HARBOUR CENTRE DEVELOPMENT LIMITED
(Incorporated in Hong Kong with limited liability)
Stock Code: 51

Interim Results Announcement for the half-year period ended 30 June 2019

GROUP RESULTS

Group underlying net profit increased by 95% to HK$238 million (2018: HK$122 million). Inclusive of surplus on revaluation of Investment Properties ("IP"), Group profit attributable to equity shareholders was HK$268 million (2018: HK$358 million), decreasing by 25% compared to the corresponding period of last year.

Basic earnings per share were HK$0.38 (2018: HK$0.51).

INTERIM DIVIDEND

An interim dividend of HK$0.07 (2018: HK$0.07) per share will be paid on 6 September 2019 to Shareholders on record as at 6:00 p.m., 19 August 2019. This will absorb a total amount of HK$50 million (2018: HK$50 million).

BUSINESS REVIEW

Economic performance in the Group's key markets turned down sharply since the beginning of the year and is generally not expected to recover quickly. Against that backdrop, Group revenue, operating profit and underlying net profit for the first half of 2019 fortunately reported improvements from a year earlier, partly due to business ramp-up at The Murray in Hong Kong, which opened in 2018.

As a whole, occupancy and unit rate in the first half were reasonably steady for the Group's core Hotel and IP segments. The Murray began to pick up revenue and pare its start-up loss in its first full year of business. Development Properties ("DP") continued to decline in significance as the project pipeline continued to shrink. Investments continued to report a steady return.

However, the second half of the year remains highly uncertain and is giving the Group serious concerns.

Overall, Group revenue in the first half increased by 8% to HK$799 million (2018: HK$740 million), operating profit by 81% to HK$275 million (2018: HK$152 million) and underlying net profit by 95% to HK$238 million (2018: HK$122 million). Inclusive of IP revaluation surplus, however, Group profit attributable to equity shareholders decreased by 25% to HK$268 million (2018: HK$358 million).

Pre-sale deposits and proceeds from Suzhou International Finance Square ("IFS") represented the main contributor to total net cash inflow during the period amounting to HK$983 million. Net cash of HK$598 million was reported as at the end of the period (31 December 2018: net debt of HK$385 million).

Hong Kong

Investment Properties

Hong Kong retail sales momentum began to stumble during the period, although the Group's IP portfolio reported a 15% increase in revenue and a 13% increase in operating profit overall.

The portfolio was independently revalued as at 30 June 2019, and a net revaluation surplus of HK$30 million was registered.

Hotel

Investment helped to achieve occupancy at Marco Polo Hongkong Hotel ("MP Hong Kong") in Harbour City, Tsimshatsui, at 94% with stable revenue per available room ("RevPAR"). Revenue was flat while operating profit decreased slightly by 12% due to the increased costs.

In recognition of its leading position among discerning travellers, MP Hong Kong has been selected among the Top 10 "Best Hotels & Resorts in Hong Kong" in the 2019 DestinAsian Readers' Choice Awards, and attained the TripAdvisor Certificate of Excellence for its top-quality customer experience.

However, substantial capital expenditure and partial business disruption are expected in the coming years as the Group takes steps to enhance the ageing hotel's edge.

The Murray clinched an array of prestigious awards including "Best Luxury Hotel in Hong Kong" by TTG China Travel Awards 2019 and "Best Hotel Openings in the past 12 months" by Travel + Leisure "Hotels It List 2019". The well-curated array of dining options are also highly-acclaimed with Popinjays being crowned as one of "The 15 Best Rooftop Bars in the World" by Condé Nast Traveler Online.

The exquisite business and leisure destination has become the preferred choice for discerning travellers since its full operation in August 2018. Yet, business ramp-up in current market conditions is behind original expectation. As full depreciation of land and building costs over the 50-year lease term is the current accounting standard, EBITDA would be the immediate management focus.

Mainland China

Development Properties

DP segment experienced significant revenue and profit decline as the orderly exit led to substantial land bank depletion. At the end of June 2019, attributable land bank (net of recognised sales) was approximately 0.4 million square metres and the net order book stood at RMB2.8 billion for 81,000 square metres.

Full completion of the 27%-owned Shanghai South Station project is targeted for 2022.

Commercial/Residential Complex under Development

80%-owned Suzhou IFS is making good headway for phased completion starting from the end of this year to the second half of 2020. Accommodating 299,000 square metres of Grade A offices, Niccolo Suzhou (a luxury hotel), sky residences and luxury apartments, the 450-metre landmark skyscraper is poised to become one of the tallest in Jiangsu Province.

Pre-sale of the apartment units and office has commenced since late 2018. As at the end of the period, accumulated attributable total contracted sales amounted to RMB1,101 million.

Hotel

Unfavourable trading conditions, alongside increased supply in the market, continued to weigh on the performance of Marco Polo Changzhou ("MP Changzhou") despite improvement.

FINANCIAL REVIEW

(I) Review of 2019 Interim Results

Group underlying net profit increased by 95% year-on-year to HK$238 million (2018: HK$122 million) mainly resulting from reduction in The Murray's net loss and increase in retail rental income from MP Hong Kong.

Revenue and Operating Profit

Group revenue increased by 8% to HK$799 million (2018: HK$740 million) and operating profit by 81% to HK$275 million (2018: HK$152 million).

Hotel revenue increased by 18% to HK$499 million (2018: HK$423 million), benefitting from the increasing contribution from The Murray since its full operation in August 2018. MP Hong Kong's revenue remained unchanged for soft market demand. Operating profit increased to HK$19 million (2018: loss HK$37 million) mainly due to The Murray's operating loss reduced by HK$69 million. MP Hong Kong's operating profit decreased by 12% as impacted by increase in operating expenses.

IP revenue increased by 15% to HK$220 million (2018: HK$192 million) and operating profit by 13% to HK$203 million (2018: HK$180 million), driven by the increase in retail rental income from MP Hong Kong.

DP revenue decreased by 85% to HK$10 million (2018: HK$66 million) with operating loss of HK$14 million (2018: loss HK$46 million) in the absence of major DP contribution in the mainland. Including profit contributions from associate, DP reported underlying net profit at HK$28 million (2018: loss HK$9 million).

Operating profit from Investment and Others segment, comprising of interest and dividend income from surplus cash and investments, increased by 19% to HK$70 million (2018: HK$59 million).

Finance Costs

Net finance costs amounted to HK$29 million (2018: HK$23 million) after interest capitalisation of HK$16 million (2018: HK$5 million) for the Group's DP projects.

Share of Results (after Tax) of Joint Ventures and Associates
Attributable profit from associate amounted to HK$25 million (2018: HK$48 million), which was solely from the Shanghai South Station project. No contribution (2018: loss HK$6 million) was recorded for joint ventures.

Income Tax
Taxation charge decreased to HK$26 million (2018: HK$51 million) due to the LAT downward adjustment for Suzhou Times City.

Profit Attributable to Equity Shareholders
Group profit attributable to equity shareholders for the period decreased by 25% to HK$268 million (2018: HK$358 million). Underlying net profit excluding IP revaluation differences was HK$238 million (2018: HK$122 million), representing an increase of 95%.

Earnings per share ("EPS") were HK$0.38 (2018: HK$0.51) based on 708.8 million issued shares.

(II) Review of Financial Position, Liquidity, Resources and Commitments

Shareholders' and Total Equity
As at 30 June 2019, shareholders' equity increased to HK$17,522 million (2018: HK$17,276 million), equivalent to HK$24.72 per share (2018: HK$24.38 per share). The increase was mainly attributable to increase in investment revaluation reserve by HK$152 million. Including non-controlling interests, the Group's total equity amounted to HK$18,140 million (2018: HK$17,889 million).

Hotel properties are stated at cost less accumulated depreciation in accordance with prevailing Hong Kong Financial Reporting Standards ("HKFRSs"). Restating these hotel properties based on independent valuation as at 30 June 2019 would give rise to an additional revaluation surplus totalling HK$4,565 million and increase the Group's shareholders' equity as at 30 June 2019 to HK$22,087 million, equivalent to HK$31.16 per share.

Assets and Liabilities
Total assets were recorded at HK$27,708 million (2018: HK$26,408 million). Total business assets, excluding bank deposits and cash, equity investments and deferred tax assets, amounted to HK$21,562 million (2018: HK$21,248 million).

Geographically, the Group's business assets in the Mainland increased by 5% to HK$8,434 million (2018: HK$8,006 million), representing 39% (2018: 38%) of the Group's total business assets.

Investment Properties

IP amounted to HK$6,486 million (2018: HK$6,396 million), which mainly included Hong Kong IP of HK$5,723 million (2018: HK$5,693 million) with MP Hong Kong's podium valued at HK$5,121 million. Mainland IP, representing Suzhou IFS under development, was stated at book cost of HK$763 million (2018: HK$703 million).

Properties for Sale / Interests in Associates and Joint Ventures

DP amounted to HK$3,880 million (2018: HK$3,726 million), mainly representing DP portion of Suzhou IFS. DP undertaken through associates and joint ventures amounted to HK$2,916 million (2018: HK$2,895 million).

Hotels

Hotel properties comprised of The Murray, MP Hong Kong and MP Changzhou with total book cost at HK$7,674 million (2018: HK$7,758 million).

Pre-sale Deposits and Proceeds

Pre-sale deposits and proceeds rose by HK$1,716 million to HK$2,376 million (2018: HK$660 million), reflecting mainly the DP pre-sale proceeds of Suzhou IFS.

Net Debt and Gearing

At 30 June 2019, the Group turned around to net cash was HK$598 million (2018: net debt of HK$385 million), consisting of HK$3,179 million in cash and HK$2,581 million in bank borrowings, as a result of sales proceeds exceed development expenditure paid for Suzhou IFS.

Finance and Availability of Facilities and Funds

As at 30 June 2019, the Group's available loan facilities amounted to HK$5,319 million, of which HK$2,581 million were utilised. Certain banking facilities were secured by mortgage over the Group's properties under development with total carrying value of HK$4,584 million (31 December 2018: HK$4,364 million).

The Group's debts were principally denominated in Hong Kong dollars ("HKD") and Renminbi ("RMB") at floating rates.

The use of derivative financial instruments is strictly controlled. Instruments entered into by the Group are mainly used for managing and hedging interest rate and currency exposures.

The Group continued to maintain a reasonable level of surplus cash denominated principally in HKD and RMB to facilitate business and investment activities. As at 30 June 2019, the Group also maintained a portfolio of equity investments mainly consisting of blue chip listed securities with an aggregate market value of HK$2,548 million (2018: HK$2,396 million), which is available for monetisation to meet needs if they arise. The performance of the portfolio was largely in line with the general market.

Net Cash Flows for Operating and Investing Activities

For the period under review, the Group generated a net cash inflow from operating activities of HK$1,237 million (2018: outflow HK$1,475 million), primarily attributable to sales proceeds from Suzhou IFS project exceed construction cost payments. For investing activities, the Group recorded a net cash outflow of HK$84 million (2018: inflow HK$322 million) mainly for Suzhou IFS construction.

Commitments to Capital and Development Expenditure

As at 30 June 2019, major capital and development expenditure planned for the forthcoming years totalled HK$5.3 billion, of which HK$1.4 billion was committed primarily for Mainland IP and DP. Uncommitted expenditure of HK$3.9 billion is mainly for the existing Mainland IP and DP to be incurred by stage in the coming years.

The above expenditures will be funded by internal financial resources, including cash currently on hand, as well as bank loans. Other available resources include equity investments that can be liquidated when in need.

(III) Human Resources

The Group had approximately 1,200 employees as at 30 June 2019. Employees are remunerated according to their job responsibilities and the market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2019 - Unaudited

	Note	Six months ended 30 June **2019** **HK$ Million**	2018 HK$ Million
Revenue	2	**799**	740
Direct costs and operating expenses		**(314)**	(398)
Selling and marketing expenses		**(52)**	(58)
Administrative and corporate expenses		**(49)**	(29)
Operating profit before depreciation, interest and tax		**384**	255
Depreciation		**(109)**	(103)
Operating profit	2 & 3	**275**	152
Changes in fair value of investment properties		**30**	236
Other net income	4	**-**	2
		305	390
Finance costs	5	**(29)**	(23)
Share of results after tax of:			
Joint ventures		**-**	(6)
Associates		**25**	48
Profit before taxation		**301**	409
Income tax	6(a)	**(26)**	(51)
Profit for the period		**275**	358
Profit attributable to:			
Equity shareholders		**268**	358
Non-controlling interests		**7**	-
		275	358
Earnings per share	7		
Basic		**HK$0.38**	HK$0.51
Diluted		**HK$0.38**	HK$0.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2019 - Unaudited

	Six months ended 30 June	
	2019	2018
	HK$ Million	HK$ Million
Profit for the period	**275**	358
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of the operations of:	**(12)**	(50)
- subsidiaries	**(12)**	(39)
- joint ventures	**-**	(11)
Share of reserves of joint ventures	**(1)**	-
Items that will not be reclassified to profit or loss:		
Fair value changes on equity investments	**152**	(33)
Other comprehensive income for the period	**139**	(83)
Total comprehensive income for the period	**414**	275
Total comprehensive income attributable to:		
Equity shareholders	**409**	282
Non-controlling interests	**5**	(7)
	414	275

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019 – Unaudited

	Note	**30 June 2019 HK$ Million**	31 December 2018 HK$ Million
Non-current assets			
Investment properties		**6,486**	6,396
Hotel properties, plant and equipment		**7,779**	7,867
Interest in associates		**1,313**	1,294
Interest in joint ventures		**1,603**	1,601
Equity investments		**2,548**	2,396
Deferred tax assets		**419**	336
Other non-current assets		**25**	27
		20,173	19,917
Current assets			
Properties for sale		**3,880**	3,726
Inventories		**5**	4
Trade and other receivables	9	**431**	263
Prepaid tax		**40**	70
Bank deposits and cash		**3,179**	2,428
		7,535	6,491
Total assets		**27,708**	26,408
Non-current liabilities			
Deferred tax liabilities		**(374)**	(372)
Bank loans		**(2,391)**	(2,743)
		(2,765)	(3,115)
Current liabilities			
Trade and other payables	10	**(2,721)**	(3,133)
Pre-sale deposits and proceeds		**(2,376)**	(660)
Taxation payable		**(1,516)**	(1,541)
Bank loans		**(190)**	(70)
		(6,803)	(5,404)
Total liabilities		**(9,568)**	(8,519)
NET ASSETS		**18,140**	17,889
Capital and reserves			
Share capital		**3,641**	3,641
Reserves		**13,881**	13,635
Shareholders' equity		**17,522**	17,276
Non-controlling interests		**618**	613
TOTAL EQUITY		**18,140**	17,889

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the unaudited interim financial information in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2018. The unaudited interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2018 except for the changes mentioned below.

With effect from 1 January 2019, the Group has adopted the below amendments which are relevant to the Group's consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC) 23	Uncertainty over income tax treatments
Amendments to HKAS 28	Long-term interest in associates and joint ventures
Annual Improvements to HKFRSs 2015- 2017 Cycle	

The Group has assessed the impact of the adoption of the above new standards amendments to HKFRSs and considered that there was no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies.

HKFRS 16, Leases

Under HKFRS 16, the lessees no longer distinguish between operating and finance leases. Instead, subject to practical expedients, a lease liability in respect of the present value of the minimum future lease payments and a corresponding right of use asset are recognised in the consolidated statement of financial position for all lease arrangements of more than 12 months by lessees. HKFRS 16 does not significantly change the way that lessors accounts for their rights and obligations under a lease.

At the commencement date of the lease, the Group as lessee recognises and measures a lease liability at the present value of the minimum future lease payment and recognises a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the Group recognises interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset and impairment losses (if any), instead of the previous accounting policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term.

Given the Group does not have material lease arrangements as a lessee, the Group considers that there is no significant financial impact on the consolidated financial statements of the Group upon the adoption of HKFRS 16.

The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

The financial information relating to the financial year ended 31 December 2018 that is included in the unaudited interim financial information as comparative information does not constitute the Company's statutory annual financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined three reportable operating segments for measuring performance and allocating resources. The segments are hotel, investment property and development property. No operating segment has been aggregated to form reportable segments.

Hotel segment represents the operations of The Murray, MP Hong Kong and MP Changzhou.

Investment property segment primarily represents the property leasing of the Group's investment properties in Hong Kong. Some of the Group's development projects in Mainland China include properties which are intended to be held for investment purposes on completion.

Development property segment encompasses activities relating to the acquisition, development, design, sales and marketing of trading properties primarily in Mainland China.

Management evaluates performance based on operating profit as well as the equity share of results of associates and joint ventures of each segment.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash, equity investments and deferred tax assets.

Revenue and expenses are allocated with reference to income generated by those segments and expenses incurred by those segments or which arise from the depreciation of assets attributable to those segments.

Analysis of segment revenue and results

Six months ended	Revenue HK$ Million	Operating profit HK$ Million	Changes in fair value of investment properties HK$ Million	Other net income HK$ Million	Finance costs HK$ Million	Joint ventures HK$ Million	Associates HK$ Million	Profit/(loss) before taxation HK$ Million
30 June 2019								
Hotel	**499**	**19**	**-**	**-**	**(20)**	**-**	**-**	**(1)**
Investment property	**220**	**203**	**30**	**-**	**(9)**	**-**	**-**	**224**
Development property	**10**	**(14)**	**-**	**-**	**-**	**-**	**25**	**11**
Segment total	**729**	**208**	**30**	**-**	**(29)**	**-**	**25**	**234**
Investment and others	**70**	**70**	**-**	**-**	**-**	**-**	**-**	**70**
Corporate expenses	**-**	**(3)**	**-**	**-**	**-**	**-**	**-**	**(3)**
Group total	**799**	**275**	**30**	**-**	**(29)**	**-**	**25**	**301**
30 June 2018								
Hotel	423	(37)	-	-	(15)	-	-	(52)
Investment property	192	180	236	-	(6)	-	-	410
Development property	66	(46)	-	(1)	(2)	(6)	48	(7)
Segment total	681	97	236	(1)	(23)	(6)	48	351
Investment and others	59	59	-	3	-	-	-	62
Corporate expenses	-	(4)	-	-	-	-	-	(4)
Group total	740	152	236	2	(23)	(6)	48	409

(i) Substantially all depreciation was attributable to the Hotel Segment.

(ii) No inter-segment revenue has been recorded during the current and prior periods.

3. OPERATING PROFIT

Operating profit is arrived at:

	Six months ended 30 June	
	2019	2018
	HK$ Million	HK$ Million
After charging/(crediting) :		
Depreciation	**109**	103
Staff costs (Note i)	**193**	173
Cost of trading properties for recognised sales	**9**	96
Gross rental revenue from investment properties (Note ii)	**(220)**	(192)
Direct operating expenses of investment properties	**9**	6
Interest income	**(18)**	(13)
Dividend income from equity investments	**(52)**	(46)

Notes:

(i) Staff costs included defined contribution pension schemes costs HK$11 million (2018: HK$7 million).

(ii) Rental income included contingent rentals of HK$79 million (2018: HK$53 million).

4. OTHER NET INCOME

	Six months ended 30 June	
	2019	2018
	HK$ Million	HK$ Million
Net exchange gain	**-**	2

5. FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	HK$ Million	HK$ Million
Interest on bank borrowings	**39**	23
Other finance costs	**6**	5
	45	28
Less: Amount capitalised	**(16)**	(5)
Total	**29**	23

6. INCOME TAX

(a) Taxation charged to the consolidated income statement represents:

	Six months ended 30 June	
	2019	2018
	HK$ Million	HK$ Million
Current income tax		
Hong Kong		
- provision for the period	**48**	46
Mainland China		
- provision for the period	**55**	(3)
	103	43
Land appreciation tax ("LAT") (Note (d))	**1**	2
Deferred tax		
Origination and reversal of temporary differences	**(78)**	6
Total	**26**	51

(b) The provision for Hong Kong profits tax is at the rate of 16.5% (2018: 16.5%) of the estimated assessable profits for the period.

(c) Income tax on profit assessable in Mainland China are China corporate income tax calculated at a rate of 25% (2018: 25%) and China withholding tax at a rate of up to 10%.

(d) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditures.

(e) Tax attributable to joint ventures and associates for the six months ended 30 June 2019 of HK$8 million (2018: HK$43 million) is included in the share of results of joint ventures and associates.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders for the period of HK$268 million (2018: HK$358 million) and 709 million ordinary shares (2018: 709 million shares) in issue during the period.

8. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	Six months ended 30 June			
	2019	**2019**	2018	2018
	HK$	**HK$**	HK$	HK$
	Per share	**Million**	Per share	Million
First interim dividend declared after the end of the reporting period	**0.07**	**50**	0.07	50

(a) The first interim dividend based on 709 million issued ordinary shares (2018: 709 million shares) declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) The second interim dividend of HK$163 million for 2018 was approved and paid in 2019.

9. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of allowance for doubtful debts) with an ageing analysis based on invoice date as at 30 June 2019 as follows:

	30 June 2019	31 December 2018
	HK$ Million	HK$ Million
Trade receivables		
0 - 30 days	**47**	97
31 - 60 days	**4**	6
Over 60 days	**7**	6
	58	109
Prepayments	**59**	68
Other receivables	**237**	13
Amounts due from fellow subsidiaries	**77**	73
	431	263

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties from which the proceeds are receivable pursuant to the terms of the agreements. All the trade and other receivables are expected to be recoverable within one year.

10. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on invoice date as at 30 June 2019 as follows:

	30 June 2019 HK$ Million	31 December 2018 HK$ Million
Trade payables		
0 - 30 days	**19**	31
31 - 60 days	**3**	6
61 - 90 days	**4**	2
Over 90 days	**3**	2
	29	41
Other payables and provisions	**531**	549
Construction costs payable	**547**	921
Amounts due to fellow subsidiaries	**22**	29
Amounts due to joint ventures	**1,592**	1,593
	2,721	3,133

11. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2019 has been reviewed with no disagreement by the Audit Committee of the Company.

CORPORATE GOVERNANCE CODE

During the financial period under review, all the code provisions set out in the Corporate Governance Code in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited were met by the Company, with the exception of Code Provision A.2.1 providing for the roles of chairman and chief executive to be performed by different individuals.

It is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a chief executive. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high calibre individuals, with half of them being Independent Non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the financial period under review.

RELEVANT DATES FOR INTERIM DIVIDEND

Ex-entitlement date	16 August 2019 (Fri)
Latest time to lodge share transfer	4:30 p.m., 19 August 2019 (Mon)
Record date/time	6:00 p.m., 19 August 2019 (Mon)
Payment date	6 September 2019 (Fri)

In order to qualify for the abovementioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 19 August 2019.

By Order of the Board
Kevin C. Y. Hui
Director and Company Secretary

Hong Kong, 2 August 2019

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Stephen T. H. Ng, Hon. Frankie C. M. Yick, Mr. Kevin C. Y. Hui and Mr. Peter Z. K. Pao, together with five Independent Non-executive Directors, namely, Mr. David T. C. Lie-A-Cheong, Mr. Roger K. H. Luk, Mr. Michael T. P. Sze, Mr. Brian S. K. Tang and Mr. Ivan T. L. Ting.