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

(Stock Code: 1221)

## **CHAIRMAN'S STATEMENT**

I am pleased to present the 2018/2019 Annual Report to shareholders.

### **FINAL RESULTS**

The Group achieved net profit attributable to shareholders of HK\$196.3 million for the year ended 30th June, 2019, representing an increase of 0.6% compared with HK\$195.1 million for the last financial year. Earnings per share for the financial year 2018/2019 was 17.83 cents (2017/2018: 18.22 cents).

### **DIVIDENDS**

The Directors have resolved to recommend a final dividend of 5 cents per share in respect of the year ended 30th June, 2019 to shareholders whose names appear on the Register of Members of the Company on 31st October, 2019. Together with the interim dividend of 4.5 cents per share, the total dividend for the full financial year is 9.5 cents per share.

The 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 24th October, 2019; 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 despatched to shareholders together with the form of election for the scrip dividend on or about 7th November, 2019. It is expected that the final dividend warrants and share certificates will be despatched to shareholders on or about 4th December, 2019.

## **REVIEW OF OPERATIONS**

According to the statistics released by Hong Kong Tourism Board, visitor arrivals to Hong Kong were 69.4 million for the twelve-month period ended 30th June, 2019, representing an increase of approximately 13.3% compared with last twelve-month period ended 30th June, 2018. Visitors from Mainland China accounted for approximately 79.1% of the total visitors, increasing from 77.1%. Visitors who stayed overnight in Hong Kong increased 5.7%. The performance of the Group's hotels was steady during the year ended 30th June, 2019. The Group will continue to improve the quality of its hotel services to ensure our discerning guests have enjoyable experiences during their stays in the hotels.

### **Business Activities**

#### **City Garden Hotel**

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

The average room occupancy rate of City Garden Hotel for the year ended 30th June, 2019 was 85.7% (2017/2018: 89.7%) but the average room rate increased 7.8% compared with that of last financial year. Room sales for the financial year increased 3.0% to HK\$192.5 million from HK\$187.0 million for the last financial year. Food and beverage sales for the financial year 2018/2019 were HK\$88.9 million (2017/2018: HK\$88.2 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) and collectively own a total of 80% equity interest in Conrad Hong Kong.

The average room occupancy of Conrad Hong Kong for the year ended 30th June, 2019 was 89.3% compared with 90.7% for the last financial year and the average room rate decreased slightly by 0.2% compared with that of last financial year. Room sales for the year ended 30th June, 2019 were HK\$455.1 million (2017/2018: HK\$463.7 million) while income from food and beverage sales for the financial year were HK\$334.5 million (2017/2018: HK\$351.5 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 occupancy rate of The Royal Pacific Hotel & Towers for the year ended 30th June, 2019 was 92.7% (2017/2018: 94.1%) but the average room rate increased 5.7% compared with that of last financial year. Room sales increased 4.1% to HK\$329.5 million from HK\$316.5

million for the last financial year. Revenue from food and beverage sales for the year ended 30th June, 2019 was steady at HK\$102.5 million (2017/2018: HK\$94.3 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, 2018.

## **Finance**

As at 30th June, 2019, the Group had cash and bank deposits of HK\$1,203.9 million and had no debt outstanding.

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, 2019, 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, 2018.

## **EMPLOYEE PROGRAMMES**

The Group places significant emphasis on human capital investment through a variety of career development initiatives including language classes, technical skills training and soft skills training to train frontline staff as the working attitude, knowledge and skillset of the frontline staff are the key contributing factors to maintain the quality of the hotel service. Amongst the initiatives are the leadership programme, FLY and LEAD Programme. The former is a new programme which aims at developing the high potential staff to assistant managers and managers whilst the latter is to develop management skills for staff at supervisory level. Through training, staff can continuously improve and update their skillsets to meet the challenges in the ever-changing hospitality business and the required quality standards set by management.

In addition to career development, the Group continues to review and enhance the employee compensation and benefits packages. This year, a new programme to promote a happy and respectful work environment named #DATEYOU Employee Engagement Programme was introduced. These enhancements and engagements ensure the Group stays competitive and can be a preferred employer in the industry.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Group continues to embrace Corporate Social Responsibility practices by upholding high level of corporate governance standards, engaging in green initiatives, serving the community, promoting social integration and heritage cultural conservation.

## **Environmental Management**

The Group is committed to protecting the environment in two key areas. On the waste reduction side, the Group takes more measures to reduce usage of plastic. Further to the ban on the use of plastic straws and stirring rods, the Group also deploys smart water stations to replace plastic bottled water. On the energy conservation side, the Group supports ‘Energy Saving Charter 2019’ and ‘4T Charter’ organised by the Environment Bureau of the HKSAR Government. In this connection, City Garden Hotel has installed solar panels to promote renewable energy in Hong Kong.

## **Community Engagement**

The Group plays an active role in community service. The Group has a long-standing ‘Hearty Soup Delivery Programme’ whereby soup cooked by our hotel chefs are delivered to elderly people in certain community service centres. The Group also raises staff awareness to care for the elderly people with the hope that the Group can contribute to building a caring and harmonious community. The Group has partnered with some charitable organisations including the Foodlink Foundation and FOOD-CO to collect and donate food to the needy. In addition, the Group collaborates with Hong Chi Association, Hong Kong Society for the Deaf and Ebenezer School & Home for the Visually Impaired by offering their members long-term employment and training opportunities.

## **Tai O Heritage Hotel**

In March 2008, the Ng Teng Fong Family, the major shareholder of the Group, set up the non-profitmaking organisation named Hong Kong Heritage Conservation Foundation Limited (“HCF”). HCF revitalized and converted the Old Tai O Police Station, a Grade II historic building, into a boutique hotel. Named Tai O Heritage Hotel (“Hotel”), it is home to nine colonial style rooms and suites and commenced operation in March 2012. 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 is a winner of the ‘2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation’ and the first UNESCO-awarded hotel in Hong Kong.

HCF initiated ‘Tai O Stilt Houses Restoration Programme’ in 2018 to form stronger partnerships with local villagers and the Tai O NGO organisations, the programme aims to repair and restore the Tai O stilt houses where needed, especially for the elderly villagers’ home, so as to conserve the intangible cultural value in the village.

## **INDUSTRY OUTLOOK AND PROSPECTS**

HKSAR Government has been making continuous effort to develop the tourism industry in Hong Kong by providing financial support, developing infrastructure network, identifying and promoting attractions. According to The 2019-20 Budget proposed by the HKSAR Government, approximately HK\$353 million will be set aside to support the tasks set by Hong Kong Tourism Board to promote the tourism industry in Hong Kong. It is expected that funding will be applied to the development of thematic tourism offerings and initiatives for improving the quality of service undertaken by Travel Industry Council of Hong Kong.

Hong Kong International Airport (“HKIA”) is one of the busiest airport in the world in terms of air passengers and cargo. The construction of the Three Runway System comprising an approximately 3,800-metre runway, a passenger building of more than 280,000 square metres, an approximately 2,600-metre new automated people mover system and 57 new passenger aircraft parking positions. Upon completion of the Three Runway System scheduled in 2024, HKIA can handle an additional 30 million passengers annually, expanding the total capacity of HKIA to around 100 million passengers and 9 million tonnes of cargo annually by 2030. This will strengthen Hong Kong’s position as an aviation hub.

The infrastructure network namely, Hong Kong-Zhuhai-Macao Bridge and Guangzhou–Shenzhen–Hong Kong Express Rail Link in Hong Kong both completed in 2018, have established the backbone of connectivity within the Greater Bay Area (“GBA”) making the region physically integrated. These are important milestones conducive for more multi-destination travels. The development of GBA will strengthen economic cooperation amongst the eleven key cities in Pearl River Delta Region fostering the flow of people, goods, capital and tourism in the GBA region.

Hong Kong tourism industry has faced challenges since June this year and the hotel industry is expected to record a decrease in both occupancy and room rates in the second half of 2019. In the last two months, Hong Kong has seen rallies which have affected businesses and the hotel industry. We sincerely hope that the disruption can settle down quickly and society can return to peace and harmony. We are confident in Hong Kong’s solid foundation and resilience. Management will closely monitor the situation and minimise the impact arising therefrom by taking necessary and appropriate measures. With a strong financial position, the Group can weather through upcoming setbacks to the business.

## **STAFF AND MANAGEMENT**

The Board would like to express its deepest condolences for the passing away of Mr. Peter Wong Man Kong, an Independent Non-Executive Director, a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company on 11th March, 2019. Mr. Wong made valuable contributions to the Company during his tenure of office.

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, 29th August, 2019



# 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, 2019 are as follows:

### Consolidated Statement of Profit or Loss

	<i>Notes</i>	<b>2019</b> <b>HK\$</b>	2018 HK\$
Revenue	2	<b>320,653,237</b>	313,669,026
Direct expenses		<b>(120,526,892)</b>	(116,832,801)
Gross profit		<b>200,126,345</b>	196,836,225
Other losses		<b>(5,389,825)</b>	(3,729,475)
Other expenses		<b>(84,877,930)</b>	(92,956,078)
Marketing costs		<b>(11,026,014)</b>	(10,790,527)
Administrative expenses		<b>(33,878,241)</b>	(29,451,681)
Finance income		<b>25,159,063</b>	16,856,572
Finance costs		<b>(129,743)</b>	(62,890)
Finance income, net		<b>25,029,320</b>	16,793,682
Share of results of associates		<b>118,339,259</b>	131,552,757
Profit before taxation	3	<b>208,322,914</b>	208,254,903
Income tax expense	4	<b>(12,016,506)</b>	(13,127,387)
Profit for the year attributable to the Company's shareholders		<b>196,306,408</b>	195,127,516
Interim dividend at HK4.5 cents (2018: HK4.5 cents) per share		<b>49,759,479</b>	48,372,305
Proposed final dividend at HK5.0 cents (2018: HK5.0 cents) per share		<b>55,990,295</b>	54,459,026
Earnings per share - basic	5	<b>17.83 cents</b>	<b>18.22 cents</b>

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 30th June, 2019**

	<b>2019</b>	2018
	<b>HK\$</b>	HK\$
Profit for the year	<u><b>196,306,408</b></u>	<u>195,127,516</u>
<b>Other comprehensive (expense) income</b>		
Items that will not be reclassified to profit or loss:		
Loss on fair value changes of equity instruments at fair value through other comprehensive income (“FVTOCI”)	<b>(77,083,222)</b>	-
Exchange difference arising on translation of equity instruments at FVTOCI	<b>(731,460)</b>	-
Item that may be subsequently reclassified to profit or loss:		
Loss on fair value changes of available-for-sale financial assets	-	(234,110,128)
Item that has been reclassified to profit or loss:		
Reclassification adjustment upon disposal of available-for-sale financial assets	<u>-</u>	<u>1,123,234</u>
Other comprehensive expense for the year	<u><b>(77,814,682)</b></u>	<u>(232,986,894)</u>
Total comprehensive income (expense) for the year attributable to the Company’s shareholders	<u><b>118,491,726</b></u>	<u>(37,859,378)</u>

**Consolidated Statement of Financial Position**  
**At 30th June, 2019**

	<i>Notes</i>	<b>2019</b> <b>HK\$</b>	2018 HK\$
Non-current assets			
Property, plant and equipment		<b>1,282,004,665</b>	1,279,733,553
Interests in associates		<b>1,165,963,105</b>	1,183,946,846
Equity instruments at FVTOCI		<b>1,019,113,648</b>	-
Available-for-sale financial assets		-	922,383,941
Deposits paid for property, plant and equipment		<b>7,945,115</b>	-
		<b><u>3,475,026,533</u></b>	<u>3,386,064,340</u>
Current assets			
Hotel inventories		<b>323,265</b>	536,482
Trade and other receivables	6	<b>28,533,095</b>	19,445,449
Amounts due from associates		<b>100,156,755</b>	116,071,771
Time deposits, bank balances and cash		<b>1,203,870,322</b>	1,166,725,192
		<b><u>1,332,883,437</u></b>	<u>1,302,778,894</u>
Current liabilities			
Trade and other payables	7	<b>33,557,077</b>	30,372,367
Contract liabilities		<b>3,824,497</b>	-
Amount due to an associate		<b>2,196,262</b>	2,065,765
Taxation payable		<b>12,589,043</b>	16,257,660
		<b><u>52,166,879</u></b>	<u>48,695,792</u>
Net current assets		<b><u>1,280,716,558</u></b>	<u>1,254,083,102</u>
Total assets less current liabilities		<b><u>4,755,743,091</u></b>	<u>4,640,147,442</u>
Capital and reserves			
Share capital		<b>1,119,805,890</b>	1,089,180,526
Reserves		<b>3,632,304,749</b>	3,547,544,568
Equity attributable to the Company's shareholders		<b><u>4,752,110,639</u></b>	<u>4,636,725,094</u>
Non-current liability			
Deferred taxation		<b>3,632,452</b>	3,422,348
		<b><u>4,755,743,091</u></b>	<u>4,640,147,442</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.

In the current year, the Company and its subsidiaries (the “Group”) have applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 - 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments and an interpretation to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 1. Basis of preparation - continued

### *Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers"*

#### Summary of effects arising from initial application of HKFRS 15

The application of the HKFRS 15 has no significant impact on the timing and amount of revenue recognised in the current year and retained profits at 1st July, 2018.

The following adjustment was made to the amounts recognised in the consolidated statement of financial position at 1st July, 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 30th June, 2018	Reclassification	Carrying amounts under HKFRS 15 at 1st July, 2018
	HK\$	HK\$	HK\$
Current liabilities			
Trade and other payables ( <i>Note</i> )	30,372,367	(3,731,492)	26,640,875
Contract liabilities ( <i>Note</i> )	-	3,731,492	3,731,492

Note: At the date of initial application, deposits received from customers of HK\$3,731,492 were reclassified to contract liabilities.

The following table summarises the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 30th June, 2019 for each of the line items affected. Line items that were not affected by the changes have not been included.

	As reported	Reclassification	Amounts without application of HKFRS 15
	HK\$	HK\$	HK\$
Current liabilities			
Trade and other payables	33,557,077	3,824,497	37,381,574
Contract liabilities	3,824,497	(3,824,497)	-

**1. Basis of preparation - continued**

***Impacts and changes in accounting policies on application of HKFRS 9 "Financial Instruments"***

*Summary of effects arising from initial application of HKFRS 9*

The table below illustrates the classification and measurement of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1st July, 2018.

	Available- for-sale financial assets	Equity instruments at FVTOCI	Investment revaluation reserve	Retained profits
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Closing balance at 30th June, 2018 – HKAS 39	922,383,941	-	285,688,521	1,973,631,740
Reclassification From available- for-sale financial assets	<u>(922,383,941)</u>	<u>922,383,941</u>	<u>(41,100,000)</u>	<u>41,100,000</u>
Opening balance at 1st July, 2018 – HKFRS 9	<u>-</u>	<u>922,383,941</u>	<u>244,588,521</u>	<u>2,014,731,740</u>

## 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	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
Hotel operation				
– City Garden Hotel	<b>283,213,985</b>	277,299,815	<b>98,514,665</b>	103,499,271
Investment holding	<b>21,961,269</b>	17,018,376	<b>21,923,935</b>	16,008,190
Hotel operation				
– share of results of associates	-	-	<b>241,763,373</b>	259,379,044
Others – club operation and hotel management	<b>15,477,983</b>	19,350,835	<b>3,593,883</b>	3,731,919
	<b>320,653,237</b>	<b>313,669,026</b>		
Total segment results			<b>365,795,856</b>	382,618,424
Other losses			<b>(5,389,825)</b>	(2,727,977)
Administrative and other expenses			<b>(53,688,323)</b>	(60,602,939)
Finance income, net			<b>25,029,320</b>	16,793,682
Share of results of associates				
- administrative and other expenses			<b>(97,751,341)</b>	(101,975,595)
- finance income			<b>1,753,154</b>	697,769
- income tax expense			<b>(27,425,927)</b>	(26,548,461)
			<b>(123,424,114)</b>	(127,826,287)
Profit before taxation			<b>208,322,914</b>	208,254,903

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

Segment results represent the profit before taxation earned by each segment without allocation of certain administrative expenses, other losses, other expenses and finance costs net of finance income. The segment results of hotel operation operated through investments in associates includes revenue and direct expenses without allocation of associates' administrative and other expenses, finance income 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 for the year are derived from Hong Kong. All the assets of the Group are located in Hong Kong.

### 3. Profit before taxation

	<b>2019</b>	2018
	<b>HK\$</b>	HK\$
Profit before taxation has been arrived at after charging:		
Cost of hotel inventories consumed (included in direct expenses)	<b>26,872,579</b>	28,016,059
Depreciation and amortisation of property, plant and equipment (included in other expenses)	<b>44,413,357</b>	51,846,050
Loss on disposal/write off of property, plant and equipment	<b>1,371</b>	122
	<b><u>1,371</u></b>	<u>122</u>

### 4. Income tax expense

	<b>2019</b>	2018
	<b>HK\$</b>	HK\$
Income tax expense (credit) comprises:		
Hong Kong Profits Tax is calculated with two-tiered profit tax regime (2018: a single tax rate of 16.5%) on the estimated assessable profit		
Current year	<b>12,107,356</b>	14,525,231
Overprovision in prior year	<b>(300,954)</b>	(77,615)
	<b><u>11,806,402</u></b>	<u>14,447,616</u>
Deferred taxation		
Current year	<b>210,104</b>	(1,320,229)
	<b><u>12,016,506</u></b>	<u>13,127,387</u>

### 5. Earnings per share - basic

The calculation of the basic earnings per share is based on the profit for the year attributable to the Company's shareholders of HK\$196,306,408 (2018: HK\$195,127,516) and on the weighted average number of 1,101,247,705 (2018: 1,071,048,832) shares in issue during the year.

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

## 6. Trade and other receivables

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade receivables. The general credit term is from 30 days to 45 days.

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

	<b>2019</b>	2018
	<b>HK\$</b>	HK\$
Trade receivables		
0-30 days	<b>6,340,715</b>	5,647,760
31-60 days	<b>549,292</b>	451,006
61-90 days	<b>106,223</b>	17,417
> 90 days	<b>52,375</b>	106,411
	<b>7,048,605</b>	6,222,594
Other receivables	<b>21,484,490</b>	13,222,855
	<b>28,533,095</b>	19,445,449

## 7. Trade and other payables

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

	<b>2019</b>	2018
	<b>HK\$</b>	HK\$
Trade payables		
0-30 days	<b>6,245,190</b>	6,433,602
31-60 days	<b>3,639,783</b>	3,542,405
	<b>9,884,973</b>	9,976,007
Other payables	<b>23,672,104</b>	20,396,360
	<b>33,557,077</b>	30,372,367

## 8. Commitments

	<b>2019</b>	2018
	<b>HK\$</b>	HK\$
Expenditures contracted for but not provided in the consolidated financial statements in respect of:		
Renovation works, purchase of furniture, fixtures and hotel operating equipment	<b>49,459,876</b>	42,801,121

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Thursday, 24th October, 2019, the register of members of the Company will be closed from Monday, 21st October, 2019 to Thursday, 24th October, 2019, 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 Registrars, Tricor Friendly Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 18th October, 2019.

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 Thursday, 31st October, 2019. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 30th October, 2019 to Thursday, 31st October, 2019, 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 Registrars, Tricor Friendly Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 29th October, 2019.

## **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, save as disclosed below, 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").

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 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.

The Nomination Committee was not constituted by a majority of Independent Non-Executive Directors as required under Appendix 14 to the Listing Rules during the period from 11th March, 2019 to 8th May, 2019 following the passing away of Mr. Peter Wong Man Kong, the then Independent Non-Executive Director, on 11th March, 2019. Subsequently, the Board has appointed Mr. Hung Wai Man as a member of the Nomination Committee with effect from 9th May, 2019 to be in compliance with the said requirement.

## **REVIEW OF AUDITED FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Group for the year ended 30th June, 2019 have been reviewed by the audit committee of the Company.

## **2019 ANNUAL REPORT**

The 2019 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](http://www.sino.com) while printed copies will be sent to shareholders on or about Monday, 23rd September, 2019.

By Order of the Board  
**Velencia LEE**  
*Company Secretary*

Hong Kong, 29th August, 2019

*As at the date hereof, the Executive Directors of the Company are Mr. Robert Ng Chee Siong, Mr. Daryl Ng Win Kong and Mr. Giovanni Viterale, the Non-Executive Directors are The Honourable Ronald Joseph Arculli and Mr. Gilbert Lui Wing Kwong, and the Independent Non-Executive Directors are Mr. Steven Ong Kay Eng, Mr. Wong Cho Bau and Mr. Hung Wai Man.*