sino Land's hotel revenue, including attributable share from associates and joint ventures, was HK$582.7 million compared to HK$350.8 million last year, and the corresponding operating profit was HK$92.9 million as compared to the operating loss of HK$69.1 million last year.

While the global pandemic situation continued to weigh on our hotels business performance, encouraging developments are observed at certain locations where we operate in, especially in the second half of the Financial Year. Management is encouraged by the meaningful recovery observed at our Singapore and Sydney operations since the easing of travel restrictions and resumption of international travel in early 2022. Whereas in Hong Kong, the performance of our hotels continued to be negatively impacted by cross-border travel restrictions and social distancing measures.

Sino Land remained mindful of the challenges brought-about by COVID-19 and remained vigilant on cost controls, while proactively finding new strategies to enhance quality of hotel services and improve efficiency to ensure our guests have enjoyable experiences during their stays in the hotels. Conrad Hong Kong joined the government's Designated Quarantine Hotel scheme and has been solely receiving travellers arriving from foreign places for compulsory quarantine since 1st June, 2022. In addition, The Olympian Hong Kong is undergoing enhancement works since December 2021 and Sino Land intends to reopen the hotel in the fourth quarter of 2022 with new commercial and operational strategies.

While the pandemic may continue to impact us in the short term, we are optimistic about the growing demand for luxury hospitality in our core markets, and we will continue to keep our sights on the horizon for new opportunities. Sino Land opened The Fullerton Ocean Park Hotel in July 2022, the first Fullerton hotel in Hong Kong. It is a sustainable, oceanfront luxury hotel offering a relaxing retreat for every kind of traveller. Positive responses and feedbacks were received from our discerning guests since the hotel's early stage soft opening.

As at 30th June, 2022, Sino Land's portfolio of hotels comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, The Fullerton Ocean Park Hotel Hong Kong, Conrad Hong Kong, The Fullerton Hotel Sydney and The Olympian Hong Kong.

(6) Mainland China Business

Over the past year, the Central Government introduced a series of policy 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.

While anti-pandemic measures such as lockdowns and strict quarantine measures have taken their toll on Mainland China's economy, the Central Government is constantly fine-tuning its response to lessen the impact on the economy and people's lives. At the recent Politburo meeting, the top leadership stress the importance to support the economic growth while maintaining zero-COVID policies. They also emphasized "housing is for living in, not for speculation" and acknowledged that stabilizing the property sector would remain a priority. Sino Land remains positive about the outlook for the mainland property market over the medium-to-long term.

As at 30th June, 2022, Sino Land had approximately 4.6 million attributable square feet of land bank in Mainland China. Of the total, approximately 2.8 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 Phases 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 30th June, 2022, the Group had cash and bank deposits of HK$45,638.2 million. After netting off total borrowings of HK$3,993.7 million, the Group had net cash of HK$41,644.5 million as at 30th June, 2022. The Group is in net cash position, therefore gearing ratio, calculated on the basis of net debt to equity attributable to the Company's shareholders, is not applicable. Of the total borrowings, 56.4% repayable within one year, 18.6% repayable between one and two years and the remaining between two and three years. All of the Group's borrowings are subject to floating interest rates. Total assets and shareholders' funds of the Group were HK$180,716.9 million and HK$88,258.6 million, respectively. Net book value of the Group attributable to the Company's shareholders was HK$44.00 per share as at 30th June, 2022 (HK$43.95 per share as at 30th June, 2021).

As at 30th June, 2022, the majority of the Group's debts are denominated in Hong Kong dollars. Other than the above-mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the Financial Year. 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

Sino Land is committed to building quality projects. In keeping with its mission to enhance customer satisfaction, Sino Land will, wherever possible, ensure that attractive design concepts and features are also environmentally-friendly for its developments. Management conducts regular reviews of Sino Land's properties and 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. Our annual sustainability report highlights the corporate sustainability footprints and initiatives, and has been prepared in accordance with GRI Standards (core option), Hong Kong Exchanges and Clearing Limited's "Environmental, Social and Governance Reporting Guide" under Appendix 27 to the Main Board Listing Rules, the World Economic Forum Stakeholder Capitalism Metrics and the Sustainability Accounting Standards Board (SASB) Standards for the Real Estate Sector. Sino Land's climate actions were also disclosed in the report with reference to the Task Force on Climate-related Financial Disclosures recommendations.

Sino Land has been named a constituent company of the Hang Seng Corporate Sustainability Index Series since September 2012. In 2022, Sino Land has been recognised as a Regional Top-rated ESG Performer by Sustainalytics, with a "Low Risk" rating and received an "A" rating in the MSCI ESG Indexes. Sino Land is also the first property developer in Hong Kong to join the global coalition of business leaders in implementing the Stakeholder Capitalism Metrics, an initiative, promoted by the World Economic Forum and its International Business Council.

In 2021, Sino Land joined the global pledge of the Business Ambition for 1.5°C, and announced its Decarbonisation Blueprint, a holistic roadmap to achieve net zero carbon by 2050, after a year of research with the Hong Kong University of Science and Technology. Interim science-based targets for decarbonisation have been set and Sino Land has also become one of the first real estate conglomerates in Asia to engage external consultancy (PricewaterhouseCoopers Limited) to use a climate risk assessment tool for performing ESG and climate risk assessment, covering over 170 existing and new buildings. In 2020, Sino Land announced its Sustainability Vision 2030

(SV2030), setting a clear direction for sustainability to be embraced across its operations. Furthering its commitment in sustainability, Sino Land has increased 15 sustainability goals under SV2030 in 2022 to 38 in total.

Farm Together, the integrated green community project launched in March 2020 to promote the concept of sustainability and biodiversity to the community. With the addition of "GREENHOUSE@Citywalk" at Citywalk and Edible Garden at Sino Plaza, the project has been further expanded to include 17 farms in Hong Kong and one in Singapore, spanning over 54,000 square feet. These farms serve as platforms breathing new life into Sino Land's properties while also enabling colleagues, tenants, hotel guests and the wider community to experience urban farming. These farms have cultivated over 380 plant and crop species, and produce more than 1,000 kg annually to be shared with residents, tenants and charitable organisations to support the local community.

As part of its continued effort to drive sustainable and green development, Sino Land has jointly inaugurated a breakthrough solution to plastic waste in Hong Kong with the local start-up EcoBricks Limited, which has the ability to upcycle all types of plastics into sustainable construction materials. EcoBricks were first introduced at Gold Coast Piazza in Tuen Mun with over 15,000 EcoBricks utilised to pave the Promenade and line the Leaf Path. These bricks were upcycled from over 560 old washing machines, equivalent to 5,400 kg of plastic waste. Further applications at Olympian City and The Fullerton Ocean Park Hotel Hong Kong have also been completed during the year. Sino Land will continue to deploy EcoBricks at other suitable properties, as well as strengthening engagement with tenants and customers in supporting plastic recycling and upcycling into EcoBricks.

The built environment has a profound impact on health and well-being. Grand Central has been honoured at the HKGBC Green Building Award 2021, the Asia Pacific Property Awards 2022 and the MIPIM Asia Awards 2021 in recognition of its excellence in urban greening designs and eco-friendly features and efforts to breathe new life into a well-established community. Complied with the highest green building accreditation standards, Landmark South has received WELL Core v2 Pilot D&O Pre-certification, and is working towards a WELL Platinum rating and a BEAM Plus Gold Certification. Empire Centre, Olympian City 2 and Skyline Tower have also received a Platinum rating in the BEAM Plus Existing Building v2.0 Comprehensive Scheme. The Fullerton Hotel Singapore has also received the BCA Green Mark GoldPlus Award organised by the Singapore's Building and Construction Authority in recognition of its efforts to operate as a sustainable property.

Sino Property Services (SPS) launches the Green Fit-Out Guides to help tenants join us on our sustainability journey. The Guides provides recommendations for sustainable choices regarding energy and water efficiency, IAQ, construction materials, food waste and more. SPS trialled the Guide with selected tenants during the year, with plans to extend it to other tenants in the future.

Sino Land seeks to foster a culture of innovation to harness technology and explore business applications. Sino Land and Huawei Hong Kong Digital Power Business signed a Memorandum of Understanding on digital power strategic cooperation, jointly exploring potential cooperation opportunities to boost digital transformation in the built environment while also promoting sustainable development in the real estate industry. To promote green transport, Sino Land is expanding the coverage of electric vehicle charging stations in its portfolio by launching the upgraded V3 Supercharger station with Tesla at Olympian City and collaborating with Shell Hong Kong and local start-up Halo Energy to establish the fastest universal EV charging station at China

Hong Kong City. Sino Land plans to increase the number of chargers by 67% to over 1,400 in 2022.

To encourage the younger generation to cultivate an innovative mindset, Sino Land supported the Hong Kong Innovation Foundation's inaugural Hong Kong Science Fair as a strategic partner, which received more than 400 project submissions from over 1,200 Primary 4 to Secondary 6 students and teachers-in-charge across 140 local schools. Young innovators from 120 shortlisted teams showcased their creative ideas and innovations at the Hong Kong Convention and Exhibition Centre on 25th and 26th June, 2022 with the 10 award-winning teams announced at the award presentation ceremony. The Science Fair enjoyed strong support from Hong Kong Cyberport, Hong Kong Science and Technology Parks, The Hong Kong University of Science and Technology, The University of Hong Kong, MIT Hong Kong Innovation Node, and over 40 partners from various sectors.

The fifth wave of the COVID-19 pandemic was particularly challenging. In a further effort to support the community to combat the pandemic, Sino Land converted a hotel under its portfolio into a designated quarantine hotel, and also joined hands with Ng Teng Fong Charitable Foundation (NTFCF) to provide support and resources to the underprivileged in the community, including the donation of 280,000 sets of COVID-19 rapid antigen test kits distributed through 18 district branches of Democratic Alliance for the Betterment and Progress of Hong Kong and Sino Land's volunteer team.

Sino Land and NTFCF have also stepped up support for the elderly amidst the pandemic, including the donation of HK$1 million to Hong Kong Sheng Kung Hui Welfare Council to support the operational needs of elderly homes and rehabilitation centres. Also, 20,000 oximeters and 500 Belun® remoVital remote monitoring systems were donated to the residential care homes and elderly living alone in order to facilitate efficient monitoring and effective follow-ups of elderly and people with disabilities with mild symptoms.

The health and well-being of the children have been significantly affected by the pandemic. Sino Land and NTFCF have donated HK$5 million to the Hospital Authority to provide support to the Paediatric services in public hospitals. 250,000 child-sized masks were also distributed to children from underprivileged families and ethnic minorities. To support children during their early summer holiday, a series of online learning courses on marine biodiversity and animal knowledge were given to 10,000 underprivileged children jointly with Ocean Park Corporation, while short-term accommodation was provided to this year's Hong Kong Diploma of Secondary Education Examination candidates who live in subdivided units in partnership with The Hong Kong Federation of Youth Groups.

PROSPECTS

The financial year 2021/2022 continued to be a year full of challenges and changes. Uncertainties surrounding the intermittent waves of COVID resurgence, ongoing geopolitical risks, restrictions on travel, rising inflationary pressure and interest rate hikes combined have brought interruption to the global economy. Nonetheless, after a long period of strict pandemic containment measures, global economic recovery is expected to gradually emerge, thanks to rising vaccination rate, increasing rollout of effective medical treatments, and better protocol to ensure outbreaks can be quickly detected and contained. Looking ahead, though the world is facing challenges, it has also brought new opportunities. The steep learning curve since the onset of COVID-19 leave us in a stronger position to withstand headwinds that could come our way. The Group shall remain flexible and agile, whilst continuously adjusting and adapting ourselves to the situation appropriately and swiftly to maintain our place in the market to seize opportunities.

Mainland China continued to adhere to its “zero-COVID” policy strictly amid the outbreak of new variants earlier this year, and once again proven its ability to quickly bring infection rates under control. While lockdowns and strict quarantine measures have taken their toll on the country’s economy, the Central Government is constantly fine-tuning its response to lessen the impact on the economy and people’s lives. The COVID pandemic and rising external challenges have not derailed China’s 14th Five-Year Plan aiming to bring the country towards more sustainable and equitable growth in the long-term. In recent Politburo meetings, the top leadership acknowledge the increasing “complexity, severity, and uncertainty” facing China’s economic development and stressed that the epidemic must be kept under control, the economy must be kept stable, and economic development must be secure. The Politburo has called for using macro and monetary policy means to stabilize the economy. The Group is confident that the focus of the Mainland Government on economic and financial stability will help to bring back confidence and place the economy back on a growth track.

For Hong Kong, weakened global demand and continued disruptions to cross-border cargo flows weighed heavily on exports, leading to moderate decrease in real GDP in the first and second quarters of 2022. However, there are signs of revival in domestic activities towards the end of the Financial Year aided by the Government’s various support measures and as the local epidemic situation generally improved and the social distancing measures were relaxed in tandem. As we celebrate the 25th anniversary of the establishment of the Hong Kong Special Administrative Region (HKSAR), Hong Kong’s outlook becomes clearer and brighter reflected by President Xi reaffirming the country’s strong support to Hong Kong in improving governance, citizens’ livelihoods, youth development and development of strengths in all aspects to build a harmonious society. China’s 14th Five-Year Plan embrace the “One Country, Two Systems” principle and continued to support further integration of Hong Kong with the development of the country. Hong Kong has enormous opportunities through building itself as a center for innovation and technology, benefiting from being a part of the economic powerhouse through the Greater Bay Development Plan. Under the new leadership of the HKSAR government, priorities are given to containing the recent COVID resurgence in order to facilitate a broader reopening of the border with Mainland China, retaining and attracting Mainland and global talents to solidify the city’s abilities in innovation and technology and fortify Hong Kong’s global financial hub position, as well as further integrating Hong Kong’s economic with Mainland China to strengthen its status as an international financial, transport and trade centre. The Group is fully supportive of HKSAR government’s implementation of measures to promote the city’s competitiveness and attractiveness, inviting talents to bring Hong Kong to prosperity. We have strong faith that Hong Kong will rise to this challenge and continue to be a vibrant international city.

The Pandemic has reminded us to remain agile while operating with flexibility, as we need to be attuned to the changing expectations and preferences of our customers. Since the onset of COVID-19 in early 2020, there had been changes in consumer behavior with a stronger emphasis on sustainability and quality. At Sino, sustainability is front and center of our agenda, and we are committed to growing the sustainable ecosystem that supports the low-carbon transition journey in Hong Kong and beyond. We also acknowledge that technology and innovation are key to our future, and the Group is actively looking for new technologies to improve productivity, enhance customer experience, build a more sustainable environment in addition to explore new opportunities. Our customer-centric mindset alongside with persistent focus on technology upgrades and innovation will allow us to respond swiftly to the ever-changing customer needs and market development.

The Group remains focused on long-term sustainable growth, whilst remaining prepared for short-term cyclical fluctuations. 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 stay alerted on cost control and focus on making efficiency improvement without compromising quality of our products and services. The Group shall continue to expedite its digital transformation journey to enhance operational efficiency and position ourselves for the future. We believe these factors will set out a clear path for our future growth.

As we step into financial year 2022/2023, the Group will remain vigilant in monitoring the market development, whilst proactively face the challenges and seize opportunities ahead. While recent rounds of interest rate hikes may assert pressure on the property sector, the residential market in Hong Kong remains resilient and fundamentally sound. End-user demand remains buoyant in Hong Kong as reflected by successful launches in the market in recent months. The Group maintain a cautiously optimistic view on the outlook for the property market in Hong Kong.

The Group’s 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. While there continues to be challenges ahead, with our strong financial position and sustainable business growth strategy, the Group is well positioned to meet the challenging economic environment and to grasp any opportunities that may arise.

STAFF AND MANAGEMENT

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

Robert NG Chee Siong
Chairman

Hong Kong, 25th August, 2022

TSIM SHA TSUI PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

FINAL RESULTS

The audited results of the Group for the year ended 30th June, 2022 are as follows:

Consolidated Statement of Profit or Loss

	Notes	**2022 HK$**	2021 HK$
Revenue	2	**15,597,640,466**	24,585,151,818
Cost of sales		**(5,277,594,743)**	(8,832,809,383)
Direct expenses		**(2,053,368,218)**	(2,207,803,972)
Gross profit		**8,266,677,505**	13,544,538,463
Change in fair value of investment properties		**(683,168,848)**	(554,229,045)
Other income and other gains or losses		**120,241,662**	133,470,902
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		**29,522,185**	2,960,138
Gain on disposal of investment properties		**4,002,696**	17,268,485
Administrative expenses		**(881,586,795)**	(831,194,913)
Other operating expenses		**(174,000,999)**	(214,106,771)
Finance income		**341,696,274**	572,893,764
Finance costs		**(60,979,647)**	(93,584,255)
Less: interest capitalised		**18,021,940**	35,090,795
Finance income, net		**298,738,567**	514,400,304
Share of results of associates	3	**390,508,508**	625,012,744
Share of results of joint ventures	4	**(63,100,439)**	(233,757,831)
Profit before taxation	5	**7,307,834,042**	13,004,362,476
Income tax expense	6	**(1,350,947,957)**	(2,531,523,834)
Profit for the year		**5,956,886,085**	10,472,838,642
Attributable to:			
The Company's shareholders		**3,159,245,014**	5,304,883,959
Non-controlling interests		**2,797,641,071**	5,167,954,683
		5,956,886,085	10,472,838,642
Interim dividend at HK15 cents *(2021: HK14 cents)* per share		**298,908,004**	269,420,440
Proposed final dividend at HK42 cents *(2021: HK41 cents)* per share		**842,457,473**	793,541,406
Proposed special dividend at nil *(2021: HK28 cents)* per share		**-**	541,930,717
Earnings per share (reported earnings per share) – basic	7(a)	**1.60**	2.77
Earnings per share (underlying earnings per share) – basic	7(b)	**1.82**	2.96

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2022 **HK$**	2021 HK$
Profit for the year	**5,956,886,085**	10,472,838,642
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")	**19,745,630**	150,620,056
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of hedging instruments designated as cash flow hedges	**47,785,067**	(5,614,242)
Reclassification of fair value adjustment to profit or loss on an interest rate swap	**3,893,556**	6,787,308
Exchange differences arising on translation of foreign operations	**(520,936,013)**	957,373,669
Change in fair value of debt instruments at FVTOCI	**(4,225,489)**	1,115,637
	(473,482,879)	959,662,372
Other comprehensive income for the year	**(453,737,249)**	1,110,282,428
Total comprehensive income for the year	**5,503,148,836**	11,583,121,070
Total comprehensive income attributable to:		
The Company's shareholders	**2,910,411,927**	5,915,516,613
Non-controlling interests	**2,592,736,909**	5,667,604,457
	5,503,148,836	11,583,121,070

Consolidated Statement of Financial Position
At 30th June, 2022

	Notes	**2022** **HK$**	2021 HK$
Non-current assets			
Investment properties		**61,790,227,731**	62,457,982,602
Hotel properties		**1,674,104,057**	1,744,774,054
Property, plant and equipment		**126,977,401**	146,003,266
Right-of-use assets		**1,158,432,452**	1,230,467,091
Goodwill		**739,233,918**	739,233,918
Interests in associates		**17,902,494,176**	20,326,829,520
Interests in joint ventures		**5,864,756,573**	3,104,983,220
Equity and debt instruments		**1,000,661,874**	896,999,302
Advances to associates		**3,868,401,498**	4,411,976,921
Advances to joint ventures		**11,350,113,778**	10,376,892,013
Long-term loans receivable		**2,854,595,811**	2,247,138,134
Deferred taxation		**4,451,104**	-
Other assets		**615,000**	615,000
		108,335,065,373	107,683,895,041
Current assets			
Properties under development		**18,060,607,882**	19,015,869,625
Stocks of completed properties		**2,406,869,306**	4,219,294,722
Hotel inventories		**13,662,642**	19,461,342
Equity and debt instruments		**12,362,692**	15,266,180
Amounts due from associates		**1,890,933,034**	2,180,936,455
Amounts due from joint ventures		**2,709,936,156**	2,508,438,297
Amounts due from non-controlling interests		**58,788,202**	904,133,947
Trade and other receivables	8	**1,371,843,142**	1,674,598,631
Current portion of long-term loans receivable		**80,586,293**	87,829,222
Taxation recoverable		**138,024,397**	151,193,776
Time deposits and restricted bank deposits	9	**42,006,681,206**	40,582,469,421
Bank balances and cash	9	**3,631,586,146**	3,620,272,397
		72,381,881,098	74,979,764,015
Current liabilities			
Trade and other payables	10	**5,360,404,711**	5,144,988,989
Lease liabilities		**31,180,353**	49,241,295
Contract liabilities		**2,586,016,080**	5,852,248,183
Amounts due to associates		**885,932,545**	1,035,176,477
Amounts due to non-controlling interests		**861,793,341**	778,247,117
Taxation payable		**3,197,452,003**	2,331,284,036
Bank borrowings – due within one year		**2,253,528,000**	2,844,948,215
		15,176,307,033	18,036,134,312
Net current assets		**57,205,574,065**	56,943,629,703
Total assets less current liabilities		**165,540,639,438**	164,627,524,744

Consolidated Statement of Financial Position – continued
At 30th June, 2022

	2022	2021
	HK$	HK$
Capital and reserves		
Share capital	**16,968,256,132**	15,341,990,386
Reserves	**71,290,390,595**	69,724,442,659
Equity attributable to the Company's shareholders	**88,258,646,727**	85,066,433,045
Non-controlling interests	**70,874,067,504**	71,251,794,731
Total equity	**159,132,714,231**	156,318,227,776
Non-current liabilities		
Bank borrowings – due after one year	**996,632,901**	2,405,923,660
Derivative financial instrument	**-**	16,763,368
Lease liabilities	**13,550,745**	19,736,466
Other loan – due after one year	**743,541,413**	1,354,014,967
Deferred taxation	**2,707,581,711**	2,661,608,162
Advances from associates	**1,804,212,761**	1,705,890,142
Advances from non-controlling interests	**142,405,676**	145,360,203
	6,407,925,207	8,309,296,968
	165,540,639,438	164,627,524,744

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The 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.

The financial information relating to the years ended 30th June, 2022 and 2021 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance 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 and will deliver the financial statements for the year ended 30th June, 2022 in due course.

The Company's former auditor and current auditor have reported on the financial statements of the Company and its subsidiaries (the "Group") for the respective financial year. The auditor's reports were 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.

<u>Amendments to HKFRSs that are mandatorily effective for the current year</u>

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1st July, 2021 for the preparation of the consolidated financial statements:

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

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

1. Basis of preparation – continued

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("IBOR reform"). The amendments do not have an impact on these financial statements as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

Amendment to HKFRS 16, *COVID-19-Related Rent Concessions beyond 30th June, 2021* ("2021 amendment")

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affects only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30th June, 2021 to 30th June, 2022.

The Group has adopted the 2021 amendment in this financial year. There is no impact on the opening balance of equity at 1st July, 2021.

2. Operating segments

The Group's operating segments are reported by six operating divisions – property sales, property rental, property management and other services, hotel operations, investments in securities and financing. This is the measure reported to the chief operating decision makers, being the Directors of the Company, for the purposes of resources allocation and performance assessment. No operating segment identified by chief operating decision makers has been aggregated in arriving at the reportable segments of the Group.

Segment results

For the year ended 30th June, 2022

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue HK$	Results HK$	Share of revenue HK$	Share of results HK$	Segment revenue HK$	Segment results HK$
Property sales	**11,129,690,462**	**5,368,302,714**	**152,345,495**	**(21,874,468)**	**11,282,035,957**	**5,346,428,246**
Property rental	**2,781,816,161**	**2,406,325,163**	**832,125,937**	**730,571,466**	**3,613,942,098**	**3,136,896,629**
	13,911,506,623	**7,774,627,877**	**984,471,432**	**708,696,998**	**14,895,978,055**	**8,483,324,875**
Property management and other services	**1,147,617,763**	**197,498,123**	**116,962,797**	**23,294,474**	**1,264,580,560**	**220,792,597**
Hotel operations	**451,993,272**	**109,683,921**	**130,721,848**	**(16,704,368)**	**582,715,120**	**92,979,553**
Investments in securities	**26,891,831**	**26,891,831**	**3,900**	**3,900**	**26,895,731**	**26,895,731**
Financing	**59,630,977**	**59,630,977**	**8,512,751**	**8,512,751**	**68,143,728**	**68,143,728**
	15,597,640,466	**8,168,332,729**	**1,240,672,728**	**723,803,755**	**16,838,313,194**	**8,892,136,484**

For the year ended 30th June, 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	20,223,985,584	10,686,796,837	179,360,022	26,291,188	20,403,345,606	10,713,088,025
Property rental	2,858,674,814	2,469,430,367	867,793,361	775,558,989	3,726,468,175	3,244,989,356
	23,082,660,398	13,156,227,204	1,047,153,383	801,850,177	24,129,813,781	13,958,077,381
Property management and other services	1,152,340,106	237,810,442	113,115,096	19,237,451	1,265,455,202	257,047,893
Hotel operations	262,690,719	(22,077,985)	88,134,677	(47,031,739)	350,825,396	(69,109,724)
Investments in securities	19,937,891	19,937,891	3,900	3,900	19,941,791	19,941,791
Financing	67,522,704	67,522,704	9,386,961	9,386,961	76,909,665	76,909,665
	24,585,151,818	13,459,420,256	1,257,794,017	783,446,750	25,842,945,835	14,242,867,006

Measurement

Segment results represent the profit before taxation earned by each segment without allocation of certain other income and other gains or losses, certain administrative expenses and other operating expenses, change in fair value of investment properties and financial assets at FVTPL, gain on disposal of investment properties and certain finance income net of finance costs. The profit before taxation earned by each segment also includes the share of results from the Group's associates and joint ventures without allocation of the associates' and joint ventures' certain other income and other gains or losses, certain administrative expenses and other operating expenses, change in fair value of investment properties, gain on disposal of investment properties, finance costs net of finance income and income tax expense.

2. Operating segments – continued

Reconciliation of profit before taxation

	2022	2021
	HK$	HK$
Segment profit	**8,892,136,484**	14,242,867,006
Change in fair value of investment properties	**(683,168,848)**	(554,229,045)
Other income and other gains or losses	**116,974,806**	130,836,782
Change in fair value of financial assets at FVTPL	**29,522,185**	2,960,138
Gain on disposal of investment properties	**4,002,696**	17,268,485
Administrative expenses and other operating expenses	**(953,725,450)**	(956,879,563)
Finance income, net	**298,487,855**	513,730,510
Results shared from associates and joint ventures		
- Other income and other gains or losses	**403,763,758**	173,473,346
- Change in fair value of investment properties	**(109,652,544)**	(4,787,598)
- Gain on disposal of investment properties	**-**	1,350,000
- Administrative expenses and other operating expenses	**(288,321,660)**	(228,404,501)
- Finance costs, net	**(85,018,961)**	(111,414,329)
- Income tax expense	**(317,166,279)**	(222,408,755)
	(396,395,686)	(392,191,837)
Profit before taxation	**7,307,834,042**	13,004,362,476

During the year ended 30th June, 2022, inter-segment sales of HK$142,161,786 *(2021: HK$90,553,086)* were not included in the segment of "property management and other services". There were no inter-segment sales in other operating segments. Inter-segment sales were charged on a cost plus margin basis as agreed between the parties involved.

Geographical information

The Group operates in four principal geographical areas – Hong Kong, Mainland China, Singapore and Australia.

The Group's revenue from external customers and share of revenue from associates and joint ventures by location of operations and information about its non-current assets by location of assets, excluding financial instruments and deferred taxation, are detailed below:

	The Company's and its subsidiaries' external revenue		Share of revenue from associates and joint ventures		The Group's non-current assets	
	2022	2021	**2022**	2021	**2022**	2021
	HK$	HK$	**HK$**	HK$	**HK$**	HK$
Hong Kong	**14,522,907,366**	23,145,936,847	**993,290,880**	948,220,136	**79,327,969,809**	76,685,235,570
Mainland China	**512,987,082**	1,075,049,605	**173,833,086**	268,034,744	**6,160,078,777**	9,116,755,942
Singapore and Australia	**561,746,018**	364,165,366	**73,548,762**	41,539,137	**3,768,177,722**	3,948,282,159
	15,597,640,466	24,585,151,818	**1,240,672,728**	1,257,794,017	**89,256,226,308**	89,750,273,671

3. Share of results of associates

The Group's share of results of associates included the Group's share of decrease in fair value of investment properties of the associates of HK$105,858,831 *(2021: HK$75,266,913)* recognised in the statement of profit or loss of the associates.

4. Share of results of joint ventures

The Group's share of results of joint ventures included the Group's share of decrease in fair value of investment properties of the joint ventures of HK$3,793,713 *(2021: share of increase in fair value of investment properties of the joint ventures of HK$70,479,315)* recognised in the statement of profit or loss of the joint ventures.

5. Profit before taxation

	2022	2021
	HK$	HK$
Profit before taxation has been arrived at after charging/(crediting):		
Cost of hotel inventories consumed (included in direct expenses)	**51,824,302**	34,563,648
Cost of properties sold	**5,277,594,743**	8,832,809,383
Depreciation of property, plant and equipment, hotel properties and right-of-use assets (included in administrative and other operating expenses)	**181,079,266**	186,428,438
Gain on disposal of property, plant and equipment	**(74,074)**	(475,480)
Property, plant and equipment written off	**-**	23,263
Impairment loss on trade receivables, net of reversal	**8,922,760**	42,386,578
COVID-19 related government grants	**(21,997,836)**	(238,740,823)

6. Income tax expense

	2022	2021
	HK$	HK$
Tax charge comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year	**1,092,507,231**	2,036,207,453
Over-provision in previous years	**(2,982,655)**	(3,158,799)
	1,089,524,576	2,033,048,654
Taxation in other jurisdictions		
Provision for the year	**100,843,254**	124,285,988
(Over)/under-provision in previous years	**(334,172)**	53,605,472
Land Appreciation Tax in Mainland China	**91,556,866**	217,247,237
	192,065,948	395,138,697
	1,281,590,524	2,428,187,351
Deferred taxation	**69,357,433**	103,336,483
	1,350,947,957	2,531,523,834

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The Group considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Taxation for subsidiaries in Singapore and Mainland China are charged at appropriate current rates ruling in the relevant countries. The tax rates used are 17% in Singapore and 25% in Mainland China *(2021: 17% in Singapore and 25% in Mainland China)*.

7. 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:

	2022	2021
	HK$	HK$
Earnings for the purpose of basic earnings per share	**3,159,245,014**	5,304,883,959
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,970,657,648**	1,912,572,575

7. Earnings per share – continued

(a) Reported earnings per share – continued

No diluted earnings per share has been presented for the years ended 30th June, 2022 and 2021 as there were no potential ordinary shares outstanding during the current and prior years.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, underlying earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK$3,599,804,393 *(2021: HK$5,671,648,057)* is also presented, excluding the net effect of changes in fair value of investment properties of the Group and its associates and joint ventures and including realised fair value gain on interest in an associate upon sales of its properties and realised fair value gain on investment properties disposed of during the year, taking into account tax effect and the amount attributable to the Company's shareholders. The denominators used are the same as those detailed above for reported earnings per share.

A reconciliation of profit is as follows:

	2022 **HK$**	2021 HK$
Earnings for the purpose of basic earnings per share	**3,159,245,014**	5,304,883,959
Change in fair value of investment properties	**683,168,848**	554,229,045
Effect of corresponding deferred tax	**(2,752,118)**	26,728,784
Share of results of associates		
- Change in fair value of investment properties	**105,858,831**	75,266,913
- Effect of corresponding deferred tax	**(1,320,000)**	61,687,140
Share of results of joint ventures		
- Change in fair value of investment properties	**3,793,713**	(70,479,315)
- Effect of corresponding deferred tax	**(11,549,117)**	-
	777,200,157	647,432,567
Amount attributable to non-controlling interests	**(350,151,211)**	(295,508,421)
Unrealised change in fair value of investment properties attributable to the Company's shareholders	**427,048,946**	351,924,146
Realised fair value gain on investment properties disposed of during the year, net of taxation	**12,990,290**	10,597,672
Realised fair value gain on interest in an associate upon sales of its properties during the year	**11,386,355**	16,378,460
Amount attributable to non-controlling interests	**(10,866,212)**	(12,136,180)
	440,559,379	366,764,098
Underlying profit attributable to the Company's shareholders	**3,599,804,393**	5,671,648,057

8. Trade and other receivables

Trade receivables mainly comprise rental receivables and property management and other services. Rental receivables are billed and payable in advance by tenants.

The following is an ageing analysis of trade receivables (net of allowance for credit losses) at the end of the reporting period:

	2022	2021
	HK$	HK$
Current	**44,814,442**	36,861,433
Overdue:		
1-30 days	**91,731,794**	100,558,450
31-60 days	**46,608,800**	35,416,752
61-90 days	**35,522,729**	14,745,257
Over 90 days	**104,294,139**	73,822,166
	322,971,904	261,404,058

Trade receivables overdue more than 90 days (net of allowance for credit losses) amounting to HK$104,294,139 *(2021: HK$73,822,166)* are sufficiently covered by rental deposits received from the respective tenants and no significant expected credit losses are considered.

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

At 30th June, 2022, time deposits of approximately HK$3,015,161,000 *(2021: HK$3,235,989,000)* were charged for finance undertakings issued by banks for certain subsidiaries of Sino Land Company Limited. The balance includes cash held by stakeholders of approximately HK$2,619,978,000 *(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.

The restricted bank deposits of HK$25,746,326 *(2021: nil)* represented deposits placed with banks, which were used as a guarantee for a construction contract.

10. Trade and other payables

At 30th June, 2022, included in trade and other payables of the Group are trade payables of HK$157,971,213 *(2021: HK$142,141,178).*

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

	2022	2021
	HK$	HK$
1-30 days	**127,117,200**	107,156,692
31-60 days	**6,823,758**	11,787,269
61-90 days	**2,106,255**	6,203,998
Over 90 days	**21,924,000**	16,993,219
	157,971,213	142,141,178

11. Financial guarantee contracts

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

	2022	2021
	HK$	HK$
Guarantees given to banks in respect of:		
Banking facilities of associates and joint ventures attributable to the Group		
- Utilised	**8,202,027,181**	8,024,333,175
- Unutilised	**3,881,171,599**	4,906,921,117
	12,083,198,780	12,931,254,292
Mortgage loans granted to property purchasers	**-**	513,423,879

At 30th June, 2022 and 2021, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates and joint ventures. At the end of both reporting periods, the Group did not recognise any liabilities in respect of such corporate financial guarantees as the Directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant. The amounts of loss allowances determined in accordance with HKFRS 9 at the end of the reporting periods are insignificant.

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

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Wednesday, 26th October, 2022, the register of members of the Company will be closed from Friday, 21st October, 2022 to Wednesday, 26th October, 2022, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Registrar, Tricor Friendly Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 20th October, 2022.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is at the close of business on Wednesday, 2nd November, 2022. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 1st November, 2022 to Wednesday, 2nd November, 2022, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Registrar, Tricor Friendly Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 31st October, 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 year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted its own Corporate Governance Code and has complied with all the code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") applicable to the Company for the year ended 30th June, 2022, except that there was no separation of the roles of the chairman and the chief executive, both of the roles are currently undertaken by the Chairman of the Board.

The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each business unit are overseen and monitored by designated responsible Executive Directors. The Board has found that the current arrangement has worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the three 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.

REVIEW OF AUDITED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Group for the year ended 30th June, 2022 have been reviewed by the audit committee of the Company.

2022 ANNUAL REPORT

The 2022 annual report containing all the information required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited and the Company's website www.sino.com while printed copies will be sent to shareholders on or about Friday, 23rd September, 2022.

By Order of the Board
Fanny CHENG Siu King
Company Secretary

Hong Kong, 25th August, 2022

As at the date hereof, the Executive Directors of the Company are Mr. Robert Ng Chee Siong and Mr. Daryl Ng Win Kong, the Non-Executive Director is The Honourable Ronald Joseph Arculli, and the Independent Non-Executive Directors are Dr. Allan Zeman, Mr. Adrian David Li Man-kiu and Mr. Steven Ong Kay Eng.