

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



(An exempted company incorporated in the Cayman Islands with limited liability)

(Stock Code: 1221)

CHAIRMAN'S STATEMENT

I am pleased to present the 2023/2024 Annual Report to shareholders.

FINAL RESULTS

The Group recorded net profit attributable to shareholders of HK\$64.3 million for year ended 30th June, 2024 (the "Financial Year") compared to net loss of HK\$19.5 million for the last financial year. Turnover of the Group for the Financial Year was HK\$133.7 million (2022/2023: HK\$136.3 million). Earnings per share for the Financial Year was HK5.62 cents compared to loss per share of HK1.71 cents last year.

DIVIDEND

As a result of the Group's improved financial performance, the Board of Directors has resolved to recommend a final dividend of HK1.5 cents per share for the Financial Year (2022/2023: nil).

The final dividend will be payable to shareholders whose names appear on the Register of Members of the Company on 30th October, 2024. Together with the interim dividend of HK1.5 cents per share paid on 18th April, 2024, the total dividend for the Financial Year is HK3.0 cents per share.

The Board of Directors propose that shareholders be given the option of electing 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 23rd October, 2024; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be dispatched to shareholders together with the form of election for scrip dividend on or about 6th November, 2024. It is expected that the final dividend warrants and share certificates will be dispatched to shareholders on or about 3rd December, 2024.

REVIEW OF OPERATIONS

As at 30th June, 2024, the Group's portfolio of hotels comprises City Garden Hotel, Conrad Hong Kong and The Royal Pacific Hotel & Towers.

The global hospitality industry has shown resilience, buoyed by the steady resurgence of international travel, the normalisation of global flight capacities, and the revival of major events worldwide. The HKSAR Government has proactively launched a suite of initiatives aimed at bolstering the tourism sector. These measures have been instrumental in spurring the return of tourists to Hong Kong, signalling a promising rebound for the city's vibrant travel landscape. According to the Hong Kong Tourism Board, visitor arrivals to Hong Kong were 42,267,016 during the Financial Year (2022/2023: 13,412,439 and 2021/2022: 133,653). Visitors from Mainland China during the Financial Year were 32,790,566, representing approximately 78% of total tourist arrivals (2022/2023: 10,423,923 and 2021/2022: 103,415). A continuous improvement in visitor arrivals to Hong Kong is expected, underpinned by strategic policy enhancements such as the expansion of the Individual Visit Scheme to encompass 59 cities, coupled with the recent increase in duty-free allowances for Mainland travellers initiated in July 2024. These supportive measures are set to boost the hospitality landscape, fostering a welcoming environment for the inbound tourists into Hong Kong.

The Group has embraced a forward-looking and agile operational framework, ensuring comprehensive readiness to adapt to the dynamic operational demands of the hospitality sector. To secure optimal occupancy and to ensure a stable stream of income, City Garden Hotel has entered into a four-year lease agreement with a tenant effective August 2022. Under such agreement, the hotel receives pre-agreed rates for all available rooms. Conrad Hong Kong saw an increase in occupancy and room rates, predominantly driven by the uptick in business and leisure travel during major events such as Art Basel and Rugby Sevens, coupled with the revival of exhibitions, financial summits, and local banquets. The Royal Pacific Hotel & Towers, closely situated near the Hong Kong West Kowloon railway station and China Ferry Terminal, has seen a significant boost from the return of Mainland Chinese tourists. The Group continues to prioritise cost management, actively seeking ways to boost operational efficiency without compromising our commitment to elevating service quality and ensuring our guests' satisfaction throughout their stay.

During the Financial Year, gross income generated from operations of City Garden Hotel, Conrad Hong Kong, and The Royal Pacific Hotel & Towers were HK\$97.4 million, HK\$582.2 million and HK\$282.2 million (2022/2023: HK\$93.3 million, HK\$418.2 million and HK\$177.4 million), respectively. The operating performance of the three hotels has shown a year-on-year improvement, bolstered by the steady influx of visitors following the border reopening in early 2023 and the HKSAR Government's effective tourism revitalisation campaigns, which have reignited social and economic activities. Despite the improvement in our hotel operations' financial achievements during the Financial Year, an unrealised loss of HK\$40.9 million was incurred due to fair value changes in a financial instrument, specifically a long-term investment in a Mainland China-based real estate investment trust listed on the Stock Exchange. Excluding this, the adjusted net profit attributable to shareholders would stand at HK\$105.2 million for the Financial Year.

City Garden Hotel

City Garden Hotel is a wholly-owned subsidiary of the Group.

With the renewal of the Bulk Hiring Arrangement effective 1st August, 2022, the average room occupancy rate of City Garden Hotel for the Financial Year maintained at 100% (2022/2023: 100%) and the average room rate increased 5.1% compared with that of last financial year. Room sales for the Financial Year were HK\$87.9 million (2022/2023: HK\$83.3 million).

Conrad Hong Kong

Conrad Hong Kong is 50% owned by the Group and 30% owned by Sino Land Company Limited (Hong Kong stock code: 0083). Sino Group collectively own a total of 80% equity interest in Conrad Hong Kong.

The average room occupancy rate of Conrad Hong Kong for the Financial Year was 69.1% (2022/2023: 50.3%) and the average room rate increased 4.8% compared with that of last financial year. Room sales for the Financial Year were HK\$357.7 million (2022/2023: HK\$247.5 million).

The Royal Pacific Hotel & Towers

The Royal Pacific Hotel & Towers is 25% owned by the Group and the remaining 75% interest is owned by a private company, wholly owned by the Ng family, the controlling shareholder of Sino Hotels (Holdings) Limited.

The average room occupancy rate of The Royal Pacific Hotel & Towers for the Financial Year was 83.0% (2022/2023: 55.0%) and the average room rate increased 8.0% compared with that of last financial year. Room sales for the Financial Year were HK\$249.9 million (2022/2023: HK\$153.2 million).

Other than that mentioned above, there was no material change from the information published in the report and accounts for the year ended 30th June, 2023.

SIGNIFICANT INVESTMENT

As at 30th June, 2024, the Group held 85,909,519 ordinary shares, representing approximately 5.15% equity interest in The Hongkong and Shanghai Hotels, Limited (the “HKSHL Shares”), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 45) and is principally engaged in the ownership and management of hotel, retail, commercial and residential properties in Asia, the United States of America and Europe. The total cost of investment in HKSHL Shares was approximately HK\$709,296,000 and its fair value as at 30th June, 2024 was approximately HK\$496,557,000, representing approximately 12.0% of the total assets of the Group as at 30th June, 2024. The Group recognised an unrealised loss on fair value change of the HKSHL Shares of approximately HK\$95,544,000 in other comprehensive income and accumulated in the investment revaluation reserve for the year ended 30th June, 2024. During the year ended 30th June, 2024, scrip dividend with fair value of HK\$6,786,000 (2022/2023: no scrip dividend) was received by the Group and such amount was included in equity instruments at FVTOCI. This significant investment is held for long term.

FINANCE

As at 30th June, 2024, the Group had cash and bank deposits of HK\$1,248.1 million and had no debt outstanding. 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.

There was no material change in the capital structure of the Group for the Financial Year. Foreign exchange exposure is kept at a low level. As at 30th June, 2024, the Group did not have any contingent liabilities.

Other than the above-mentioned, there was no material change from the information published in the report and accounts for the financial year ended 30th June, 2023.

EMPLOYEE PROGRAMMES

During the Financial Year, the Group continued to execute its comprehensive people development strategies and uphold its commitment to operational excellence and employee engagement. This was demonstrated through several key initiatives:

The rollout of the Service Excellence training program had a positive impact on service delivery and employee engagement across the organisation. In addition to this customer-facing training, the Group also offered a range of Occupational Safety & Health and Leadership development programs tailored to colleagues at different levels.

The successful launch of the Operations Management Trainee Programme in July 2023 resulted in multiple trainees transitioning into permanent positions in both operational and administrative roles. Given the positive outcomes, we have continued this programme in 2024, which has attracted an overwhelming response from applicants.

We are proud to have been awarded the Grand Award of ESG Initiatives at the HR Excellence Awards organised by the Hong Kong Institute of Human Resource Management (HKIHRM). This prestigious accolade recognises the Group's outstanding efforts in bringing environmental, social and governance practices to life through comprehensive and well-executed programmes that have helped to shape a strong ESG culture within the organisation. As a testament to this, employee volunteer hours reached a new record in the first half of 2024, demonstrating the workforce's heightened engagement in serving the local community.

These strategic initiatives reflect the Group's unwavering commitment to developing its people, promoting sustainability, and positioning the organisation as the preferred choice for all stakeholders.

SUSTAINABILITY

The Group upholds Environmental, Social and Governance ("ESG") and sustainability at all levels of operations. The Group seeks to create value for stakeholders and makes business a driver of

sustainability for a better future by combating climate change, serving the community, promoting social inclusion and heritage cultural conservation.

In November 2023, the Group was recognised by the Centre for Business Sustainability of The Chinese University of Hong Kong Business School as one of the Top 10 (Achiever) in the Greater China Hotel Business Sustainability Index for the second consecutive year. In recognition of the Group's achievement in incorporating comprehensive ESG initiatives into its overall operational practices, the Group received the Grand Award of ESG Initiatives at the HR Excellence Awards 2023/24 presented by the Hong Kong Institute of Human Resource Management (HKIHRM) in March 2024.

Environmental management

The Group recognises the importance of sustainable development and environmental management. Priority focus areas include climate change mitigation, energy saving, biodiversity conservation and plastic reduction. The Group strives to promote green living among our stakeholders and the broader community.

Climate resilience

The Group is committed to reducing greenhouse gas emissions by 30% by 2030, based on its 2012 baseline level. As at 30th June, 2024, a reduction of 40.26% has been achieved, equivalent to the annual amount of CO₂ removed by 202,584 trees planted. The Group continues to support the "Energy Saving Charter 2024" and "4T Charter" organised by the Environment and Ecology Bureau and the Electrical and Mechanical Services Department of the HKSAR Government. In this regard, City Garden Hotel has installed 72 solar panels with a rated power of 21.6 kW, generating an estimated 20,822 kWh of electricity annually to promote the renewable energy development in Hong Kong. We also encourage the use of electric vehicles ("EVs") with the installation of an EV charging station in the City Garden Hotel's car parking area.

Waste management

The Group makes every effort to minimise waste generation and increase opportunities for reusing and recycling. The Group's Waste Management Policy prioritises avoiding excessive consumption and promotes more sustainable operational alternatives. In addition, the Group has set a target to eliminate single-use plastic from the Group's core business operations by 2035.

In April 2024, the Group took steps to replace disposable plastic tableware with non-plastic alternatives and install umbrella dryers. The Group already initiated earlier hotel-wide substitution of plastic bottled water at its premises in Hong Kong by offering smart filtered water refill stations in its hotels as a sustainable alternative. Clean filtered drinking water is served to hotel guests in easily accessible locations.

We also actively engage our stakeholders to reduce food waste. The Group is committed to food waste reduction and joined the Environmental Protection Department of the HKSAR Government's Pilot Scheme on Food Waste Collection. Food waste is collected on a daily basis and delivered to O • PARK1, Hong Kong's first organic resources recovery centre, to convert food waste into biogas for power generation and compost for landscaping use. The Royal Pacific Hotel & Towers also joined hands with the Foodlink Foundation to donate surplus food to underprivileged families in the community.

Urban biodiversity

The Group has been expanding our efforts to ensure sustainable consumption and production in our supply chain. In January 2024, The Royal Pacific Hotel & Towers participated in the World Wide Fund For Nature Hong Kong (“WWF”)’s “Sustainable Seafood Week” to further promote marine conservation and sustainable seafood. The Group also adopted the Seafood Guide issued by the WWF for procuring sustainable seafood, including those certified by the Aquaculture Stewardship Council and the Marine Stewardship Council. The Group aims to serve 60% of the seafood from sustainable sources by 2025, and 100% of sustainable seafood by 2030. As at 30th June, 2024, 55% of seafood purchased are sustainability-labelled and certified.

Our effort to adopt environmentally friendly practices and management has been recognised through various awards. In December 2023, The Royal Pacific Hotel & Towers received the Certificate of Merit at the Hong Kong Awards for Environmental Excellence (“HKAAEE”) presented by the Environmental Campaign Committee and the Environment and Ecology Bureau of the HKSAR Government.

Community engagement

As a committed corporate citizen, the Group strives to build a better community by engaging with stakeholders and supporting those in need. To spread warmth across the community, the Group partnered with various community service centres through the long-established “Hearty Soup Delivery Programme” for 13 consecutive years. Homemade soup was prepared by the Group’s hotel chefs and delivered to the elderly members during the cold winter. Since 2011, over 53,300 bowls of hot soup have been delivered to senior citizens across different community districts in Hong Kong.

Diversity and inclusion

The Group reasserts its commitment to promoting diversity and inclusion by designing and maintaining a barrier-free environment and culture in our hotels. The Group is committed to providing equal opportunities to disadvantaged community members. The Group continues collaborating with the Hong Chi Association to provide long-term employment and training opportunities to share skills with students.

The Group also took a significant step in advancing its diversity and inclusion goals in May 2024, with the launch of Sino Women Connect, an initiative designed to cultivate connections among female staff members from diverse age groups, positions, and backgrounds. Through a range of activities and a mentorship programme, Sino Women Connect aims to encourage mutual support and facilitate sharing experiences among female colleagues. This collective endeavour nurtures well-being and fosters professional development, empowering women to realise their full potential confidently.

City Garden Hotel and The Royal Pacific Hotel & Towers have received recognition with the “Happy Company 2024” award from the Promoting Happiness Index Foundation. In addition, City Garden Hotel has been awarded a “15 Years Plus Caring Company Logo”, and The Royal Pacific Hotel & Towers a “Caring Company Logo” for 14 consecutive years by the Hong Kong Council of Social Service’s Caring Company Scheme. These recognitions attest to the Group’s commitment to corporate social responsibility to build a better community together.

Tai O Heritage Hotel

The Ng Family, the major shareholder of the Group, established a non-profit-making organisation named Hong Kong Heritage Conservation Foundation Limited (“HCF”). HCF revitalised and converted the Old Tai O Police Station, a Grade II historic building, into a boutique hotel. Tai O Heritage Hotel (“Hotel”) has nine colonial-style rooms and suites. The Hotel, operated by HCF as a non-profit-making social enterprise, is part of the HKSAR Government’s “Revitalising Historic Buildings Through Partnership Scheme”. The Hotel was a winner of the “2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation” and became the first UNESCO-awarded hotel in Hong Kong.

In February 2024, the Hotel, celebrated the Lunar New Year in style with its Open House. The two-day event welcomed more than 2,200 visitors from Hong Kong and overseas. In celebration of the Year of the Dragon, the Hotel joined hands with Tai O artist, Stanley Wong, and volunteers to curate a public art installation, and extend blessings for the most important festival for the Chinese community. During the Open House, the Hotel partnered with local cultural enterprise, Walk in Hong Kong, to train close to 30 local young ambassadors, who served as guides and provided guided tours for visitors. Additionally, the hotel has partnered with the Tai O Cultural Association on a new experiential activity, the traditional sampan ride. Participants could appreciate the unique charm of Tai O from another perspective while celebrating the fishing village's maritime traditions.

For the ninth year in a row, the Hotel has been named Caring Company by the Hong Kong Council of Social Service. Such recognition shows the Hotel’s commitment to community support for a better community. The Hotel is also honoured to have been awarded the Tripadvisor’s Travelers’ Choice Awards 2024, placing us among the top 10% of hotels worldwide on TripAdvisor. This recognition is a testament to our commitment to excellence.

INDUSTRY OUTLOOK AND PROSPECTS

The hotel industry in Hong Kong has shown resilience post-pandemic, buoyed by the recovery of visitor arrivals from Mainland China and other regions, supported by the steady normalisation of global flight capacities. The city has hosted an array of successful conferences, exhibitions and events, attracting both business and leisure travellers to experience the city’s vibrancy and unique charm. The recovery of visitor arrivals in 2023, reaching 52.2% of the pre-pandemic levels of 2018, and the continued improvement to 69.1% in the first half of 2024, highlight a steady rebound in tourism. This increase in visitor arrivals, alongside the well-attended mega events such as Art Basel, the Hong Kong Sevens, and a wide range of financial and business summits, have contributed to the Group’s operational performance. There has been an improvement in both occupancy and room rates, substantiating the industry’s steady recovery.

Tourism is a major driving force for Hong Kong’s economy, and the Central Government is fully committed to fostering enhanced collaboration between Mainland China and Hong Kong in this sector. The Individual Visit Scheme (“IVS”) was extended to include Xi’an in Shaanxi Province and Qingdao in Shandong Province on 6th March, 2024. On 11th May, 2024, the scheme was further expanded to cover eight more cities: Taiyuan in Shanxi Province, Hohhot in Inner Mongolia Autonomous Region, Harbin in Heilongjiang Province, Lhasa in Tibet Autonomous Region, Lanzhou in Gansu Province, Xining in Qinghai Province, Yinchuan in Ningxia Hui Autonomous Region, and Urumqi in Xinjiang Uygur Autonomous Region. This expansion enables

residents from these cities to discover the unique attraction of Hong Kong with greater ease and convenience. Following these enhancements, the IVS now spans 59 cities, covering all provincial capitals in Mainland China. Additionally, starting from July 2024, the duty-free allowance for Mainland travelers returning from Hong Kong has increased to RMB12,000 from RMB5,000, with a cumulative allowance of RMB15,000 when including purchases from border duty-free shops. The continuous improvement of the IVS and the increase in duty-free allowance are set to contribute to Hong Kong's economic development, benefiting a wide array of tourism-related industries.

Hong Kong's unique cultural heritage and diverse tourism offerings, including its stunning harbour, vibrant festivals, and culinary delights that blend Eastern and Western traditions, make it an attractive destination for visitors throughout the year. Popular and well-attended events such as the Cheung Chau Bun Festival, Buddha's Birthday Celebration Carnival, Le French May, Chinese Culture Festival, Hong Kong Arts Festival and the Hong Kong International Dragon Boat Races, along with large-scale concerts at the Central Harbourfront Event Space and the Summer Chill Hong Kong series, provide a unique and immersive experience for tourists, positively contributing to the tourism and hotel sectors.

The recovery of Hong Kong's hotel industry faces several challenges, including the global economic climate, evolving travel patterns of Mainland China visitors with a growing preference for same-day excursions over overnight stays, shifts in consumer spending behaviours and labour shortage. The Group will remain agile, continuously enhance service quality, and customised packages to cater to customers' needs. By doing so, the Group can effectively navigate these changes and maintain its competitive edge in the hospitality sector.

The Group is committed to refining our strategies, closely monitoring market trends, and managing costs effectively. The competitive landscape remains intense, and our management is dedicated to evaluating and enhancing our offerings and services. Our aim is to deliver unparalleled experiences to our discerning guests, ensuring their stays at our hotels are memorable and exceeding expectations.

The Group is in a steady financial position with no outstanding debt as of 30th June, 2024.

STAFF AND MANAGEMENT

Mr. Thomas Tang Wing Yung, who served the Board since January 2020, retired effective 1st April 2024. His contribution during his directorship with the Company is appreciated.

On behalf of the Board, I 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, 27th August, 2024



SINO HOTELS (HOLDINGS) LIMITED

(An exempted company incorporated in the Cayman Islands with limited liability)

(Stock Code: 1221)

FINAL RESULTS

The audited results of the Group for the year ended 30th June, 2024 are as follows:

Consolidated Statement of Profit or Loss

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Revenue	2	133,693	136,356
Direct expenses		(54,645)	(60,233)
Gross profit		79,048	76,123
Other income and other gains and losses	3	(41,737)	(43,214)
Other expenses		(66,037)	(68,392)
Marketing costs		(10)	(247)
Administrative expenses		(20,897)	(21,883)
Finance income		56,038	30,080
Finance costs		(71)	(76)
Finance income, net		55,967	30,004
Share of results of associates		58,268	8,409
Profit/(loss) before taxation	3	64,602	(19,200)
Income tax expense	4	(297)	(287)
Profit/(loss) for the year attributable to the Company's shareholders		64,305	(19,487)
Interim dividend at HK1.5 cents (2023: nil) per share		17,140	-
Proposed final dividend at HK1.5 cents (2023: nil) per share		17,300	-
Earnings/(loss) per share - basic	5	HK5.62 cents	HK(1.71) cents

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30th June, 2024

	2024	2023
	HK\$'000	HK\$'000
Profit/(loss) for the year	<u>64,305</u>	<u>(19,487)</u>
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Loss on fair value changes of equity instruments at fair value through other comprehensive income ("FVTOCI")	(96,435)	(30,695)
Exchange difference arising on translation of equity instruments at FVTOCI	151	(169)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Gain on fair value changes of debt instrument at FVTOCI	<u>3,906</u>	<u>1,772</u>
Other comprehensive income for the year	<u>(92,378)</u>	<u>(29,092)</u>
Total comprehensive income for the year attributable to the Company's shareholders	<u>(28,073)</u>	<u>(48,579)</u>

Consolidated Statement of Financial Position

At 30th June, 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment		242,772	257,773
Right-of-use assets		890,570	912,788
Interests in associates		1,031,869	973,601
Amount due from an associate		44,284	158,802
Financial instruments		560,422	921,801
Deposits paid for property, plant and equipment		5,690	2,309
		<u>2,775,607</u>	<u>3,227,074</u>
Current assets			
Hotel inventories		52	91
Trade and other receivables	6	32,930	25,658
Amounts due from associates		1,073	1,035
Financial instruments		77,734	-
Time deposits, bank balances and cash		1,248,134	911,594
		<u>1,359,923</u>	<u>938,378</u>
Current liabilities			
Trade and other payables	7	19,694	20,707
Amount due to an associate		1,375	1,475
Taxation payable		233	226
		<u>21,302</u>	<u>22,408</u>
Net current assets		<u>1,338,621</u>	<u>915,970</u>
Total assets less current liabilities		<u>4,114,228</u>	<u>4,143,044</u>
Capital and reserves			
Share capital		1,153,303	1,142,662
Reserves		2,960,925	3,000,382
Equity attributable to the Company's shareholders		<u>4,114,228</u>	<u>4,143,044</u>

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 (the “HKICPA”). In addition, the consolidated financial statements include 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 certain financial instruments that are measured at fair values.

The financial information relating to the years ended 30th June, 2024 and 2023 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.

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (the “Group”) have applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are effective for the annual period beginning on or after 1st July, 2023 for the preparation of the consolidated financial statements:

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

The application of the new and 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

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

In July 2023, the HKICPA published *Accounting implications of the abolition of the mandatory provident fund (“MPF”)-long service payment (“LSP”) offsetting mechanism in Hong Kong* that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. The cessation of applying the practical expedient in paragraph 93(b) of HKAS 19, *Employee Benefits*, in conjunction with the enactment of the Amendment Ordinance resulted in a catch-up profit or loss adjustment in June 2022 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the year ended 30th June, 2024, with the corresponding adjustment to the comparative carrying amount of the LSP liability. However, since the amount of the catch-up profit or loss adjustment was immaterial, the Group did not restate the comparative figure for the consolidated financial statements.

2. Segment information

The following is an analysis of the Group's revenue and results by reportable and operating segment for the years:

	Segment revenue		Segment results	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Hotel operation				
– City Garden Hotel	97,391	93,356	19,659	6,869
Investment holding	20,483	27,712	20,463	27,653
Hotel operation				
– share of results of associates	-	-	121,750	56,208
Others – club operation and hotel management	15,819	15,288	2,266	2,318
	133,693	136,356		
Total segment results			164,138	93,048
Other income and other gains and losses			(41,737)	(43,214)
Administrative and other expenses			(50,284)	(51,239)
Finance income, net			55,967	30,004
Share of results of associates				
- other income			-	2,638
- administrative and other expenses			(57,312)	(50,226)
- finance income, net			1,166	325
- income tax expense			(7,336)	(536)
			(63,482)	(47,799)
Profit/(loss) before taxation			64,602	(19,200)

All of the segment revenue reported above are from external customers. There was no inter-segment revenue for both years.

Segment results represent the results by each segment without allocation of certain administrative and other expenses, other income and other gains and losses, and finance income net of finance costs. The segment results of hotel operation operated through investments in associates includes revenue and direct expenses without allocation of associates' other income, administrative and other expenses, finance income net of finance costs and income tax expense of the associates. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

Geographical information

All of the activities of the Group are based in Hong Kong and all of the Group's revenue and contribution to profit/(loss) for both years are derived from Hong Kong. All the assets of the Group are located in Hong Kong.

3. Profit/(loss) before taxation

	2024 HK\$'000	2023 HK\$'000
Profit/(loss) before taxation has been arrived at after charging/(crediting):		
Other income and other gains and losses		
Loss on disposal of property, plant and equipment	7	2
Exchange loss	850	1,739
Government subsidies	-	(1,087)
Loss on fair value change of financial asset at FVTPL	40,880	42,560
	<u>41,737</u>	<u>43,214</u>
Cost of hotel inventories consumed *	8,540	10,643
Depreciation of right-of-use assets #	22,218	22,218
Depreciation and amortisation of property, plant and equipment #	19,127	19,826

*included in direct expenses

#included in other expenses

4. Income tax expense

	2024 HK\$'000	2023 HK\$'000
Income tax expense comprises:		
Hong Kong Profits Tax		
Current year	321	327
Over-provision in prior year	(24)	(40)
	<u>297</u>	<u>287</u>

5. Earnings/(loss) per share - basic

The calculation of the basic earnings/(loss) per share is based on the profit for the year attributable to the Company's shareholders of HK\$64,305,000 (2023: loss of HK\$19,487,000) and on the weighted average number of 1,144,813,350 (2023: 1,142,661,798) shares in issue during the year.

No diluted earnings/(loss) per share has been presented as there were no potential ordinary shares in both years.

6. Trade and other receivables

The following is an analysis of trade receivables by age based on the invoice dates, and other receivables at the end of the reporting period:

	2024	2023
	HK\$'000	HK\$'000
Trade receivables		
0-30 days	4,084	2,846
Other receivables	28,846	22,812
	<u>32,930</u>	<u>25,658</u>

7. Trade and other payables

The following is an analysis of trade payables by age based on the invoice dates, and other payables and contract liabilities at the end of the reporting period:

	2024	2023
	HK\$'000	HK\$'000
Trade payables		
0-30 days	2,347	3,732
31-60 days	6	182
61-90 days	-	7
Over 90 days	2	20
	<u>2,355</u>	<u>3,941</u>
Other payables	14,399	13,966
Contract liabilities	2,940	2,800
	<u>19,694</u>	<u>20,707</u>

8. Commitments

	2024	2023
	HK\$'000	HK\$'000
Expenditures contracted for but not provided in the consolidated financial statements in respect of:		
Renovation works, purchase of furniture, fixtures and hotel operating equipment	<u>8,577</u>	<u>13,997</u>

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Wednesday, 23rd October, 2024, the register of members of the Company will be closed from Friday, 18th October, 2024 to Wednesday, 23rd October, 2024, 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 Principal 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, 17th October, 2024.

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, 30th October, 2024. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 29th October, 2024 to Wednesday, 30th October, 2024, 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 Principal 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, 28th October, 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted its own Corporate Governance Code, which is based on the principles and the code provisions as set out in Part 2 of Appendix C1 (the "CG Code") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has complied with all code provisions as set out in the CG Code to the Listing Rules throughout the Financial Year, except that there was no separation of the roles of the chairman and the chief executive. Both 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 that 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, 2024 have been reviewed by the Audit Committee of the Company.

2024 ANNUAL REPORT

The 2024 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, 27th September, 2024.

By Order of the Board
Fanny CHENG Siu King
Company Secretary

Hong Kong, 27th August, 2024

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 Directors are The Honourable Ronald Joseph Arculli, Mr. Gilbert Lui Wing Kwong and Ms. Nikki Ng Mien Hua, and the Independent Non-Executive Directors are Mr. Steven Ong Kay Eng, Mr. Wong Cho Bau and Mr. Hung Wai Man.