

ANNUAL REPORT 2011



THE HERMITAGE



Sino Land Company Limited • Annual Report 2011

This annual report ("Annual Report") is available in both English and Chinese. Shareholders who have received either the English or the Chinese version of the Annual Report may request a copy in the language different from that has been received by writing to the Company's Registrars, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

The Annual Report (in both English and Chinese versions) has been posted on the Company's website at www.sino.com. Shareholders who have chosen to rely on copies of the Corporate Communications (including but not limited to annual report, summary financial report (where applicable), interim report, summary interim report (where applicable), notice of meeting, listing document, circular and proxy form) posted on the Company's website in lieu of any or all the printed copies thereof may request printed copy of the Annual Report.

Shareholders who have chosen to receive the Corporate Communications using electronic means through the Company's website and who for any reason have difficulty in receiving or gaining access to the Annual Report posted on the Company's website will promptly upon request be sent the Annual Report in printed form free of charge.

Shareholders may at any time choose to change their choice of language and means of receipt (i.e. in printed form or by electronic means through the Company's website) of all future Corporate Communications from the Company by giving reasonable notice in writing by post to the Company's Registrars, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong or by email at sinoland83-ecom@hk.tricorglobal.com.



CONTENTS

2	Corporate Information	132	Consolidated Income Statement
3	Notice of Annual General Meeting	133	Consolidated Statement of Comprehensive Income
7	Group Financial Summary	134	Statements of Financial Position
12	Chairman's Statement	136	Consolidated Statement of Changes in Equity
28	Biographical Details of Directors & Senior Management	137	Consolidated Statement of Cash Flows
33	Corporate Governance Report	139	Notes to the Consolidated Financial Statements
45	Directors' Report	225	Disclosure Pursuant to Rule 13.22 of the Listing Rules
80	Review of Operations	226	Major Properties Held by the Group
130	Independent Auditor's Report		Proxy Form

CORPORATE INFORMATION

BOARD OF DIRECTORS

Robert Ng Chee Siong, Chairman
 Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP[#]
 Allan Zeman, GBM, GBS, JP*
 Adrian David Li Man-kiu, JP*
 Fu Yuning*
 Wong Cho Bau, JP* (appointed on 1st March, 2011)
 Yu Wai Wai
 Thomas Tang Wing Yung
 Daryl Ng Win Kong
 Ringo Chan Wing Kwong
 Alice Ip Mo Lin (appointed on 1st June, 2011)

(# Non-Executive Director)

(* Independent Non-Executive Directors)

AUDIT COMMITTEE

Adrian David Li Man-kiu, JP, Chairman
 Allan Zeman, GBM, GBS, JP
 Fu Yuning

REMUNERATION COMMITTEE

Daryl Ng Win Kong, Chairman
 Allan Zeman, GBM, GBS, JP
 Adrian David Li Man-kiu, JP

AUTHORIZED REPRESENTATIVES

Robert Ng Chee Siong
 Thomas Tang Wing Yung

SECRETARY

Eric Ip Sai Kwong

AUDITOR

Deloitte Touche Tohmatsu
 Certified Public Accountants, Hong Kong

SOLICITORS

Baker & McKenzie
 Clifford Chance
 Woo, Kwan, Lee & Lo

SHAREHOLDERS' CALENDAR

Closure of Register of Members for entitlement to attend and vote at Annual General Meeting	26th October, 2011 to 28th October, 2011 (both dates inclusive)
Annual General Meeting	28th October, 2011
Closure of Register of Members for dividend entitlement and bonus issue	3rd November, 2011 to 4th November, 2011 (both dates inclusive)
Record Date for dividend entitlement and bonus issue	4th November, 2011
Last Date for lodging scrip dividend election form	28th November, 2011 4:30 p.m.
Interim Dividend Paid	HK10 cents per share 28th April, 2011
Final Dividend	HK35 cents per share
Bonus Shares	1 new ordinary share for every 10 ordinary shares
	Payable/Issuable 8th December, 2011

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
 The Hongkong and Shanghai Banking Corporation Limited
 DBS Bank Ltd., Hong Kong Branch
 The Bank of East Asia, Limited
 Hang Seng Bank Limited
 Industrial and Commercial Bank of China (Asia) Limited
 Bangkok Bank Public Company Limited
 Sumitomo Mitsui Banking Corporation
 Bank of Communications, Hong Kong Branch
 Mizuho Corporate Bank, Ltd.
 Wing Lung Bank Limited

INVESTOR RELATIONS CONTACT

Please direct enquiries to:
 General Manager – Corporate Finance
 Telephone : (852) 2734 8312
 Fax : (852) 2369 1236
 Email : investorrelations@sino.com

REGISTERED OFFICE

12th Floor, Tsim Sha Tsui Centre,
 Salisbury Road, Tsim Sha Tsui,
 Kowloon, Hong Kong
 Telephone : (852) 2721 8388
 Fax : (852) 2723 5901
 Website : www.sino.com
 Email : info@sino.com

REGISTRARS

Tricor Standard Limited
 26th Floor, Tesbury Centre,
 28 Queen's Road East,
 Hong Kong
 Telephone : (852) 2980 1333
 Fax : (852) 2861 1465
 Email : sinoland83-ecom@hk.tricorglobal.com

LISTING INFORMATION

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of **Sino Land Company Limited** will be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon, on Friday, the 28th day of October, 2011 at 9:30 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2011.
2. To declare a final dividend.
3. To re-elect retiring Directors and to authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2012.
4. To re-appoint Deloitte Touche Tohmatsu as Auditor for the ensuing year and authorise the Board to fix their remuneration.
5. As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

Ordinary Resolutions

- (i) **"THAT** the authorised share capital of the Company be increased from HK\$6,000,000,000 to HK\$8,000,000,000 by the creation of an additional 2,000,000,000 ordinary shares of HK\$1.00 each ranking pari passu with the existing shares of the Company."
- (ii) **"THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the listing of, and permission to deal in, the Bonus Shares (as defined in this paragraph below), an amount standing to the credit of the Share Premium Account of the Company equal to one-tenth of the aggregate nominal amount of the share capital of the Company in issue at the close of business on 4th November, 2011 be capitalised and that the Directors be and they are hereby authorised and directed to apply such sum in paying up in full at par such number of Bonus Shares to be allotted and distributed, credited as fully paid, to the members of the Company whose names appear on the register of members of the Company as at the close of business on 4th November, 2011 in the proportion of one new ordinary share of HK\$1.00 each for every ten ordinary shares of HK\$1.00 each then held by such members ("Bonus Shares"), and that such Bonus Shares shall rank for all purposes pari passu with the existing issued ordinary shares of the Company save that they shall not rank for the final dividend or other distribution in respect of the financial year ended 30th June, 2011, and that no fractional Bonus Shares shall be allotted and fractional entitlements will be aggregated and sold at such time or times as the Directors shall think fit for the benefit of the Company, and the Directors be authorised generally to do all acts and things as may be necessary to give effect to the issue of the Bonus Shares."

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

(iii) **“THAT:**

- (a) subject to paragraph (iii)(b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares to be repurchased pursuant to the approval in paragraph (iii)(a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (1) the conclusion of the next Annual General Meeting of the Company;
- (2) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
- (3) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

(iv) **“THAT:**

- (a) a general mandate be and is hereby unconditionally given to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and deal with additional shares of the Company, to allot, issue or grant securities of the Company, including bonds, debentures and notes convertible into shares of the Company and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, provided that these powers of the Directors and this general mandate is in respect of and in addition to any shares which may be issued on the exercise of the subscription rights under the Company's warrants or pursuant to any scrip dividend scheme or pursuant to a rights issue or pursuant to the exercise of any share option scheme adopted by the Company or pursuant to any rights of conversion under any existing convertible bonds, debentures or notes of the Company, and provided further that these powers of the Directors and this general mandate shall be subject to the restrictions that the aggregate nominal amount of shares allotted or agreed to be allotted or issued pursuant thereto, whether by way of option or conversion or otherwise, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution; and

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

(b) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (1) the conclusion of the next Annual General Meeting of the Company;
- (2) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
- (3) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

(v) “**THAT**, conditional upon the resolutions (iii) and (iv) above being passed, the aggregate nominal amount of the shares which are repurchased by the Company under the authority granted pursuant to resolution (iii) above (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution (iv) above.”

By Order of the Board
Eric IP Sai Kwong
Secretary

Hong Kong, 26th September, 2011

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

Notes:

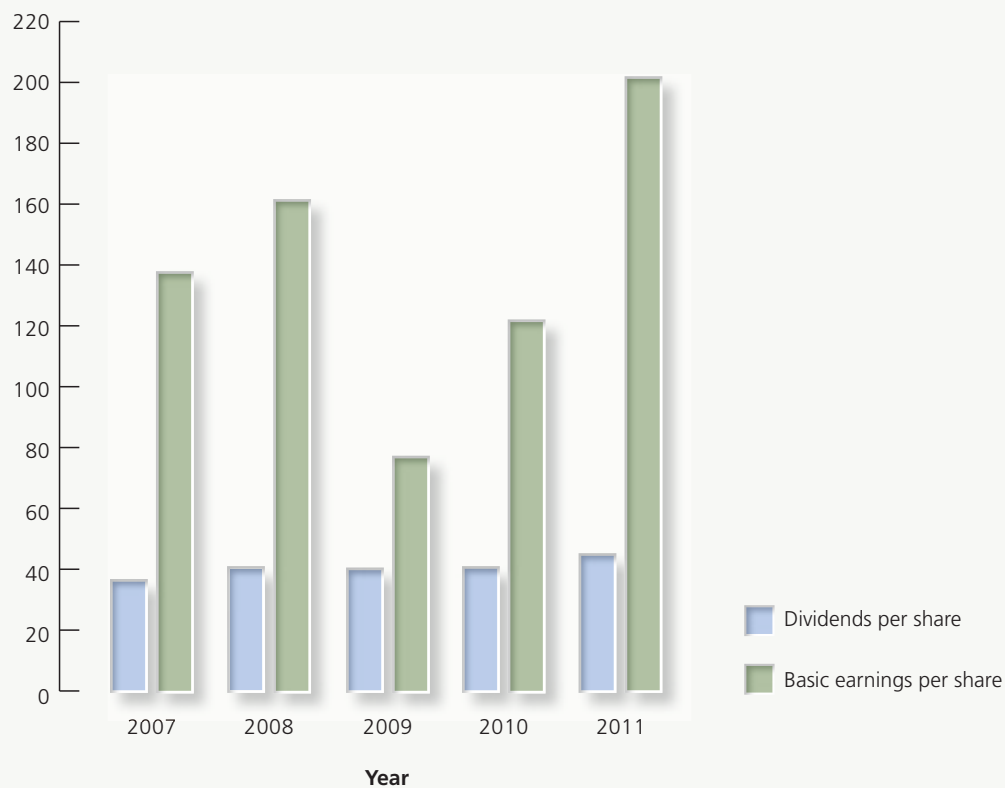
- (a) At the Annual General Meeting, the Chairman of the Meeting will put each of the above resolutions to the vote by way of a poll. On a poll, every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder.
- (b) Any member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.
- (c) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be lodged at the registered office of the Company at 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
- (d) For determining the entitlement to attend and vote at the Annual General Meeting to be held on Friday, 28th October, 2011, the register of members of the Company will be closed from Wednesday, 26th October, 2011 to Friday, 28th October, 2011, 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 Registrars, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 25th October, 2011.
- (e) The proposed final dividend and the proposed Bonus Shares are subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend and the proposed Bonus Shares is at the close of business on Friday, 4th November, 2011. For determining the entitlement to the proposed final dividend and the proposed Bonus Shares, the register of members of the Company will be closed from Thursday, 3rd November, 2011 to Friday, 4th November, 2011, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and the proposed Bonus Shares, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Registrars, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 2nd November, 2011.

GROUP FINANCIAL SUMMARY

	2007 HK\$	2008 HK\$	2009 HK\$	2010 HK\$	2011 HK\$
Turnover	<u>7,532,059,672</u>	<u>6,251,058,498</u>	<u>9,692,696,496</u>	<u>7,697,867,707</u>	<u>5,944,151,294</u>
Underlying net profit from operations	<u>3,904,433,554</u>	<u>3,373,424,278</u>	<u>3,600,779,712</u>	<u>3,506,201,575</u>	<u>4,401,442,725</u>
Profit attributable to owners of the Company	<u>6,267,284,721</u>	<u>7,720,997,490</u>	<u>3,730,647,312</u>	<u>6,093,689,617</u>	<u>10,544,345,671</u>
Basic earnings per share (cents)	139.61	161.19	77.06	125.29	205.92
Dividends per share (cents)	38.5	40.0	40.0	40.0	45.0

Basic Earnings & Dividends Per Share

HK Cents

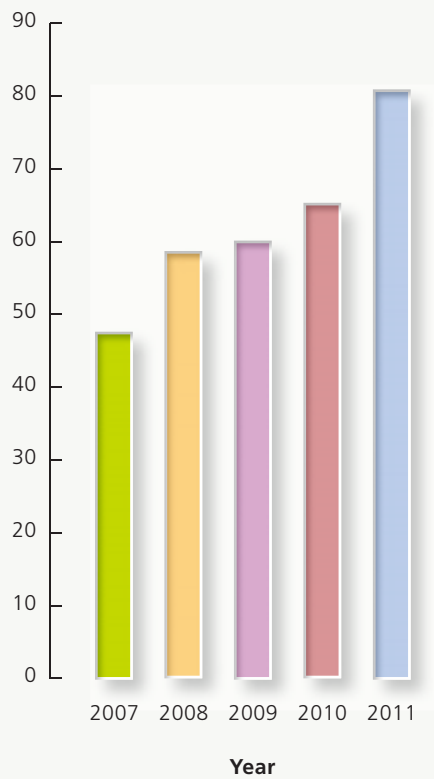


GROUP FINANCIAL SUMMARY (Continued)

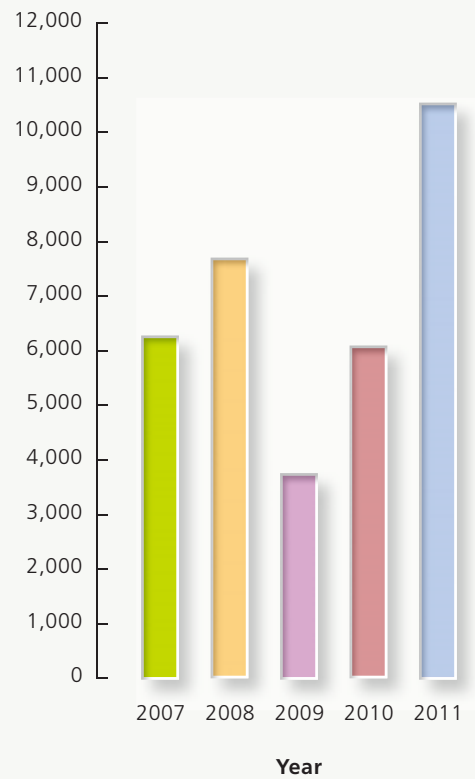
	2007	2008	2009	2010	2011
	HK\$	HK\$	HK\$	HK\$	HK\$
STATEMENT OF FINANCIAL POSITION					
Non-current assets	43,508,811,045	52,864,428,586	56,990,840,219	66,046,488,473	74,625,826,509
Current assets	29,208,439,886	33,369,256,356	32,183,175,355	29,603,462,485	34,302,808,283
Current liabilities	<u>(8,728,250,385)</u>	<u>(10,420,180,942)</u>	<u>(13,724,042,539)</u>	<u>(9,760,389,490)</u>	<u>(8,148,865,562)</u>
	<u>63,989,000,546</u>	<u>75,813,504,000</u>	<u>75,449,973,035</u>	<u>85,889,561,468</u>	<u>100,779,769,230</u>
Share capital	4,610,386,667	4,878,702,770	4,839,469,538	4,902,690,690	5,279,040,969
Reserves	<u>42,970,489,278</u>	<u>53,844,551,716</u>	<u>55,162,426,042</u>	<u>60,412,367,380</u>	<u>75,386,357,195</u>
Shareholders' funds	47,580,875,945	58,723,254,486	60,001,895,580	65,315,058,070	80,665,398,164
Non-controlling interests	184,850,571	263,646,073	296,130,462	378,678,205	658,647,389
Non-current liabilities	<u>16,223,274,030</u>	<u>16,826,603,441</u>	<u>15,151,946,993</u>	<u>20,195,825,193</u>	<u>19,455,723,677</u>
	<u>63,989,000,546</u>	<u>75,813,504,000</u>	<u>75,449,973,035</u>	<u>85,889,561,468</u>	<u>100,779,769,230</u>
Shareholders' funds at book value per share	<u>10.32</u>	<u>12.04</u>	<u>12.40</u>	<u>13.32</u>	<u>15.28</u>

GROUP FINANCIAL SUMMARY *(Continued)*

**Shareholders'
Funds
(HK\$ Billion)**



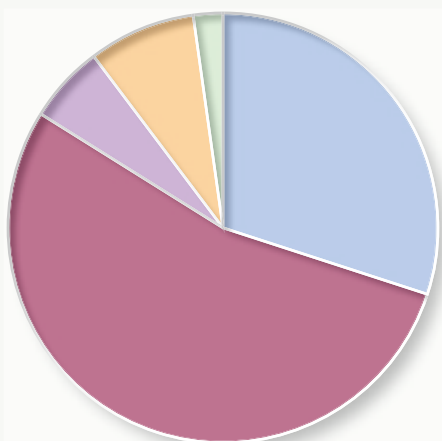
**Profit Attributable to
Owners of the Company
(HK\$ Million)**



GROUP FINANCIAL SUMMARY *(Continued)*

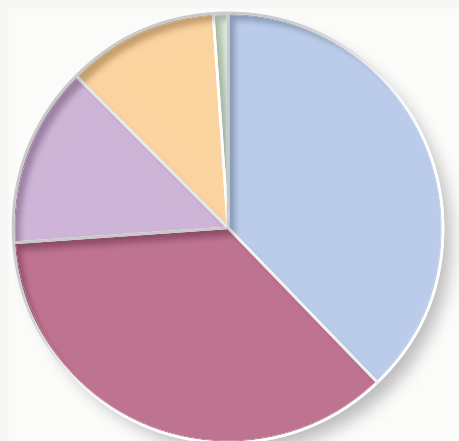
The Company and its subsidiaries (“the Group”)

Breakdown of Segment Results
for the year ended 30th June, 2011



- Property sales **30.1%**
- Property rental **53.9%**
- Property management and other services **5.9%**
- Hotel operations **8.1%**
- Investments in securities and financing **2.0%**

Breakdown of Segment Revenue
for the year ended 30th June, 2011

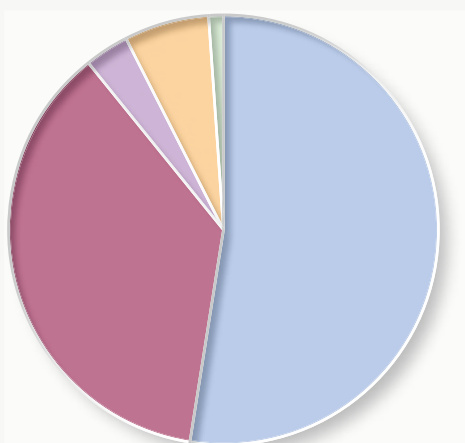


- Property sales **37.9%**
- Property rental **36.2%**
- Property management and other services **13.4%**
- Hotel operations **11.4%**
- Investments in securities and financing **1.1%**

GROUP FINANCIAL SUMMARY *(Continued)*

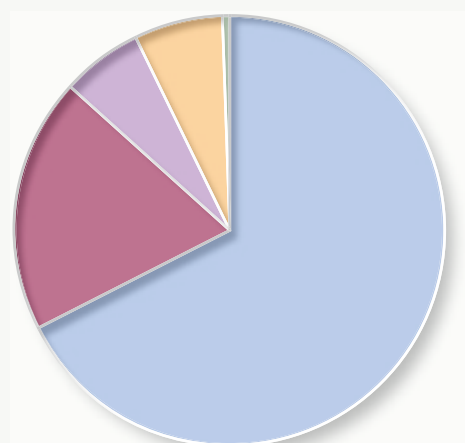
The Group and attributable share from associates

Breakdown of Segment Results
for the year ended 30th June, 2011



- Property sales **52.7%**
- Property rental **36.6%**
- Property management and other services **3.3%**
- Hotel operations **6.3%**
- Investments in securities and financing **1.1%**

Breakdown of Segment Revenue
for the year ended 30th June, 2011



- Property sales **67.5%**
- Property rental **19.3%**
- Property management and other services **6.2%**
- Hotel operations **6.5%**
- Investments in securities and financing **0.5%**

CHAIRMAN'S STATEMENT



I am pleased to present the 2010/2011 Annual Report to shareholders.

FINAL RESULTS

For the financial year ended 30th June, 2011, the Group's net profit attributable to shareholders reached a record high of HK\$10,544.3 million, representing an increase of 73.0% compared with HK\$6,093.6 million in the last financial year. Excluding revaluation surplus (net of deferred taxation) on investment properties of HK\$6,142.9 million, the underlying net profit from operations was HK\$4,401.4 million, an increase of 25.5% compared with HK\$3,506.2 million in the last financial year.

The turnover of the Group for the financial year 2010/2011 was HK\$5,944.1 million (2009/2010: HK\$7,697.8 million). As the Group owns 50% interest in The Hermitage residential project in West Kowloon, the significant sales of the residential units were booked under the share of results of associates.

Earnings per share was HK\$2.05, an increase of 64.0% when compared with HK\$1.25 in the last financial year.

CHAIRMAN'S STATEMENT (Continued)

DIVIDENDS AND BONUS ISSUE

The Directors have resolved to recommend a final dividend of 35 cents per share in respect of the financial year ended 30th June, 2011 to shareholders whose names appear on the Register of Members of the Company on 4th November, 2011. Together with the interim dividend of 10 cents per share, the total dividend for the full financial year is 45 cents per share.

The Directors propose that shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on 28th October, 2011; 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.

To celebrate the Group's 30th anniversary of listing on the stock exchange in Hong Kong, the Directors propose a bonus issue of shares on the basis of one new ordinary share for every ten ordinary shares held. The bonus issue of shares is to be made to shareholders whose names appear on the Register of Members of the Company on 4th November, 2011. The new shares will be issued as fully paid and will rank pari passu with the existing issued shares except they will not carry any right to receive the final dividend of 35 cents per share in respect of the year ended 30th June, 2011. The bonus issue of shares is subject to approval at the Company's Annual General Meeting and to the listing of and permission to deal in the new shares being granted by The Stock Exchange of Hong Kong Limited.

A circular containing details of the scrip dividend proposal and the bonus issue proposal will be dispatched to shareholders together with the form of election for scrip dividend on or about 14th November, 2011. It is expected that the final dividend warrants and share certificates for the scrip dividend and the bonus shares will be dispatched to shareholders on or about 8th December, 2011.



Sino Land Company Limited has been awarded the 'Corporate Governance Asia Annual Recognition Awards 2011' for the fifth year in a row by leading financial magazine Corporate Governance Asia in recognition of its commitment to providing effective management and prudent measures for maximising shareholders' value.

CHAIRMAN'S STATEMENT *(Continued)*



The Hermitage

The Hermitage, an architectural landmark in the West Kowloon Golden Circle, enjoys excellent accessibility as a gateway to both international and local transport networks. The property comprises 964 residential units, an opulent clubhouse and is completed with a shopping mall, Olympian City 3. Residents can enjoy panoramic views of Victoria Harbour, the exquisite clubhouse with its well-appointed design as well as the vibrant and diverse retail offerings right on its doorstep.

BUSINESS REVIEW

(1) Sales Activities

Total revenue from property sales for the financial year ended 30th June, 2011, including property sales of associates attributable to the Group, was HK\$9,290.0 million, representing an increase of 91.6% when compared with last financial year (2009/2010: HK\$4,848.6 million).

Total revenue from property sales comprises mainly the sales of residential units in projects completed during the financial year 2010/2011 as well as those completed in previous financial years. Projects completed in the financial year 2010/2011 were The Hermitage and Maison Rosé. Market responses to the sales of the units in these two projects were robust with over 99.0% of the total units sold in The Hermitage and all of the units in Maison Rosé completely sold out. With regard to projects completed in previous financial years, these mainly included The Palazzo, The Balmoral, Goodwood Park, Lake Silver, One New York, The Dynasty and Vision City. Contributions from property sales, including property sales of associates attributable to the Group, was HK\$3,240.7 million, representing an increase of 56.8% when compared with the previous financial year (2009/2010: HK\$2,066.6 million). The Group will continue to seek for good opportunities to launch new projects for sale in order to enhance shareholders' value.

CHAIRMAN'S STATEMENT (Continued)

BUSINESS REVIEW*(Continued)***(1) Sales Activities** *(Continued)*

During the financial year 2010/2011, the Group completed four projects with a total attributable gross floor area of over 1.2 million square feet. Details of the completed projects are presented in the table below:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
1. The Hermitage, 1 Hoi Wang Road, South West Kowloon, Hong Kong	Residential/ Retail	50%	534,344
2. Sino International Plaza 137 Wu Xi Lu, Fuzhou, PRC	Commercial	100%	499,158
3. 18 Kowloon East, 18 Wang Chiu Road, Kowloon Bay, Hong Kong	Commercial	50%	174,310
4. Maison Rosé 270 Cheung Sha Wan Road, Kowloon, Hong Kong	Residential/ Retail	100%	39,120
			1,246,932

**The Hermitage Club**

Designed by world-class architects and designers, The Hermitage features a luxurious clubhouse inspired by classical European architecture, and which is complete with comprehensive lifestyle facilities.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

(2) Land Bank

As at 30th June, 2011, the Group has a land bank of approximately 40.6 million square feet of attributable gross floor area comprising a balanced portfolio of properties of which 64.3% is residential; 24.0% commercial; 5.3% industrial; 3.6% car parks and 2.8% hotels. In terms of breakdown of the land bank by status, 28.1 million square feet consist of properties under development, 11.7 million square feet of properties for investment/own use and 0.8 million square feet of properties held for sale. The Group will continue to selectively replenish its land bank, both in Hong Kong and Mainland China, to optimise its earnings potential.

During the financial year 2010/2011, the Group was awarded the development rights of a site from Urban Renewal Authority of Hong Kong mainly for residential development. Details of project are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
KIL11200, Fuk Tsun Street/Pine Street, Tai Kok Tsui, West Kowloon, Hong Kong	Residential/ Commercial	Joint Venture	54,251
			54,251

Subsequent to the financial year ended 30th June, 2011, the Group together with two joint venture partners successfully acquired a plot of land located in Shatin in a government land auction held on 9th August, 2011. The site will be used for residential development. Details of the site are shown as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
STTL525, Shatin Area 56A, Kau To (Site A), New Territories	Residential	40%	412,588
			412,588

CHAIRMAN'S STATEMENT *(Continued)***BUSINESS REVIEW**
*(Continued)***(3) Property Development**

The Group expects to complete a total of seven projects with an attributable gross floor area of over 1.1 million square feet in the financial year ending 30th June, 2012. Details of the projects are shown below:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
1. Providence Bay TPTL 186, Pak Shek Kok, Tai Po, New Territories	Residential	35%	250,072
2. One Mayfair 1 Broadcast Drive, Kowloon Tong, Kowloon	Residential	100%	196,592
3. Providence Bay TPTL 188, Pak Shek Kok, Tai Po, New Territories	Residential	25%	187,447
4. Providence Bay TPTL 187, Pak Shek Kok, Tai Po, New Territories	Residential/ Commercial	50%	172,703
5. Baker Residences Baker Court, Hung Hom, Kowloon, Hong Kong	Residential/ Commercial	Joint Venture	26,824

CHAIRMAN'S STATEMENT *(Continued)***BUSINESS REVIEW**
*(Continued)***(3) Property Development** *(Continued)*

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
6. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	Residential/ Commercial/ Hotel	20%	191,344
7. Le Sommet West Side of Jia He Lu & North of Song Bai Zhong Lu, Xiamen	Residential/ Commercial	100%	124,535
			<hr style="width: 100%; border: 0.5px solid black;"/> 1,149,517

Subsequent to the financial year ended 30th June, 2011, the Occupation Permit for Baker Residences was issued by the Building Authority of the HKSAR Government in July 2011.

The Group will continuously improve its developments and services through stringent quality control, and applying environmentally friendly features and facilities to enhance the lifestyles of residents and tenants. Environmental sustainability is an important guiding principle in the Group's project development. Efforts to reduce carbon emissions, use more sustainable materials, apply energy efficient designs and layouts as well as employ environmentally friendly landscaping, fixture and fittings are encouraged and pursued.

BUSINESS REVIEW

(Continued)

(4) Rental Activities

The Group's gross rental revenue, including attributable share from associates, was HK\$2,642.4 million for the financial year ended 30th June, 2011, representing an increase of 10.2% compared with HK\$2,396.9 million in the last financial year. The increase in rental revenue was mainly due to higher rental rates on renewals and new leases, as well as improvements in occupancy levels of the existing rental portfolio. Full rental contributions are also expected for financial year 2011/2012 from Sino International Plaza in Fuzhou and Olympian City 3, which were completed in financial year 2010/2011.

Leasing markets for retail, office and industrial sectors in Hong Kong have been active throughout the year and are gaining momentum with both occupancy and rental rates on an upward trend.

The retail sector in Hong Kong has grown strongly primarily due to economic growth in Hong Kong, Mainland China and other parts of Asia. Improving economic environment, as reflected by a favourable job market, rises in income and increase in household formation, has driven domestic consumption. The economic growth in Mainland China and other parts of Asia together with the strengthening of Renminbi and other major Asian currencies against the Hong Kong dollar have further stimulated inbound visitor arrivals, benefiting a spectrum of retail businesses. Given the overall business condition, the prospects of retail sector are encouraging. The Group's shopping malls including Tuen Mun Town Plaza, Olympian City, Citywalk and Citywalk 2 are set for further growth.

The office sector in Hong Kong continues to show good growth in terms of absorption and rental rates as new companies set up their offices, together with existing companies expanding their business operations and headcount due to economic growth. The capital market fund-raising activities done during the period under review have also increased the demand for quality office. As the Group owns a number of office-cum-retail buildings in the prime locations and among them include The Centrium, Tsim Sha Tsui Centre, China Hong Kong City, Skyline Tower and Exchange Tower, combined with the Group's ongoing asset enhancement initiatives, it is well positioned to capitalise on the uptrend of the office market.



Skyline Tower, a Grade-A commercial building managed by Sino Property Services (SPS), has received the Grand Award in the Existing Buildings Category (Facility Management Sub-Category) at The Green Building Award 2010. Its all-rounded green designs, innovative green programmes and an environmentally-aware property management team has been recognised by the jury panel.

CHAIRMAN'S STATEMENT *(Continued)*



Sino Group, Olympic City, Sino Group's 'Art in Hong Kong' and Green Sino presented 'Earth from Above—An Aerial Portrait of Our Planet—Toward a Sustainable Development' at the Open Piazza of Olympic City. It was the first outdoor photo exhibition of its kind in Hong Kong, featuring 100 stunning aerial photographs by world-renowned photographer and environmentalist Yann Arthus-Bertrand to promote the message of environmental sustainability for a greener planet.

BUSINESS REVIEW

(Continued)

(4) Rental Activities *(Continued)*

The continuous growth of trade in both Hong Kong and Mainland China and the increase in consumption of a wide range of consumer products have induced industrial investment activities, pushing demand for industrial space to a higher level. These factors are positive to the Group's industrial buildings. The HKSAR Government's incentives to convert the industrial buildings into office use will not only be conducive to balance the demand and supply in the sector but they also revitalise the existing industrial buildings and surrounding areas. The Group will continue to review and assess the feasibility of its industrial buildings that are qualified under the scheme whenever possible.

Regular and thematic asset enhancement initiatives are integral to the Group's effort to raise asset quality, property values and rental revenues. These initiatives include extensive refurbishment programmes in Tuen Mun Town Plaza, developing effective marketing and promotional events, raising service quality, reconfiguring the layouts of premises to meet the needs of tenants and ensuring the optimal trade mix. Such improvements enrich shopping experience and support our tenants with a sustained flow of shoppers, all of which bring more business and enhance the value of the Group's investment properties.

As at 30th June, 2011, the Group has approximately 11.7 million square feet of attributable gross floor area of completed properties for investment/own use. Of this portfolio, commercial developments (retail and office) account for 65.1%, industrial developments 13.9%, car parks 12.4%, hotels 6.1%, and residential 2.5%. The Group expects to complete a total of approximately 2.0 million square feet of attributable gross floor area of investment properties in the next few years. These new investment properties will further strengthen the Group's recurrent income base.

CHAIRMAN'S STATEMENT *(Continued)***BUSINESS REVIEW**
*(Continued)***(5) Hotels*****The Fullerton Hotel Singapore and The Fullerton Bay Hotel***

Supported by the resurgence of the Asian economies, the improving business environment in the region and the opening of a number of new attractions in Singapore, namely Resorts World Sentosa and Marina Bay Sands, Singapore's hospitality sector grew impressively in 2010 and the trend continued throughout the first half of calendar year 2011. Visitor arrivals to Singapore increased to 11.6 million in 2010 from 9.6 million in 2009, representing an annual increase of approximately 20.8%. It further increased by 14.9% in the first half of 2011 compared to the corresponding period last year. Both The Fullerton Hotel and The Fullerton Bay Hotel have benefited from the positive market conditions and they yielded good financial and operating results for the financial year ended 30th June, 2011. Both hotels received a number of awards from respected organisations and publications in recognition of its service quality.

Conrad Hong Kong

2010 saw an encouraging growth of visitor arrivals of 21.8% to 36.0 million in Hong Kong (2009: 29.6 million). The trend is continuing for the first half of 2011 with visitor arrivals reaching 19.3 million for the first 6 months of 2011, representing an increase of 14.7% year-on-year. The growth was mainly due to rise in income and wealth in Mainland China and neighbouring countries; strengthening of Renminbi and certain other Asian currencies against Hong Kong dollar; and growing interests in visiting Hong Kong from other markets, namely South Korea, Russia and India. The high level of capital market activities in Hong Kong during the year also stimulated the demand for business conferences and events. Benefiting from the growth of tourism and business environment, the financial and operating results of Conrad Hong Kong were favourable for the financial year 2010/2011 with average room rate, occupancy and gross operating margin growing steadily. During the financial year 2010/2011, Conrad Hong Kong received a number of awards from respected organisations and publications in recognition of its service quality. Looking forward, hospitality industry in Hong Kong is expected to continue to grow with visitor arrivals being estimated to reach 39.6 million in 2011.

New Hotel

A boutique hotel with 32 guest rooms in One SilverSea's lower floors is expected to be completed in the financial year 2011/2012. Interior fitting-out works for the guest rooms, lobby and facilities have commenced and together with the other three 5-star hotels mentioned above, the earnings contributions from the Group's hotel business will be further enhanced.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

(6) Mainland China Business

China, the largest economy in Asia and the second largest in the world based on GDP, recorded resilient growth in 2010 and the trend is expected to continue. It has set in place a system to aim at sustainable economic growth in the years to come. The Central Government's efforts in promoting the regional multi-lateral economic co-operation with its trading partners and East Asian economies will also support prosperity in the region.

Building on the framework and success of The Eleventh Five-Year Plan, The Twelfth Five-Year Plan passed in March this year will set a blueprint for the overall development of China economy in the next five years. As urbanisation continues to speed up, demand for housing and public amenities increases. The rise in wealth and standards of living will also generate higher upgrading demand for high-quality housing. The policy direction on housing set out in the Plan, under which investment in affordable housing and supply of land for private residential developments will increase, balance the demand and supply of housing as well as cater to demand from various income groups of households and individuals. Other policies on infrastructure developments, transportation network, transformation from a manufacturing-base economy to a service-base economy, broadening of the taxation system, reform of the education system and so forth, bode well for the long-term growth of the economy. With these policies in place, the Plan will help build a more balanced, coordinated and sustainable society.

The Group has strengthened its platform of property business in Mainland China. The completion of the development and selling of residential projects, namely One HoneyLake in Shenzhen, Chengdu International Community in Chengdu, Greenfields in Guangzhou as well as Beverly Garden, Colonnades Court and Park Place in Xiamen have built up the Group's experience and execution track records in Mainland China. The Group's interest in the commercial project Raffles City Shanghai located in the central business area of Shanghai has also established its presence in the city.

CHAIRMAN'S STATEMENT *(Continued)***BUSINESS REVIEW**
*(Continued)***(6) Mainland China Business** *(Continued)*

As at 30th June 2011, the Group's land bank in Mainland China totaled 25.2 million square feet and these projects are in Shanghai, Chengdu, Chongqing, Zhangzhou, Guangzhou, Xiamen, Fuzhou and Shenzhen. Of this, 24.3 million square feet are projects currently being developed, and the remaining represents completed properties for investment and sale. Approximately 91.0% of the development land bank in Mainland China is for residential developments, the remaining is for commercial and hotel developments. All the projects are situated in cities with good economic and demographic fundamentals. The major property developments in Chengdu, Chongqing and Zhangzhou will be completed by phases over the next few years when expected profit contributions from these projects will be realised.

The Group continues to exercise a focused and selective approach to land bank replenishment and property development in Mainland China that can deliver good shareholder value. The majority of its developments are residential properties, which are built for sale. Commercial portions of sites will be retained mainly for investment purposes. Mainland China is an important market for the Group to grow in the medium to long term, the Group will continue to seek for attractive sites with good development value in cities with strong economic fundamentals. The Group will capitalise on its strengths it has established in Hong Kong and Singapore to execute its property development business in Mainland China and position its products and services as the preferred choice. The Group's proven strategy of building quality properties and providing professional after-sales property management services are key to achieving customer satisfaction and we are committed to doing the same for projects in Mainland China.

Other than the matters mentioned above, there has been no material change from the information published in the report and accounts for the financial year ended 30th June, 2010.

FINANCE

As at 30th June, 2011, the Group's healthy financial position is evidenced by its low gearing of 7.9%, expressed as a percentage of bank and other borrowings net of cash and bank balances over shareholders' equity. The decrease in gearing compared with that of 21.5% as at 30th June, 2010 was mainly due to good sales and a share placement of 305 million new ordinary shares at HK\$16.85 per share on 9th November 2010. Of the total borrowings, 15.5% was repayable within one year, 21.1% repayable between one and two years and 63.4% repayable between two and five years. The Group's borrowings are subject to floating interest rates. The Group, including the attributable share of its associates, had cash resources of approximately HK\$20,071.9 million as at 30th June, 2011, comprising cash on hand of approximately HK\$8,998.1 million together with committed undrawn facilities of approximately HK\$11,073.8 million. All the cash on hand are deposited with banks of high credit ratings. Total assets and shareholders' funds of the Group were HK\$108,928.6 million and HK\$80,665.3 million respectively.

CHAIRMAN'S STATEMENT *(Continued)*

FINANCE *(Continued)*

The majority of the Group's debts are denominated in Hong Kong dollars, with the balance in Singapore dollars, mainly used to fund The Fullerton Heritage project in Singapore. Other than the above mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the financial year ended 30th June, 2011. The majority of the Group's cash are denominated in Hong Kong dollars, with a relative small portion of Renminbi denominated deposits. Foreign exchange exposure has been prudently kept at a minimal level. The Group has maintained a prudent and sound financial management policy and has not entered into any transaction relating to derivatives and/or any other form of accumulators, swap transactions and options.

CORPORATE GOVERNANCE

The Group places great importance on corporate integrity, business ethics and good governance. With the objective of practicing good corporate governance, the Group has formed Audit, Compliance and Remuneration Committees. The Group is committed to maintaining corporate transparency and disseminates information about new developments through various channels, including press releases, its corporate website, results briefings, site visits, participation in non-deal roadshows and investor conferences. In recognition of the outstanding performance of the Group's management in corporate governance, the Group has been honoured with the 'Corporate Governance Asia Annual Recognition Awards 2011' by the Corporate Governance Asia.

CUSTOMER SERVICE

The Group reaffirms its commitment to building quality projects. In keeping with its mission to enhance customer satisfaction, the Group will wherever possible ensure that attractive design concepts and features, which are also environmentally friendly, are integral elements of its developments. Management maintains regular reviews of its properties so that improvements can be made on a continuous basis. This helps to build our reputation for the highest standards of quality and service.

Delivering high-quality customer service has long been one of the Group's key business objectives. During the financial year 2010/2011, the Group's Sino Property Services received a number of awards from the HKSAR Government and other respected organisations in recognition of its quality of service, management capability, contributions to the community and charitable services, and the promotion of environmental protection. The Group will continue to make improvements in its quality of service to ensure customer satisfaction.

CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, the Group has been actively involved in a wide range of community programmes, voluntary services, green initiatives to promote environmental protection, art and cultural events, and staff teambuilding activities. Over the years, the Group has been actively supporting and participating in a wide array of charitable fund raising activities and it has been a longstanding supporter of a number of organisations serving the community. In recognition of the Group's efforts in supporting voluntary community service, the Hong Kong Council of Social Service awarded the Group with a '5 Years Plus Caring Company Logo' for 2010/2011.

CORPORATE SOCIAL RESPONSIBILITY*(Continued)*

The Group recognises its role in protecting the environment. Efforts have constantly been made through various means to make its properties more environmental friendly through well thought through architectural planning, energy saving and management initiatives. Green Sino Carnival was organised, providing a full range of green activities. On the property management side, facilities to support the government's push for the use of environmental-friendly vehicles have been developed. Further, in response to the trend towards electric vehicles, electric vehicle chargers have been installed at some of the Group's car parks and this project will be reviewed and expanded to cover more car parks. A number of awards were also received in the period in recognition of the efforts in environmental protection.

Believing that art and culture enrich the quality of life and promote creativity, the Group introduced the 'Art in Hong Kong' programme in 2006 to provide opportunities for local and international artists to display and promote their work, bringing art into people's daily lives and enhancing public appreciation of various types of art. The Group has converted some of its properties into public galleries and provides professional assistance spanning curatorial support, publicity, exhibition design and artwork installation. The programme also organises a wide range of educational activities to enhance people's understanding of art. Over the past years, in recognition of its contribution to the development of local arts, the Hong Kong Arts Development Council honoured the Group's 'Art in Hong Kong' with the 'Award for Arts Sponsorship' for the second consecutive year, and the 'Award for Arts Promotion' for the first time.

PROSPECTS

Recent global economic environment has seen challenges mainly due to the downgrade of sovereign rating of the US by a rating agency and the debt problems in the Euro zone, that have affected market sentiment in the short-term. The agreement among the policymakers in the US to raise the statutory debt ceiling, and the objective to accomplish a more conservative fiscal policy have relieved market concerns on the financial position of the US Government. In Europe, the debt problems will lead to structural economic and social reforms in the affected countries and restore financial stability in the region. The global economic recovery is expected to continue despite recent volatilities in the market.



Sino Caring Friends reached out to serve the community on 'Sino Caring Day'.

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS *(Continued)*

China's economic growth is expected to remain steady as a result of positive fundamentals notwithstanding Central Government's monetary tightening efforts and measures as they should be helpful to sustain economic expansion over the medium and long-term. The Twelfth Five-Year Plan, which aims at setting out the directions for a sustainable economic development, will take Chinese economy to a new level. In particular, the plan to impel the new round of western development with Chengdu and Chongqing being the focus of such policy will create additional business opportunities benefiting the Group as it has one sizable property development in each of the cities. The housing measures are integral part of the housing reform and social policy in Mainland China that are important to establish a healthy and resilient property market environment. The Plan, together with its policies and measures, will provide good support for future economic development of Mainland China.

Hong Kong economy continued to benefit from the robust growth in Mainland China and Asia throughout the financial year 2010/2011. Overall business environment has picked up. Job market has improved with unemployment rate at low level. The retail sector has seen solid growth due to increase in household income as well as vibrant inbound tourism. Capital market has been active with significant number of IPOs and other financing transactions completed. The increase in transaction flow of Renminbi in the Hong Kong banking system will further strengthen Hong Kong's position as international financial centre. It is also worth noting that Hong Kong is identified as top base for global business mainly due to its location, trilingual mix and skilled workforce according to a study. Given Hong Kong's solid economic condition, improvement in competitiveness and HKSAR Government's efforts in further developing Hong Kong by promoting regional cooperation, investing in infrastructure and enhancing business environment, Hong Kong economy is expected to grow from strength to strength.

The Hong Kong property market is going through a period of changes that are important to establish a more sustainable framework of a healthy property market. They broadly cover the needs of different income groups. The home-buyer protection measures introduced in mid-2010 has increased transparency in property transactions. The housing measures stated in the Policy Address in October 2010 help maintain a good balance in demand and supply. The implementation of additional stamp duties and lowering of the loan-to-value ratios in November 2010 help reduce excessive speculative home purchase activity and ensure a healthy mortgage lending business. The housing measures including the introduction of government-initiated land auctions and tender and 'My Home Purchase Plan' in the 2011-12 Budget announced in February 2011 set out a more broad based housing policy to stabilise residential property prices. And the most recently, further restrictions on loan-to-value ratios as credit control management is an extension of previous one implemented earlier on in November 2010. These measures will forestall potential risks in property and banking sectors, helping to build strong economic fundamentals. Hong Kong property market has shown consolidation in the past few months reflecting the impact of the measures by the HKSAR Government to stabilize the property prices and external factors in the US and Euro zone, nevertheless, the market outlook is positive for the medium and long-term.

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS *(Continued)*

With GDP rising over several consecutive quarters, improved employment prospects, good income growth, affordable mortgage rates, favourable rental yields on residential properties, increasing marriages and births, increasing availability of development sites due to government initiated auctions and tenders, good external demand from Mainland Chinese, better quality housing with environmentally-friendly features, these are conducive to a healthy growth of the economy and property market of Hong Kong.

Management will strive to optimise earnings; enhance efficiency and productivity; improve the quality of products and services, which will ultimately lead to better served customers. In respect of property development and property management, the Group will incorporate more environmentally friendly elements and initiatives in projects. Further, as the Group is in a strong financial position, management will continue to be proactive in seeking for expansion of land bank with good development value thereby enhancing shareholders' value. The Group will maintain a policy of selectively and continuously replenishing its land bank both in Hong Kong and China, which will enable it to strengthen earnings and profitability.

STAFF AND MANAGEMENT

I would like to extend a warm welcome to Mr. Wong Cho Bau, JP, who was appointed on the Board as Independent Non-executive Director with effect from 1st March, 2011. Mr. Wong's extensive knowledge and experience will be of great benefit to the Group.

I would also like to take this opportunity to welcome Ms. Alice Ip Mo Lin to the Board. Ms. Ip was appointed as Executive Director with effect from 1st June, 2011.

Mr. Sunny Yeung Kwong, who served the Board since 1st July, 2008, resigned effective 21st June, 2011. His contribution during his directorship with the Company is highly 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, 1st September, 2011

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

(I) EXECUTIVE DIRECTORS

Mr. Robert Ng Chee Siong, aged 59, an Executive Director since 1981 and Chairman of the Group since 1991, was called to the Bar in 1975. He has been actively engaged in property investment and development in Hong Kong during the last 35 years and is also a director of a number of subsidiaries and associated companies of the Company. Mr. Ng is the Chairman of Tsim Sha Tsui Properties Limited (“TST Properties”), the holding company of the Company, and the Chairman of Sino Hotels (Holdings) Limited (“Sino Hotels”). In addition, he is an Independent Non-Executive Director of The Hongkong and Shanghai Hotels, Limited, a Director of The Real Estate Developers Association of Hong Kong and a Member of the 11th National Committee of the Chinese People’s Political Consultative Conference. Mr. Ng is the father of Mr. Daryl Ng Win Kong, an Executive Director of the Company, the son of the late substantial shareholder Mr. Ng Teng Fong and the brother of Mr. Philip Ng Chee Tat, the co-executor of the estate of the late Mr. Ng Teng Fong.

Mr. Yu Wai Wai, aged 51, an Executive Director of the Company since January 2003, is a member of the Hong Kong Institute of Architect, a Registered Architect and an Authorized Person (Architect). He has extensive experience in design, project management, quality management, construction site management and cost management. Mr. Yu joined the Company in 1992 and is in charge of the Development Division. He is also a director of a number of subsidiaries and associated companies of the Company.

Mr. Thomas Tang Wing Yung, aged 56, is an Executive Director of the Company since April 2005. He first joined the Company, TST Properties and Sino Hotels as Chief Financial Officer in November 2003. Mr. Tang obtained his Bachelor of Science Degree in Modern Mathematics from Surrey University, United Kingdom. He has been an Associate Member of The Institute of Chartered Accountants in England and Wales since 1981. He is also a Fellow Member of The Hong Kong Institute of Certified Public Accountants (Practising) and has over 34 years of experience in accounting and finance.

Prior to joining the Sino Group, Mr. Tang was Managing Director of an investment and financial advisory services firm that is a member of an international group, overseeing operations in the Asia-Pacific region. He has also served as a Director and Executive Committee member of a publicly-listed company in Hong Kong, where he participated in formulating the company’s investment policy as well as reviewing and approving the company’s investments and divestments, trading and retail distribution in the Mainland China and in Hong Kong.

Mr. Tang is also a director of a number of subsidiaries and associated companies of the Company and Sino Hotels.

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT *(Continued)***(I) EXECUTIVE DIRECTORS**
(Continued)

Mr. Daryl Ng Win Kong, aged 33, an Executive Director of the Company since April 2005, holds a Bachelor of Arts Degree in Economics and a Master Degree of Science in Real Estate Development from Columbia University in New York. Mr. Ng first joined the Company as Executive (Development) in 2003. He is a director of a number of subsidiaries and associated companies of the Company and is an Executive Director of TST Properties and Sino Hotels. He is also an Independent Non-Executive Director of Blue Cross (Asia-Pacific) Insurance Limited and BEA Life Limited and a Director of Hong Kong Design Centre. He is a General Committee member of The Chamber of Hong Kong Listed Companies, a member of the International Advisory Council of Columbia University in the City of New York, a member of the Tenth Sichuan Committee of Chinese People's Political Consultative Conference, a member of the Tenth and Eleventh Committees of the All-China Youth Federation, the Deputy Chairman of the Chongqing Youth Federation, a member of The Greater Pearl River Delta Business Council, a member of the Executive Council and trustee member of World Wide Fund for Nature Hong Kong, a member of Executive Committee of The Boys' & Girls' Clubs Association of Hong Kong, a Director of The Community Chest of Hong Kong and a Director of The Real Estate Developers Association of Hong Kong. He is the eldest son of the Chairman Mr. Robert Ng Chee Siong and the eldest grandson of the late substantial shareholder Mr. Ng Teng Fong.

Mr. Ringo Chan Wing Kwong, aged 51, an Executive Director of the Company since January 2008. He first joined the Company in 1988 and has been an Associate Director (Group Treasury) of the Company since 2005. He is also a director of a number of subsidiaries and certain associated companies of the Company. Mr. Chan holds a Master Degree of Business Administration and is a Fellow Member of the Association of Chartered Certified Accountants and an Associate Member of The Hong Kong Institute of Certified Public Accountants (Practising). Mr. Chan has over 27 years of experience in accounting and finance.

Ms. Alice Ip Mo Lin, aged 55, an Executive Director of the Company since 1st June, 2011, joined the Company in 2007 and has been an Associate Director of the Company since 2009. Ms. Ip has a Bachelor's Degree from the University of British Columbia, Canada and has extensive experience in the areas of organization development and human resources management. Ms. Ip currently oversees the Company's human resources management and development. She is a member of the Hong Kong Management Association Training & Development Awards Organizing Committee and the Hong Kong Institute of Human Resource Management Minimum Wage Task Force. Ms. Ip is also a member of the Hong Kong Professionals and Senior Executives Association and a registered member of the Board of Registration of Social Worker, British Columbia. She is also a director of certain subsidiaries of the Company.

(II) NON-EXECUTIVE DIRECTOR

The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP, aged 72, has been a Director of the Company since 1981 and was re-designated from an Independent Non-Executive Director to a Non-Executive Director in July 2005. The Honourable Ronald Arculli through Arculli and Associates (July – December 2005) and since 1st January, 2006 through Ronald Arculli and Associates provides consultancy services to the Company. He is also a Non-Executive Director of TST Properties and Sino Hotels. The Honourable Ronald Arculli is the Independent Non-Executive Chairman of Hong Kong Exchanges and Clearing Limited. He has a long and distinguished record of public service on numerous government committees and advisory bodies. He was the Chairman of The Hong Kong Jockey Club from 2002 to August 2006. He is a practising solicitor and has served on the Legislative Council from 1988 to 2000. He is currently a non-official member of the Executive Council of The Hong Kong Special Administrative Region Government, the Chairman of the Honorary Advisory Committee of SVHK Foundation Limited, a member of the board of West Kowloon Cultural District Authority (“WKCD”) and a member of the Consultation Panel appointed under WKCD. The Honourable Ronald Arculli is an Independent Non-Executive Director of Hang Lung Properties Limited and SCMP Group Limited, and a Non-Executive Director of Power Assets Holdings Limited, Hutchison Harbour Ring Limited and HKR International Limited, all companies listed on The Stock Exchange of Hong Kong Limited.

(III) INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Allan Zeman, GBM, GBS, JP, aged 63, an Independent Non-Executive Director of the Company since September 2004, is the holder of Honorary Doctor of Laws Degree from The University of Western Ontario, Canada. He is also an Independent Non-Executive Director of TST Properties. After spending more than 40 years in Hong Kong, Dr. Zeman has established many business interests in Hong Kong and overseas, ranging from property development, entertainment to public relations, in addition to having an interest in Li & Fung Limited, a company listed on The Stock Exchange of Hong Kong Limited. Dr. Zeman is the Chairman of Ocean Park, a major theme park in Hong Kong, and also the Chairman of Lan Kwai Fong Holdings Limited, the major ultimate property owner and developer in Lan Kwai Fong, one of Hong Kong’s most popular tourist destinations. Dr. Zeman is a member of the Business Facilitation Advisory Committee, the Commission on Strategic Development to serve on Economic Development and Economic Cooperation with Mainland. Dr. Zeman serves as a board member on a number of public bodies in Hong Kong as well as the West Kowloon Cultural District Authority. Dr. Zeman is a Director of The “Star” Ferry Company, Limited and an Independent Non-Executive Director of Pacific Century Premium Developments Limited and The Link Management Limited. Dr. Zeman is on Board of Wynn, the prominent gaming company in Las Vegas and Macau, China. He is also a director of Wynn Resorts, Limited, a company listed in the United States and a Non-Executive Director and Vice-Chairman of Wynn Macau, Limited, a company listed on The Stock Exchange of Hong Kong Limited.

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT *(Continued)***(III) INDEPENDENT
NON-EXECUTIVE
DIRECTORS**
(Continued)

Mr. Adrian David Li Man-kiu, JP, aged 38, an Independent Non-Executive Director since April 2005, serves as the Deputy Chief Executive of The Bank of East Asia, Limited and is in charge of the overall management of the Bank's business activities in Hong Kong. He is also an Independent Non-Executive Director of TST Properties and Sino Hotels. Mr. Li is currently a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference ("CPPCC"), PRC and was formerly a member of the Ninth and Tenth Guangzhou Committees of the CPPCC. He is also a member of the All-China Youth Federation, the Deputy Chairman of the Beijing Youth Federation and a Counsellor of the Hong Kong United Youth Association. In addition, he is a Council Member of the Vocational Training Council and the Chairman of its Banking and Finance Industry Training Board, a Board Member of The Community Chest of Hong Kong, and a member of the Mandatory Provident Fund Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. He is currently an Independent Non-Executive Director of China State Construction International Holdings Limited and an Alternate Independent Non-Executive Director of San Miguel Brewery Hong Kong Limited. Further, he is an Alternate Director of AFFIN Holdings Berhad, a company which is listed on the main board of the Malaysia Stock Exchange. Mr. Li was formerly a Board Member of Ocean Park Corporation and an advisory board member of the Hong Kong Export Credit Insurance Corporation. Mr. Li holds a Master's Degree in Management from Kellogg School of Management, Northwestern University, Evanston, Illinois, US, and a Master of Arts degree and a Bachelor of Arts degree in Law from the University of Cambridge, UK. He is a member of The Law Society of England and Wales and The Law Society of Hong Kong.

Dr. Fu Yuning, aged 54, an Independent Non-Executive Director since June 2005, graduated from Dalian Institute of Technology in the PRC with a Bachelor Degree in Port and Waterway Engineering. He obtained a Doctorate Degree in Offshore Engineering from Brunel University, United Kingdom, where he worked as a Post-Doctorate research fellow. Dr. Fu is the Chairman of China Merchants Group Limited. He is also the Chairman of China Merchants Holdings (International) Company Limited, a company listed on The Stock Exchange of Hong Kong Limited and the Chairman of China Merchants Bank Co., Ltd., a company listed on both the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. Dr. Fu is also an Independent Non-Executive Director of Capitaland Limited, a company listed on Singapore Exchange Limited. Dr. Fu also holds directorships in some public associations such as General Committee Member of the Hong Kong General Chamber of Commerce and Member of the Advisory Committee of the Securities and Futures Commission, Hong Kong Special Administrative Region. He was formerly the Chairman of China Merchants Energy Shipping Company Limited, a company listed on the Shanghai Stock Exchange, the Chairman of China International Marine Containers (Group) Limited, a company listed on the Shenzhen Stock Exchange, and an Independent Non-Executive Director of Integrated Distribution Services Group Limited, a company listed on The Stock Exchange of Hong Kong Limited.

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT *(Continued)***(III) INDEPENDENT
NON-EXECUTIVE
DIRECTORS**
(Continued)

Mr. Wong Cho Bau, JP, aged 53, an Independent Non-Executive Director since March 2011, currently serves as Chairman of East Pacific (Holdings) Ltd., Shenzhen East Pacific Group Ltd., Donghai Airlines Co., Ltd., Donghai Jet Co., Ltd. and Director of Friends of Hong Kong Association Ltd.. He is also an Independent Non-Executive Director of Sino Hotels. Mr. Wong, with 30 years of extended business experience, is one of the pioneers on the establishment of business in Shenzhen Special Economic Zone. His business interests have expanded from property development to industrial and aviation. Donghai Airlines Co., Ltd. is the first proprietary air cargo company in China and Donghai Jet Co., Ltd. actively develops chartered jets for business and private travels. Mr. Wong is a National Committee Member of the 10th and 11th Chinese People's Political Consultative Conference. He was formerly a Councilor of the 1st and 2nd Council of China Overseas Friendship Association and a Standing Committee Member of the 8th, 9th and 10th All-China Youth Federation. Mr. Wong is currently an Executive Councilor of the 3rd Council of China Overseas Friendship Association and a Committee Adviser of Hong Kong Association for The Promotion of Peaceful Reunification of China. He is also a member of China Trade Advisory Board of Hong Kong Trade Development Council and a member of the Customs and Excise Service Children's Education Trust Fund Investment Advisory Board.

**(IV) SENIOR
MANAGEMENT**

Various businesses and functions of the Company are respectively under the direct responsibilities of the Executive Directors who are regarded as senior management of the Company.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") is committed to providing effective management and sound control of the Company for maximizing the shareholders' value. The corporate governance principles of the Company emphasize the attainment and maintenance of a high standard of corporate governance practices and procedures, a quality Board, sound internal controls and high transparency and accountability to the shareholders. The Company has adopted its own Code on Corporate Governance Practices and has complied with all 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") (the "Code") except that there was no separation of the roles of the chairman and the chief executive officer. The corporate governance practices of the Company in compliance with the Code during the financial year ended 30th June, 2011 with explanation of the abovementioned deviation are set out below in this report.

CORPORATE GOVERNANCE PRACTICES

DIRECTORS

Corporate Governance Principle

The Board is charged with providing overall leadership and control for the Group in an effective and responsible manner with a view to maximizing the financial performance of the Company and the shareholders' value. The Board makes decisions on business strategies and corporate governance practices, sets the Group's objectives, value and standards and oversees and monitors the management performance within the control and delegation framework of the Company. These include the Company's financial statements, dividend policy, any significant changes in accounting policy, adoption of corporate governance practices and procedures and risk management strategies.

Board Composition

The current Board has 11 Directors which composes of six Executive Directors including the Chairman of the Board, one Non-Executive Director and four Independent Non-Executive Directors. The Company has maintained on its website an updated list of its directors identifying their roles and functions and whether they are Independent Non-Executive Directors. Independent Non-Executive Directors are identified as such in all corporate communications that disclose the names of Directors of the Company.

The current Board has a balance of skill and experience appropriate for the business of the Company and the balance between Executive and Non-Executive Directors is effective in ensuring independent judgement can effectively be exercised.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Board Composition *(Continued)*

The current Board members are:

Executive Directors

Mr. Robert Ng Chee Siong *(Chairman)*

Mr. Yu Wai Wai

Mr. Thomas Tang Wing Yung

Mr. Daryl Ng Win Kong

Mr. Ringo Chan Wing Kwong

Ms. Alice Ip Mo Lin

Non-Executive Director

The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP

Independent Non-Executive Directors

Dr. Allan Zeman, GBM, GBS, JP

Mr. Adrian David Li Man-kiu, JP

Dr. Fu Yuning

Mr. Wong Cho Bau, JP

Biographical details of the Directors and their relationships, where applicable, are contained on pages 28 to 32 "Biographical Details of Directors & Senior Management".

Division of Responsibilities

Every Director keeps abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company. Every newly appointed director receives a comprehensive induction package covering the statutory and regulatory obligations of directors, organizational structure, policies and procedures of the Company, codes of the company, terms of reference of committees and charter of responsibilities of internal audit. The Company Secretary from time to time updates the Directors on the latest development of the Listing Rules and applicable regulatory requirements.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Division of Responsibilities *(Continued)*

The Chairman of the Board provides leadership to the Board and undertakes both the roles of chairman and chief executive officer. The Chairman ensures that the Board works effectively and discharges its responsibilities and all key and appropriate issues are discussed by the Board in a timely manner. The Chairman takes responsibility for ensuring that good corporate governance practices and procedures are established and encourages all directors to make a full and active contribution to the Board's affairs. The Executive Directors constituting the senior management of the Company are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control and delegation framework of the Company.

The Non-Executive Directors bring expertise and independent views on important issues relating to the Group's strategy, policy, financial performance and advise on matters where potential conflicts of interests arise.

All directors are required to give sufficient time and attention to the Group's affairs. Each director is required to disclose to the Company at the time of appointment his/her other directorships held in listed companies or offices held in public organizations and other significant commitment. The Directors are required to update the Company from time to time any changes of such information on a timely basis.

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 found that the current arrangement has worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the four Independent Non-Executive Directors have contributed valuable views and proposals for the Board's deliberation and decisions. The Board will review the management structure regularly to ensure it continues to meet these objectives and is in line with the industry practices.

The Company has arranged appropriate directors' and officers' liabilities insurance coverage for the Directors and officers of the Group.

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*DIRECTORS *(Continued)***Board Meetings and Supply of
and Access to Information**

The Board holds at least four regular meetings a year which are normally scheduled in the fourth quarter of the preceding year and will meet more frequently as and when required. During the financial year ended 30th June, 2011, the Board had held four meetings and the attendance records of the Directors are set out below:

Directors	Meetings attended/Total
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	4/4
Mr. Yu Wai Wai	4/4
Mr. Thomas Tang Wing Yung	4/4
Mr. Daryl Ng Win Kong	4/4
Mr. Ringo Chan Wing Kwong	4/4
Mr. Sunny Yeung Kwong (resigned on 21st June, 2011)	3/3
Ms. Alice Ip Mo Lin (appointed on 1st June, 2011)	1/1
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP	3/4
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman, GBM, GBS, JP	4/4
Mr. Adrian David Li Man-kiu, JP	4/4
Dr. Fu Yuning	0/4
Mr. Wong Cho Bau, JP (appointed on 1st March, 2011)	0/1

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*DIRECTORS *(Continued)***Board Meetings and Supply of and Access to Information** *(Continued)*

Notice incorporating agenda of each regular Board or Committee meeting is given to all Directors or board committee members at least 14 days in advance, and all Directors or board committee members are given the opportunity to include matters for discussion in the agendas. Meeting papers are normally sent to all Directors or board committee members at least five days in advance of every regular Board meeting or board committee meeting.

The Company Secretary assists the Chairman of the Board and the Chairmen of the Board Committees in preparing the meeting agendas and ensures that the Code of the Company as well as all applicable laws and regulations are duly complied. Minutes of board and board committee meetings are recorded in sufficient details of the matters considered and decisions reached at the meetings. Draft and final versions of the minutes are sent to all Directors or Committee members for comment and records respectively within a reasonable time after the meetings. All minutes are properly kept by the Company Secretary and are available for the Directors' or board committee members' inspection.

All the Directors are entitled to have access to timely information in relation to the Company's business and make further enquiries where necessary, and have unrestricted access to the advice and services of the Company Secretary who is responsible to the Board for ensuring the board procedures and all applicable rules and regulations are followed.

Directors' Appointment, Re-election and Removal

All Non-Executive Directors have entered into letters of appointment with the Company for a specific term of three years. All Directors are subject to retirement from office by rotation and re-election at the annual general meeting once every three years in accordance with the Company's articles of association.

The rotating Directors who are subject to retirement and re-election at the 2011 annual general meeting are set out on page 47.

The Company has not established a nomination committee. The Board is collectively responsible for appointing new Directors either to fill causal vacancies or as additional Board members. The Board is empowered under the Company's articles of association to appoint any person as a Director either to fill a causal vacancy or as an additional Board member. Only the most suitable candidates who are experienced and competent and able to fulfil the fiduciary duties and duties of skill, care and diligence would be selected for directorship. During the year, the Board has approved and appointed Ms. Alice Ip Mo Lin as new Executive Director and Mr. Wong Cho Bau, JP as new Independent Non-Executive Director.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Directors' Appointment, Re-election and Removal *(Continued)*

In accordance with the Company's articles of association, new appointments to the Board are subject to re-election by shareholders of the Company at the next following annual general meeting.

The structure, size and composition of the Board will be reviewed from time to time to ensure that the Board has a balanced skill and expertise for providing effective leadership to the Company.

Confirmation of Independence

The independence of the Independent Non-Executive Directors were assessed in accordance with the applicable Listing Rules. Each of the Independent Non-Executive Directors has provided an annual written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the Independent Non-Executive Directors meet the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules and are independent.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

The Company's emolument policy is to ensure that the remuneration offered to employees including Executive Directors and senior management is based on the skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of Executive Directors are also determined by reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each Director. The emolument policy for Non-Executive Directors is to ensure that the Non-Executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in the Board Committees. Individual Director and senior management would not be involved in deciding their own remuneration.

Remuneration Committee

The Company established its Remuneration Committee on 23rd June, 2005 with written terms of reference. The Committee comprises three members with the Independent Non-Executive Directors constituting the majority of the Committee. The Chairman of the Committee is the Executive Director, Mr. Daryl Ng Win Kong and the two other members are Independent Non-Executive Directors, namely Dr. Allan Zeman, GBM, GBS, JP and Mr. Adrian David Li Man-kiu, JP.

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)***Remuneration Committee**
(Continued)

The Remuneration Committee is responsible for, inter alia, making recommendations to the Board on the Company's emolument policy and structure for Directors and senior management and on the establishment of a formal and transparent procedure for developing such policy and structure. In arriving at its recommendations, the Committee will consult with the Chairman and take into consideration factors including but not limited to salaries paid by comparable companies, employment conditions elsewhere in the Company and its subsidiaries and desirability of performance-based remuneration. The Committee is provided with sufficient resources enabling it to discharge its duties. The Committee would meet at least annually to make recommendations to the Board on the Group's emolument policy including the remuneration of Directors and senior management.

During the year, the Remuneration Committee has held one meeting, reviewed and endorsed the Company's existing emolument policy and reviewed the remuneration of Directors. No Director was involved in deciding his own remuneration at the meeting of the Committee. The attendance records of individual Committee members are set out below:

Committee members	Meetings attended/Total
Mr. Daryl Ng Win Kong	1/1
Dr. Allan Zeman, GBM, GBS, JP	1/1
Mr. Adrian David Li Man-kiu, JP	1/1

The written terms of reference of the Remuneration Committee are available at the Company's website www.sino.com.

Details of the Directors' emoluments for the year are set out in Note 13 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for the Financial Statements

The Board is responsible for the preparation of the financial statements which should give a true and fair view of the state of affairs of the Group and of the results and cash flows for such reporting period. In preparing the financial statements, the Board has adopted generally accepted accounting standards in Hong Kong and suitable accounting policies and applied them consistently, made judgements and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Board is responsible for ensuring that the Group keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The auditor is responsible for auditing and reporting his opinion on the financial statements of the Group and the independent auditor's report for the financial year ended 30th June, 2011 is set out on pages 130 to 131.

Internal Controls and Risk Management

The Board has the responsibility to ensure that the Company maintains sound and effective internal controls to safeguard the interest of the Company and its shareholders.

Based on a guidance (namely, Internal Control and Risk Management – A Basic Framework) issued by the Hong Kong Institute of Certified Public Accountants in June 2005, the Company has enhanced its internal control function by integrating thereto a comprehensive risk management framework which aims to provide reasonable assurance against material errors, losses or fraud. The concepts and practical procedures of the framework are spelled out in the Company's Guideline on Risk Management for the reference of all major business operations and departments to encourage a risk aware and control conscious environment throughout the Group.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Internal Controls and Risk Management *(Continued)*

Under the Group's internal control and risk management framework, twice a year each major operation unit or department identifies major risks, assesses and evaluates the risk according to its likely impact and the likelihood of occurrence and develops effective control activities to mitigate the risks. The results of such risk assessment, evaluation and mitigation of each operation unit or department are summarized in a standard and consistent manner for the Internal Audit Department's review. Depending on the nature and exposure of the risks of individual operation units or departments, the Internal Audit Department performs further operational and financial reviews, makes recurring and impromptu site investigations on selected risk areas to ensure the effectiveness of the control activities developed by the relevant operation units or departments. The findings by the Internal Audit Department on the weaknesses of control activities are communicated with the operation units or departments concerned. Relevant control activities are enhanced and post-audit reviews are conducted, where appropriate. The Internal Audit Department's review has also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. In addition, the external auditor Deloitte Touche Tohmatsu has also carried out certain procedures in relation to the qualifications of the staff of the Company's accounting and financial reporting function. The Internal Audit Department summarizes the results and reports to the Audit Committee, which reports to the Board.

During the year, the Board through the Audit Committee reviewed the appraisal performed by the Internal Audit Department on the Company's systems of internal controls and risk management, including the adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The Board was satisfied that the systems are effective and adequate for their purposes.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Audit Committee

The Company set up its Audit Committee on 23rd September, 1998 with written terms of reference. The Committee reports to the Board and has held regular meetings since its establishment to review and make recommendations to improve the Group's financial reporting process and to ensure that management has discharged its duty to have effective financial controls, internal controls and risk management systems.

The Committee comprises three Independent Non-Executive Directors, namely Mr. Adrian David Li Man-kiu, JP (Committee Chairman), Dr. Allan Zeman, GBM, GBS, JP and Dr. Fu Yuning.

The Committee discusses with the management the systems of internal control and risk management and also compliance issues to ensure that the management has discharged its duty to have an effective internal control and risk management system and considers any findings of major investigations of internal control matters. Apart from that, the Committee acts as the key representative body for overseeing the Company's relation with the external auditor including ensuring their independence and objectivity and the effectiveness of the audit process in accordance with applicable standard and reviewing their management letter, and any material queries raised by them to management and management's response.

During the year, the Committee had held four meetings to review the 2010 annual report and accounts, the 2010/2011 interim report and accounts, the internal audit reports on the internal controls and risk management matters and the Compliance Committee reports on the Listing Rules compliance matters of the Company and reported on all such relevant matters to the Board.

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*ACCOUNTABILITY AND AUDIT *(Continued)***Audit Committee** *(Continued)*

The Audit Committee has reviewed the accounting policies and practices adopted by the Company and the annual report for the financial year ended 30th June, 2011. The attendance records of individual Committee member are set out below:

Committee members	Meetings attended/Total
Mr. Adrian David Li Man-kiu, JP	4/4
Dr. Allan Zeman, GBM, GBS, JP	3/4
Dr. Fu Yuning	2/4

The written terms of reference of the Audit Committee are available at the Company's website www.sino.com.

Compliance Committee

The Company set up its Compliance Committee on 30th August, 2004 with written terms of reference to enhance the corporate governance of the Group. The Committee has dual reporting lines. A principal reporting line is to the Board through the Committee Chairman. A secondary reporting line is to the Audit Committee. The existing Committee comprises the Executive Director Mr. Daryl Ng Win Kong (Committee Chairman), the other Executive Directors, the two respective Heads of Legal and Company Secretarial Departments, Group General Manager (Hotel), the Chief Financial Officer, Head of Internal Audit Department, department heads and the Compliance Officer. The Committee holds bi-monthly regular meetings to review and make recommendations to the Board and the Audit Committee on the Group's corporate governance issues and Listing Rules compliance matters.

Codes for Dealing in the Company's Securities

The Company has adopted its code for dealing in the Company's securities by Directors (the "Company Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules. The Company has made specific enquiries of all Directors who confirmed compliance with the required standard set out in the Company Code during the year ended 30th June, 2011.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of unpublished price-sensitive information in relation to the securities of the Company, on no less exacting terms than the Model Code.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Auditors' Remuneration

The fees in respect of audit and non-audit services provided to the Company and its subsidiaries by the auditors for the year ended 30th June, 2011 amounted to HK\$3,971,036 and HK\$562,279 respectively. The non-audit services mainly consist of taxation, review and other reporting services.

COMMUNICATION WITH SHAREHOLDERS

Annual General Meeting

The Board strives to maintain an on-going dialogue with the shareholders of the Company and use annual general meeting as one of the principal channels for communicating with the shareholders. At the annual general meeting, each substantially separate issue will be considered by a separate resolution, including the election of individual directors. The Chairman of the Board and Chairmen of the respective Board Committees usually attend annual general meetings to inter-face with and answer questions from the shareholders.

The Company's notice to shareholders for the 2010 annual general meeting of the Company was sent to shareholders more than 20 clear business days prior to the meeting. The Chairman of the meeting exercised his power under the Articles of Association of the Company to put each proposed resolution to the vote by way of a poll. Since 2003, the Company has adopted poll voting for all resolutions put to vote at the annual general meetings.

The procedures for voting by poll at the annual general meeting are contained in the circular to the shareholders which was dispatched together with the annual report and were further explained at the annual general meeting prior to the polls being taken. Simultaneous translation from English to Cantonese was available at the annual general meeting. Representatives of the Share Registrars of the Company were appointed as scrutineers to monitor and count the poll votes cast at the annual general meeting. The poll results were posted on the website of The Hong Kong Exchanges and Clearing Limited and the corporate website of the Company on the date of the annual general meeting.

Timely Performance Information

The Board is committed to providing clear performance information of the Company to the investors through timely publication of interim and annual results and reports, circulars to shareholders and announcements in accordance with the Listing Rules requirements.

Copies of the annual reports and interim reports of the Company are distributed to its shareholders in accordance with statutory and regulatory requirements and also to interested parties recorded in the Company's mailing lists. The publications of the Company, including financial reports, circulars and announcements, are also available for download from the Company's corporate website.

The Directors present their annual report and the audited financial statements of the Company for the year ended 30th June, 2011.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 48 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 132.

An interim dividend of HK10 cents per share amounting to HK\$188,211,734 by way of cash dividends and HK\$337,766,553 by way of scrip alternatives were paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK35 cents per share amounting to HK\$1,846,589,139 and also a bonus issue of shares on the basis of one new ordinary share for every ten shares held to the shareholders on the Register of Members on 4th November, 2011.

INVESTMENT PROPERTIES

During the year, the Group acquired investment properties HK\$115,969,750, incurred construction cost on investment properties under construction of HK\$32,363,617 and renovation cost on investment properties of HK\$179,124,136, disposed of investment properties of HK\$52,934,570, and also transferred from properties under development of HK\$30,379,246 to investment properties. The Group revalued all its investment properties at the end of the reporting date and the increase in fair value of the investment properties amounting to HK\$5,999,114,359 has been credited directly to the consolidated income statement.

Details of these and other movements during the year in the investment properties of the Group are set out in Note 18 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in Note 20 to the consolidated financial statements.

MAJOR PROPERTIES

Details of the major properties of the Group at 30th June, 2011 are set out on pages 226 to 246.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and associates at 30th June, 2011 are set out in Notes 48 to 49 to the consolidated financial statements, respectively.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in Note 34 to the consolidated financial statements.

DIRECTORS' REPORT (Continued)**PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year, the Company repurchased 6,948,000 ordinary shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$88,483,812. The repurchases were effected by the Directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	Total number of the ordinary shares repurchased	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate consideration <i>HK\$</i>
July 2010	400,000	14.08	13.92	5,612,276
March 2011	282,000	13.20	13.00	3,711,609
April 2011	104,000	13.74	13.58	1,424,865
May 2011	1,358,000	13.70	13.00	18,146,819
June 2011	4,804,000	13.66	11.56	59,588,243
	<u>6,948,000</u>			<u>88,483,812</u>

Out of 6,948,000 shares repurchased, 6,518,000 shares were cancelled on delivery of the share certificates during the year while the remaining 430,000 shares repurchased on 28th, 29th and 30th June, 2011 were cancelled on delivery of the share certificates subsequent to the financial year. 1,300,000 ordinary shares repurchased in the last financial year ended 30th June, 2010 were cancelled during the financial year. The nominal value of HK\$7,818,000 of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$101,700,094 was paid out from the Company's retained profits.

Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 30th June, 2011 were the retained profits of HK\$14,121,892,527 (2010: HK\$13,796,290,465).

**TREASURY, GROUP
BORROWINGS AND
INTEREST CAPITALISED**

The Group maintains a prudent approach in its treasury management with foreign exchange exposure being kept at a minimal level and interest rates on a floating rate bases. Bank borrowings repayable within one year are classified as current liabilities. Repayment analysis of bank borrowings as at 30th June, 2011 are set out in Note 33 to the consolidated financial statements.

Interest expenses capitalised by the Group during the year in respect of properties under development amounted to HK\$81,118,571.

DIRECTORS

The Directors of the Company during the year and up to the date of this report are:

Executive Directors

Mr. Robert Ng Chee Siong
 Mr. Yu Wai Wai
 Mr. Thomas Tang Wing Yung
 Mr. Daryl Ng Win Kong
 Mr. Ringo Chan Wing Kwong
 Mr. Sunny Yeung Kwong (resigned on 21st June, 2011)
 Ms. Alice Ip Mo Lin (appointed on 1st June, 2011)

Non-Executive Director

The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP

Independent Non-Executive Directors

Dr. Allan Zeman, GBM, GBS, JP
 Mr. Adrian David Li Man-kiu, JP
 Dr. Fu Yuning
 Mr. Wong Cho Bau, JP (appointed on 1st March, 2011)

In accordance with the provisions of the Company's Articles of Association and pursuant to Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Mr. Robert Ng Chee Siong, Mr. Adrian David Li Man-kiu, JP, Mr. Wong Cho Bau, JP, Mr. Ringo Chan Wing Kwong and Ms. Alice Ip Mo Lin will retire at the forthcoming Annual General Meeting and, who being eligible, will offer themselves for re-election. Dr. Fu Yuning will also retire at the forthcoming Annual General Meeting but will not offer himself for re-election.

DIRECTORS' REPORT *(Continued)*

DIRECTORS' INTERESTS

As at 30th June, 2011, the interests and short positions held by the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

(a) Long Positions in Shares of the Company

Name of Directors	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	2,736,494,410 <i>(Note)</i>	Beneficial owner of 141,629 shares, spouse interest in 3,030,403 shares and trustee interest in 2,733,322,378 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	51.83%
The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP	1,044,095	Beneficial owner	0.01%
Dr. Allan Zeman, GBM, GBS, JP	—	—	—
Mr. Adrian David Li Man-kiu, JP	—	—	—
Dr. Fu Yuning	—	—	—
Mr. Wong Cho Bau, JP	—	—	—
Mr. Yu Wai Wai	—	—	—
Mr. Thomas Tang Wing Yung	133,511	Beneficial owner	≈0%
Mr. Daryl Ng Win Kong	81,186	Beneficial owner	≈0%
Mr. Ringo Chan Wing Kwong	—	—	—
Ms. Alice Ip Mo Lin	—	—	—

DIRECTORS' INTERESTS
*(Continued)***(a) Long Positions in Shares of the Company** *(Continued)*

Note:

As regards trustee interest in 2,733,322,378 shares:

- (a) *1,196,297,701 shares were held by Tsim Sha Tsui Properties Limited which was 71.95% controlled by the executors of the estate of the late Mr. Ng Teng Fong;*
- (b)
 - (i) *37,186,659 shares were held by Orchard Centre Holdings (Private) Limited, in which Nam Lung Properties Development Company Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited, had a 95.23% control; and*
 - (ii) *1,391,646,670 shares were held through certain other wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;*
- (c) *79,724,731 shares were held through companies which were 100% controlled by the executors of the estate of the late Mr. Ng Teng Fong – 128,987 shares by Fanlight Investment Limited, 127,486 shares by Garford Nominees Limited, 28,688,361 shares by Karaganda Investments Inc., 12,373,167 shares by Orient Creation Limited, 6,013,662 shares by Strathallan Investment Limited, 18,125,282 shares by Strong Investments Limited, 13,889,442 shares by Tamworth Investment Limited and 378,344 shares by Transpire Investment Limited; and*
- (d) *28,466,617 shares were held by the executors of the estate of the late Mr. Ng Teng Fong.*

DIRECTORS' REPORT *(Continued)*

DIRECTORS' INTERESTS (b) Long Positions in Shares of Associated Corporations *(Continued)*

(i) Holding Company

Tsim Sha Tsui Properties Limited

Name of Directors	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	1,083,916,165 <i>(Note)</i>	Beneficial owner of 582,099 shares and trustee interest in 1,083,334,066 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	71.99%
The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP	60,000	Beneficial owner	≈0%
Dr. Allan Zeman, GBM, GBS, JP	–	–	–
Mr. Adrian David Li Man-kiu, JP	–	–	–
Dr. Fu Yuning	–	–	–
Mr. Wong Cho Bau, JP	–	–	–
Mr. Yu Wai Wai	–	–	–
Mr. Thomas Tang Wing Yung	–	–	–
Mr. Daryl Ng Win Kong	–	–	–
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–

Note:

As regards trustee interest in 1,083,334,066 shares:

- (a) 997,834,575 shares were held through companies which were 100% controlled by the executors of the estate of the late Mr. Ng Teng Fong – 103,425,535 shares by Fanlight Investment Limited, 140,156,686 shares by Nippomo Limited, 3,220,659 shares by Orient Creation Limited, 275,658,701 shares by Strathallan Investment Limited, 411,357,647 shares by Tamworth Investment Limited and 64,015,347 shares by Transpire Investment Limited; and
- (b) 85,499,491 shares were held by the executors of the estate of the late Mr. Ng Teng Fong.

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS (Continued) **(b) Long Positions in Shares of Associated Corporations (Continued)**
(ii) Associated Companies

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

Name of Associated Companies	Number of Ordinary Shares	% of Issued Share Capital
Better Chief Limited	50 <i>(Notes 1 and 2)</i>	50%
Brighton Land Investment Limited	1,000,002 <i>(Notes 1 and 3)</i>	100%
Dramstar Company Limited	440 <i>(Notes 1 and 4)</i>	44%
Empire Funds Limited	1 <i>(Notes 1 and 5)</i>	50%
Erleigh Investment Limited	110 <i>(Notes 1 and 5)</i>	55%
Eternal Honest Finance Company Limited	1 <i>(Notes 1 and 5)</i>	50%
Famous Empire Finance Limited	5 <i>(Notes 1 and 6)</i>	50%
Famous Empire Properties Limited	5,000 <i>(Notes 1 and 6)</i>	50%
FHR International Limited	1 <i>(Note 7)</i>	33.33%
Island Resort Estate Management Company Limited	10 <i>(Notes 1 and 5)</i>	50%
Jade Result Limited	500,000 <i>(Notes 1 and 5)</i>	50%
Jumbo Funds Limited	1 <i>(Notes 1 and 8)</i>	50%
Murdoch Investments Inc.	2 <i>(Notes 1 and 3)</i>	100%
Real Maker Development Limited	20,000 <i>(Notes 1 and 9)</i>	10%
Rich Century Investment Limited	500,000 <i>(Notes 1 and 5)</i>	50%
Silver Link Investment Limited	10 <i>(Notes 1 and 5)</i>	50%
Sino Club Limited	2 <i>(Note 10)</i>	100%
Sino Parking Services Limited	450,000 <i>(Note 11)</i>	50%
Sino Real Estate Agency Limited	50,000 <i>(Note 11)</i>	50%

DIRECTORS' REPORT *(Continued)***DIRECTORS' INTERESTS (Continued)** **(b) Long Positions in Shares of Associated Corporations (Continued)****(ii) Associated Companies (Continued)**

Notes:

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

Save as disclosed above, as at 30th June, 2011, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES The Company and its subsidiaries have no share option scheme.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Pursuant to Rule 8.10(2) of the Listing Rules, the Company discloses that during the year, the following current Directors held share interests and/or directorships in companies engaged in businesses which compete or likely to compete, either directly or indirectly, with the businesses of the Group:

Mr. Robert Ng Chee Siong and Mr. Daryl Ng Win Kong held share interests and directorships and Mr. Thomas Tang Wing Yung and Mr. Ringo Chan Wing Kwong held directorships in companies of the Ng Family (including Mr. Robert Ng Chee Siong, Mr. Philip Ng Chee Tat, and as co-executors of the estate of the late Mr. Ng Teng Fong and/or their respective associates) which engage in businesses of property investment, development and management and hotel operation.

The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP, is an Independent Non-Executive Director of Hang Lung Properties Limited, Non-Executive Director of HKR International Limited and Hutchison Harbour Ring Limited, which engage in businesses of property investment, development and management and/or hotel operation respectively.

As the Board of Directors of the Company is independent of the boards of the aforesaid companies and maintains four Independent Non-Executive Directors, the Group operates its businesses independently of, and at arm's length from, the businesses of the aforesaid companies.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Apart from the transactions disclosed under the heading "Related Party Disclosures" as set out in Note 47 to the consolidated financial statements, there were no other contracts of significance in relation to the Group's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year.

SERVICE CONTRACTS

None of the Directors of the Company has a service contract with the Company or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

DIRECTORS' REPORT *(Continued)***CONNECTED
TRANSACTIONS****Existing Continuing Connected Transactions up to 30th June, 2011**

The Company announced on 24th June, 2010 that it had entered into agreements on 24th June, 2010 ("Agreements" or individually "Agreement") relating to the following non-exempt continuing connected transactions between the Company and/or its subsidiaries and the Ng Family (including Mr. Robert Ng Chee Siong, Mr. Philip Ng Chee Tat, and as co-executors of the estate of the late Mr. Ng Teng Fong and/or their respective associates) for the three financial years commencing from 1st July, 2010 and ending on 30th June, 2013 with annual caps fixed for each of the years. Particulars of the Agreements together with the total considerations for the year ended 30th June, 2011 are disclosed herein as required under the Listing Rules:

(A) Building Cleaning Services

Party A:	Best Result Cleaning Services Limited, a wholly-owned subsidiary of the Company
Party B:	Ng Family
Nature of transactions:	Provision of building cleaning services and cleaning consultancy services by the Group to properties developed or to be developed, owned or partly owned, or to be owned or partly owned by the Ng Family
Terms:	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin
Annual Cap:	HK\$90 million
Total consideration for the year:	HK\$49.37 million

(B) Car Park Management Services

Party A:	Sino Parking Services Limited, a company held as to 50% by the Company and 50% by the Ng Family
Party B:	The Group
Nature of transactions:	Provision of car park management services by the Ng Family to properties developed or to be developed, or owned or to be owned by the Group
Terms:	A lump sum fee to be agreed between the parties which shall be determined by reference to a rate of the total gross revenue generated from car parking operations in the properties managed by Sino Parking Services Limited pursuant to the Agreement
Annual Cap:	HK\$34 million
Total consideration for the year:	HK\$20.34 million

**CONNECTED
TRANSACTIONS**
(Continued)

Existing Continuing Connected Transactions up to 30th June, 2011 *(Continued)*

(C) Estate Management and General Administrative Services

Party A:	Sino Estates Management Limited, a wholly-owned subsidiary of the Company
Party B:	Ng Family
Nature of transactions:	Provision of estate management, life style services, home maintenance services, courtesy services and general administrative services by the Group to properties developed or to be developed, owned or partly owned, or to be owned or partly owned by the Ng Family
Terms:	A lump sum fee to be agreed between the parties which shall be a fixed sum or determined by reference to a rate of the management expenditure as shown in the annual budget of or actually incurred by the Ng Family in respect of the properties managed by Sino Estates Management Limited pursuant to the Agreement
Annual Cap:	HK\$41 million
Total consideration for the year:	HK\$21.63 million

(D) Security Guard Services

Party A:	Sino Security Services Limited, a wholly-owned subsidiary of the Company
Party B:	Ng Family
Nature of transactions:	Provision of security guard services by the Group to properties developed or to be developed, owned or partly owned, or to be owned or partly owned by the Ng Family
Terms:	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin
Annual Cap:	HK\$86 million
Total consideration for the year:	HK\$57.84 million

DIRECTORS' REPORT *(Continued)***CONNECTED
TRANSACTIONS**
*(Continued)***Existing Continuing Connected Transactions up to 30th June, 2011** *(Continued)***(E) Lease of Premises**

Party A:	The Group
Party B:	Ng Family
Nature of transactions:	Lease of premises by: <ul style="list-style-type: none"> (a) the Group of properties owned or to be owned by the Ng Family (b) the Ng Family of properties owned or to be owned by the Group
Terms:	A lump sum rent exclusive of rates and management fees to be agreed between the parties which shall be determined by reference to the prevailing market rent of the particular premises
Annual Cap:	<ul style="list-style-type: none"> (i) HK\$75.6 million, comprising: <ul style="list-style-type: none"> (a) HK\$72 million for lease of premises by the Group; and (b) HK\$3.6 million for lease of premises by the Ng Family, for the period from 1st July, 2010 to 30th June, 2011; (ii) HK\$84 million, comprising: <ul style="list-style-type: none"> (a) HK\$80.4 million for lease of premises by the Group; and (b) HK\$3.6 million for lease of premises by the Ng Family, for the period from 1st July, 2011 to 30th June, 2012; and (iii) HK\$94.8 million, comprising: <ul style="list-style-type: none"> (a) HK\$91.2 million for lease of premises by the Group; and (b) HK\$3.6 million for lease of premises by the Ng Family, for the period from 1st July, 2012 to 30th June, 2013.
Total consideration for the year:	HK\$36.7 million, comprising: <ul style="list-style-type: none"> (i) HK\$34.9 million for lease of premises by the Group; and (ii) HK\$1.8 million for lease of premises by the Ng Family.

**CONNECTED
TRANSACTIONS**
*(Continued)***Existing Continuing Connected Transactions up to 30th June, 2011** *(Continued)*

Basis of the abovementioned annual caps was by reference to the nature and value of these transactions for the three years ended 30th June, 2010, the existing scale and operations of the business, the anticipated development and growth of such businesses and changes of general economic conditions for the next three years, which management deemed reasonable.

The Ng Family and its associates are connected persons of the Company by virtue of the Ng Family being the substantial shareholder of the Company and therefore the above transactions constituted continuing connected transactions of the Company pursuant to the Listing Rules.

The Company is one of Hong Kong's leading property management services providers, which provides services including building cleaning services, car park management services, estate management services, security guard services and other services. The Board of Directors considered that the above continuing connected transactions were consistent with the business and commercial objectives of the Group and further strengthened the footholds of the Group in the provision of property management services in Hong Kong.

During the year, the above continuing connected transactions were carried out within their respective annual caps. The Independent Non-Executive Directors have reviewed and confirmed that during the year, the above continuing connected transactions were all conducted and entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms (on arm's length basis or on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties);
- (iii) in accordance with the relevant agreements governing such transactions; and
- (iv) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

Existing Continuing Connected Transactions up to 30th June, 2011 *(Continued)*

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this Annual Report in accordance with Rule 14A.38 of the Main Board Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

Full details of the above connected transactions are set out in the announcement dated 24th June, 2010 and available in the Company's corporate website, www.sino.com.

Details of other related party transactions are set out in Note 47 to the consolidated financial statements.

DIRECTORS' REPORT (Continued)**SUBSTANTIAL
SHAREHOLDERS'
AND OTHER
SHAREHOLDERS'
INTERESTS**

As at 30th June, 2011, the interests and short positions of the substantial shareholders and other shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO were as follows:

Long Positions in Shares of the Company

Name of Substantial Shareholders	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Philip Ng Chee Tat	2,744,675,491 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 11,353,113 shares and trustee interest in 2,733,322,378 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	51.99%
Mr. Robert Ng Chee Siong	2,736,494,410 <i>(Notes 2, 3, 4 and 5)</i>	Beneficial owner of 141,629 shares, spouse interest in 3,030,403 shares and trustee interest in 2,733,322,378 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	51.83%
Tsim Sha Tsui Properties Limited	2,625,131,030 <i>(Notes 2(a), 2(b), 3 and 4)</i>	Beneficial owner of 1,196,297,701 shares and interest of controlled corporations in 1,428,833,329 shares	49.72%
Name of Other Shareholders	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Spangle Investment Limited	322,572,664 <i>(Note 3)</i>	Beneficial owner	6.11%
Ka Fai Land Investment Limited	282,646,702 <i>(Note 4)</i>	Beneficial owner	5.35%

DIRECTORS' REPORT *(Continued)*

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS *(Continued)*

Long Positions in Shares of the Company *(Continued)*

Notes:

1. 11,353,113 shares were held through companies which were 100% controlled by Mr. Philip Ng Chee Tat – 3,075,688 shares by Bestdeal Contractors Pte Ltd and 8,277,425 shares by Western Properties Pte Ltd.
2. As regards trustee interest in 2,733,322,378 shares:
 - (a) 1,196,297,701 shares were held by Tsim Sha Tsui Properties Limited which was 71.95% controlled by the executors of the estate of the late Mr. Ng Teng Fong;
 - (b)
 - (i) 37,186,659 shares were held by Orchard Centre Holdings (Private) Limited, in which Nam Lung Properties Development Company Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited, had a 95.23% control; and
 - (ii) 1,391,646,670 shares were held through certain other wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 322,572,664 shares held by Spangle Investment Limited (Note 3) and 282,646,702 shares held by Ka Fai Land Investment Limited (Note 4));
 - (c) 79,724,731 shares were held through companies which were 100% controlled by the executors of the estate of the late Mr. Ng Teng Fong – 128,987 shares by Fanlight Investment Limited, 127,486 shares by Garford Nominees Limited, 28,688,361 shares by Karaganda Investments Inc., 12,373,167 shares by Orient Creation Limited, 6,013,662 shares by Strathallan Investment Limited, 18,125,282 shares by Strong Investments Limited, 13,889,442 shares by Tamworth Investment Limited and 378,344 shares by Transpire Investment Limited; and
 - (d) 28,466,617 shares were held by the executors of the estate of the late Mr. Ng Teng Fong.
3. 322,572,664 shares were held by Spangle Investment Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and were duplicated in the interests of the executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
4. 282,646,702 shares were held by Ka Fai Land Investment Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and were duplicated in the interests of the executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
5. The interests of Mr. Philip Ng Chee Tat and Mr. Robert Ng Chee Siong as the co-executors of the estate of the late Mr. Ng Teng Fong were duplicated.

Save as disclosed above and so far as the Directors of the Company are aware, as at 30th June, 2011, no other person had an interest or short position in the shares and underlying shares of the Company which were recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder of the Company.

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK\$3,285,000.

**MAJOR SUPPLIERS
AND CUSTOMERS**

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 69% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 31% of the Group's total purchases.

The percentage of sales attributable to the Group's five largest customers is less than 30% of the Group's total sales for the year.

At no time during the year did the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the share capital of any of the Group's five largest suppliers.

**CORPORATE
GOVERNANCE**

The corporate governance report is set out on pages 33 to 44.

**SUFFICIENCY OF
PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITOR

A resolution will be submitted to the Annual General Meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
Robert NG Chee Siong
Chairman

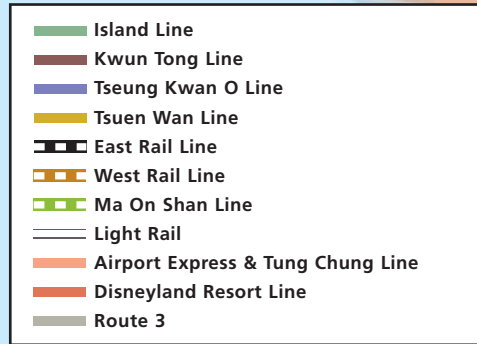
Hong Kong, 1st September, 2011

Completed Properties

1. Westin Centre
2. Far East Finance Centre
3. Cambridge Plaza
4. St. Andrews Place
5. Majestic Park
6. Lincoln Centre
7. Pan Asia Centre
8. One SilverSea
9. The Palazzo
10. Goodwood Park
11. The Balmoral
12. Lake Silver
13. The Hermitage

Properties under development

14. 38 Repulse Bay Road, Rural Building Lot No. 380
15. 53 Conduit Road, The Remaining Portion of Inland Lot No. 2138 and Inland Lot No. 2613
16. Lee Tung Street/McGregor Street Project, Wan Chai
17. Cheung Sha, Lantau Island, Lot No. 245 in DD331
18. Baker Residences, Baker Court, Hung Hom, Kowloon Inland Lot No. 11181
19. The Coronation, Junction of Hoi Wang Road, Yan Cheung Road and Yau Cheung Road, West Kowloon, Kowloon Inland Lot No. 11073
20. One Mayfair, 1 Broadcast Drive, Kowloon Tong, New Kowloon Inland Lot No. 6374
21. Providence Bay, Pak Shek Kok, Tai Po Town Lot No. 187
22. Providence Bay, Pak Shek Kok, Tai Po Town Lot No. 188
23. Providence Bay, Pak Shek Kok, Tai Po Town Lot No. 186
24. Marinella, Aberdeen Inland Lot No. 451
25. Beech Street/Ivy Street, West Kowloon, Kowloon Inland Lot No. 11192
26. 12-18 Hau Wong Road, Kowloon City
27. Pak Shek Kok, Tai Po Town Lot No. 200
28. Pak Shek Kok, Tai Po Town Lot No. 201
29. Yuet Wah Street and Hip Wo Street Project, Kwun Tong
30. Fuk Tsun Street/Pine Street, Kowloon Inland Lot No.11200





Properties for investment/own use

- 31. Citywalk
- 32. Citywalk 2
- 33. Exchange Tower
- 34. 20-24 Staunton Street
- 35. 26 Staunton Street
- 36. Skyline Tower
- 37. The Centrium
- 38. 148 Electric Road
- 39. Central Plaza
- 40. Conrad Hong Kong
- 41. Harbour Centre
- 42. Hollywood Centre
- 43. Marina House
- 44. One Capital Place
- 45. Pacific Palisades
- 46. Pacific Plaza
- 47. Island Resort Mall
- 48. 25/F United Centre
- 49. Olympian City
- 50. The Astrid
- 51. Cameron Plaza
- 52. China Hong Kong City
- 53. Corporation Square
- 54. Futura Plaza
- 55. Sunley Centre
- 56. Westley Square
- 57. Fullerton Centre
- 58. Hong Kong Pacific Centre
- 59. Kwun Tong Harbour Plaza
- 60. Kwun Tong Plaza
- 61. Omega Plaza
- 62. Parmanand House
- 63. Remington Centre
- 64. Sunshine Plaza Shopping Arcade
- 65. Tsim Sha Tsui Centre
- 66. Yau Tong Industrial City
- 67. Avon Park Shopping Mall
- 68. Springdale Villas Shopping Arcade
- 69. Golden Plaza
- 70. Mansfield Industrial Centre
- 71. Maritime Bay Shopping Mall
- 72. Parklane Centre
- 73. Ping Wui Centre
- 74. Shatin Galleria
- 75. tmtplaza
- 76. The Waterside Shopping Mall
- 77. 15 Shek O Headland
- 78. No. 1 Chatham Path, Mid-levels
- 79. Bayview Park
- 80. No. 1 Hung To Road
- 81. Grand Regentville Shopping Arcade
- 82. Rosedale Gardens Shopping Arcade
- 83. Oceania Heights Shopping Mall
- 84. The Hennessy
- 85. Fraser Suites Hong Kong
- 86. 18 Kowloon East
- 87. Maison Rosé

COMPLETED PROPERTIES



1

The Hermitage

Located in the heart of the Golden Circle in West Kowloon, The Hermitage is in close proximity to five major MTR stations, including Olympic Station and the forthcoming Express Rail Link, as well as the West Kowloon Cultural District. This property comprises 964 units and a commercial complex. The classically designed clubhouse offers comprehensive leisure facilities.



2

Maison Rosé

Located in the heart of the city, Maison Rosé is only a few minutes' walk from Sham Shui Po MTR Station. The project offers a total of 96 residential units designed with balconies. The Sky Club located on top floors enjoys spectacular open city view and Victoria Harbour view.

COMPLETED PROPERTIES *(Continued)*

3

The Palazzo

The Palazzo is situated right next to the world-class Sha Tin Racecourse, with direct access to the MTR, Route 8 and the planned Sha Tin-Central Link. It offers 1,375 residential units. Residents can enjoy full panoramic views of the Sha Tin Racecourse as well as Kau To Shan and Tolo Harbour.

4

Goodwood Park

Located by Beas River, Goodwood Park provides a total of 23,638 sq.ft. of gross floor area encompassing 13 houses with lush private gardens. The clubhouse features an outdoor swimming pool and other superb facilities. The property is adjacent to the prestigious Hong Kong Golf Club and the Hong Kong Jockey Club Beas River Country Club.



4

COMPLETED PROPERTIES *(Continued)*



5

One SilverSea

Overlooking Victoria Harbour from the West Kowloon waterfront, One SilverSea captures stunning views across Hong Kong's renowned skyline. The prestigious development offers 700 residential apartments including penthouses with private pools, and all units enjoy generous ceiling heights.

6

St. Andrews Place

St. Andrews Place is the epitome of comfort in the prestigious neighbourhood of the Hong Kong Golf Club and the Hong Kong Jockey Club Beas River Country Club. The project comprises 26 high-quality detached houses with large landscaped gardens.

7

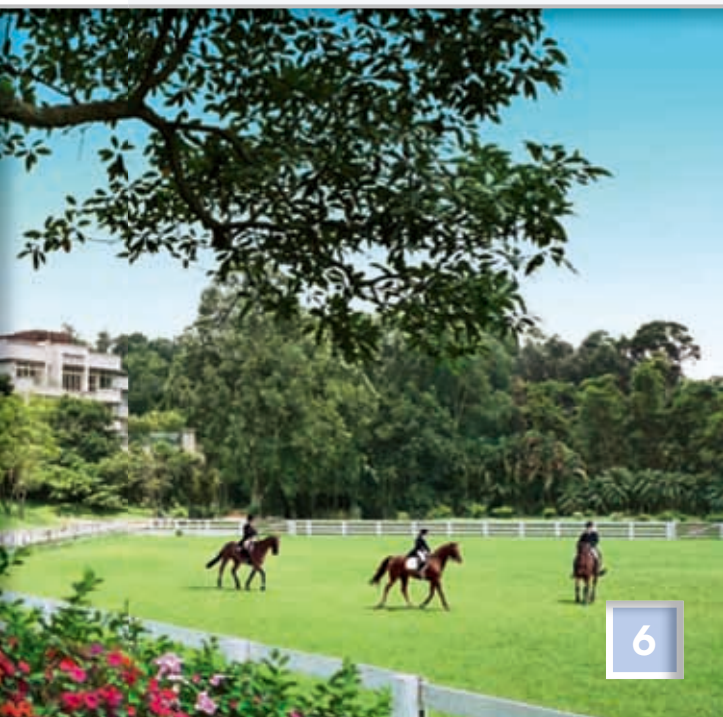
Lake Silver

Located atop Wu Kai Sha MTR Station, the development comprises over 2,100 high-quality apartments, a world-class resort style clubhouse and enjoys breathtaking scenic mountain and views of Tolo Harbour, Tolo Channel and Pat Sin Leng Ranges.

8

The Balmoral

Located in Tai Po, The Balmoral presents an exclusive residence in a green and peaceful environment. The project consists of 79 apartments. The development feature a clubhouse with landscaped gardens and an outdoor swimming pool.



COMPLETED PROPERTIES *(Continued)*



PROPERTIES UNDER DEVELOPMENT



PROPERTIES UNDER DEVELOPMENT *(Continued)*



9

One Mayfair

Surrounded by the flourishing green of Kowloon Tong, One Mayfair presides above the esteemed neighbourhood and redefines luxury living. Comprising 120 exclusive residences crafted to the finest details, it commands panoramic views of the Kowloon Peninsula, then across the harbour to the Island from East to West.

10

Providence Bay

Located on the waterfront of Pak Shek Kok, Tai Po, Providence Bay enjoys beautiful view of Pat Sin Leng and Tolo Harbour against the backdrop of scenic mountain ranges. The project also features a luxurious clubhouse designed with comprehensive leisure facilities. Phase one offers 475 apartment units and seven houses.

11

Marinella

Luxurious waterfront residences located in Welfare Road in Island South.

12

The Coronation

Commanding a strategic location in West Kowloon, The Coronation embraces an international transport network in close proximity to five MTR stations, including the Express Rail Link Terminus, Kowloon Station, Austin Station, etc. It enjoys a panoramic view of Victoria Harbour, Stonecutters Island and Lei Yue Mun. West Kowloon Cultural District and the Canton Road shopping belt are within walking distance to ensure the best quality of life for residents.

13

Baker Residences

Located in the heart of Kowloon, Baker Residences is only a few minutes' walk from the imminent Hung Hom MTR Station. The project offers a total of 68 residential units completed with balconies.

PROPERTIES UNDER DEVELOPMENT *(Continued)*



14 Central Park, Xiamen

Central Park is located at a prime location of Xiamen, at the intersection of three main roads of the town centre. This site has been designated for residential and commercial development, comprising approximately 450 residential units of 470,000 sq.ft. and over 51,000 sq.ft. of commercial space.



15 Le Sommet, Xiamen

Le Sommet is one of Sino's high-end residences in Xiamen. It is located at the junction area of Jiahe Road and Changqing Road with a total gross floor area of approximately 120,000 sq.ft. The 25-storey development offers 138 well-furnished apartments and around 15,000 sq.ft. of retail space.

PROPERTIES FOR INVESTMENT/OWN USE

16

18 Kowloon East

18 Kowloon East is a brand new commercial building completed this year, it provides a total of 400,000 square feet of Grade-A office and retail space. Strategically located in the flourishing commercial hub in Kowloon Bay and within close walking distance from Kowloon Bay MTR Station, 18 Kowloon East connects conveniently to various parts of Hong Kong. The building has an impressively spacious and elegant entrance lobby finished with fine marble and Swarovski crystal lamps, setting a mood of grandeur and style. Special green features in the building including the sky garden, vertical green wall system and façade plantings create a unique green oasis in the heart of the city.

17

Sino International Plaza, Fuzhou

Located in the business centre of Fuzhou, Sino International Plaza is an international Grade-A commercial building comprising office and retail space. The tower features a sky garden and a building façade made of energy-efficient 'Low-E' glass.



16



17

PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*



PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*



18

The Hennessy

The Hennessy is located in the heart of Wan Chai, a vibrant district abounding with restaurants, shops and offices. The 4.8-metre floor-to-floor height, full-height windows, panoramic harbour views and the unique indoor and rooftop alfresco dining experience make the building an ideal office for various businesses. The Hennessy is just a stone's throw from the entertainment hub of Causeway Bay and minutes from the Central Business District with convenient MTR, bus, minibus and tram access.

19

Exchange Tower

Exchange Tower is a commercial complex located in Hong Kong's latest focal point – Kowloon East, in the vicinity of Kowloon Bay MTR Station. With a total gross floor area of 700,000 sq.ft., comprising both retail and office spaces, it is a landmark building that sets a new trend for modern office design by integrating a green balcony into every floor. Together with the unique and spectacular sky garden, it provides a relaxing environment to meet with colleagues and business associates.

20

Fraser Suites Hong Kong

Occupying a coveted place in the heart of Hong Kong's famous Wan Chai business and entertainment district, Fraser Suites Hong Kong is sought-after for its location as well as its delivery of excellence. Time is a premium for busy executives, the serviced residence offers easy access to key business areas like Causeway Bay and Central; it is also close to the Hong Kong Convention and Exhibition Centre, Wanchai Ferry Terminal and the Wanchai Waterfront business district.

PROPERTIES FOR INVESTMENT/OWN USE (Continued)



21

21 Citywalk

Citywalk is Hong Kong’s first green shopping mall and is located in Yeung Uk Road, Tsuen Wan. This 300,000-square-foot shopping mall has an 8,000-square-foot Vertical Garden and a 40,000-square-foot “Citywalk Piazza” with landscaped water features. The unique green space provides shoppers and tourists with a stylish and natural environment.



22

22 Citywalk 2

Citywalk 2 complements Citywalk. This contemporary three-storey mall comprises approximately 200,000 sq.ft. of space, accommodating coveted brands, cinemas, lifestyle stores, restaurants and a department store, and features Hong Kong’s first ‘ArchiSculpture’, the iGlobe, a distinctive gigantic electronic building façade with thousands of LED discs.

PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*



23

Olympian City

Olympian City is located at Olympic MTR Station and connected to Mongkok and the surrounding affluent residential estates by a comprehensive footbridge system. This 800,000-square-foot regional mall offers a wide variety of shops, from international fashions and cosmetics to kids' favourites and life-style accessories. The mall is famous for its varieties in food and beverages, from alfresco restaurants and bars to international cuisines, as well as a mega foodcourt. The 80,000-square-foot open piazza houses arts exhibitions and community events throughout the year, together with the six-screen cinema, it adds vibrancy to the whole shopping experience for both local and tourist shoppers.

23



24

24

tmtplaza

Being the largest shopping mall in Northwest New Territories, tmtplaza sits atop the transport hub with direct connections to West Rail and Light Rail stations. This 1,000,000-square-foot shopping mall is home to over 400 shops and restaurants, with famous international fashion and cosmetics brands and a variety of shops from department stores and electrical appliances to jewelry and kids' wear. With the all-year-round promotional events and exhibitions taking place at its 5,000-square-foot main atrium, together with a full spectrum of international cuisines and a four-screen cinema, the mall offers a one-stop shopping experience, attracting shoppers from the Northwest districts and mainlanders from the Pearl River Delta.

PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*



25

25

Tsim Sha Tsui Centre

Tsim Sha Tsui Centre was the very first development in Tsim Sha Tsui East. It is a tribute to the Sino Group's pioneering spirit. Today, it serves as the Group's headquarters, and remains an important office-cum-retail property. Tsim Sha Tsui Centre and the adjacent Empire Centre underwent a major renovation a few years ago, transforming the waterfront units into stylish duplex restaurants, turning the twin buildings into a premier Tsim Sha Tsui East dining destination – Alfresco Lane.

26

Hong Kong Pacific Centre

Hong Kong Pacific Centre is located in the centre of Tsim Sha Tsui's bustling retail neighbourhood, and is just a stone's throw from Nathan Road with heavy pedestrian flow. The project comprises an office tower and a retail podium with a total gross floor area of 232,606 sq.ft. Equipped with state-of-the-art facilities catering to the medical sector, Hong Kong Pacific Centre is one of the most sought-after medical centres in the city with a cluster of medical specialists.



26

PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*



27



28



29

27

China Hong Kong City

China Hong Kong City is one of the largest golden glass-clad complexes in the world and among Hong Kong's most prominent commercial complexes. Strategically located in Canton Road, Tsim Sha Tsui – Kowloon's busiest business and tourist district, this mix-used development includes five office towers with spectacular sea views, a six-storey shopping mall, the Royal Pacific Hotel & Towers, China Ferry Terminal, bus and taxi terminals, and ample car parking facilities. Close to the Kowloon Park, it is also well supported by all major means of public transport and is only a few minutes' walk from the Star Ferry Terminal and Tsim Sha Tsui and Austin MTR Stations.

28

Skyline Tower

Skyline Tower is located in the heart of the commercial district of Kowloon Bay and commands a magnificent view of Victoria Harbour. This 39-storey building provides about 827,830 sq.ft. of prestigious commercial space.

29

The Centrium

Located in the heart of Central, The Centrium is a Grade-A commercial development in the well-known Lan Kwai Fong and Soho district. The project provides about 255,911 sq.ft. of office space and fine dining offering.

PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*



30 The Fullerton Heritage

The Fullerton Heritage is the Group's large-scale waterfront development project in Singapore's Marina Bay. The architecture combines historical and contemporary aspects to add vibrancy to the long-established culture, heritage and central business district. The development comprises six buildings, namely The Fullerton Bay Hotel Singapore, Clifford Pier, One Fullerton, Customs House, The Fullerton Hotel Singapore and The Fullerton Waterboat House.



31 The Fullerton Hotel Singapore

Once home to the General Post Office, The Singapore Club and the Chamber of Commerce, The Fullerton Hotel Singapore is now a hotel with 400 carefully designed rooms and suites. Its excellent location, comprehensive facilities make it ideal for both business and leisure travellers. The Hotel has received international awards and accolades in recognition of its standards of service.

32 The Fullerton Bay Hotel Singapore

Opened on 8 July 2010, The Fullerton Bay Hotel is the latest addition to the sparkling Marina Bay waterfront, with breathtaking architecture and stunning interiors that combine modernity and heritage. Seated on prime waterfront location in the Central Business District and located in close proximity to the arts and cultural precinct, the hotel offers classic hospitality and service with rooms providing spectacular views of the Marina Bay and Singapore skyline.

PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*



33

Clifford Pier

A historic landmark and the first port of call for immigrants in the early days of Singapore, the revitalised Clifford Pier has kept its original architectural characteristics and charm. Occupying an area of 11,393 sq.ft., the pier houses an elegant international restaurant and bar, featuring alfresco dining with breathtaking waterfront views.



34

Conrad Hong Kong

Towering 61 floors above one of Hong Kong's most prestigious and exclusive shopping and entertainment complexes, Conrad Hong Kong is located within the central business district and in close proximity to major sites of interest. The award-winning hotel features 513 elegantly appointed rooms and suites that offer business and leisure travelers the optimum in comfort, facilities and service. The property is renowned for spaciousness and breathtaking views of The Peak and the Victoria Harbour.

33

34

35

Raffles City Shanghai

This 46-storey prime office-cum-retail tower is located in the central business area of Huangpu District and surrounded by boutique shops that attract heavy pedestrian flows. The project yields 1.35 million sq.ft. total gross floor area.



35

REVIEW OF OPERATIONS

(1) LAND BANK

As at 30th June, 2011, the Group had 40.6 million square feet of land bank. This land bank consists of a well-diversified portfolio of properties, comprising: residential 64.3%, commercial 24.0%, industrial 5.3%, car parks 3.6% and hotels 2.8%. Most of the developments currently under construction are situated in good locations and are conveniently served by various modes of transport, including railway and subway lines. The tables below show the detailed breakdown of the Group's land bank as at 30th June, 2011.

The Group's commercial, industrial buildings, car parks and hotels are held mainly for long-term investment and to generate a stable stream of recurrent income.

	By Status and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
Properties under Development	25,672,076	2,011,343	0	0	416,911	28,100,330	69.1%
Properties for Investment/Own Use	291,975	7,643,213	1,631,309	1,458,149	711,016	11,735,662	28.8%
Completed Properties for Sale	233,127	123,627	506,480	0	0	863,234	2.1%
Total	26,197,178	9,778,183	2,137,789	1,458,149	1,127,927	40,699,226	100.0%
Percentage	64.3%	24.0%	5.3%	3.6%	2.8%	100.0%	

	By Location and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
New Territories	2,114,412	2,140,986	644,007	1,000,234	0	5,899,639	14.5%
Kowloon	1,015,564	3,613,926	1,493,782	391,452	0	6,514,724	16.0%
Hong Kong Island	922,744	1,202,916	0	53,602	165,506	2,344,768	5.8%
Mainland China	22,144,458	2,689,626	0	12,861	416,911	25,263,856	62.0%
Singapore	0	130,729	0	0	545,510	676,239	1.7%
Total	26,197,178	9,778,183	2,137,789	1,458,149	1,127,927	40,699,226	100.0%

REVIEW OF OPERATIONS (Continued)

(1) LAND BANK (Continued)

The following charts show the changes of the Group's land bank by usage and geographical location over the last five financial years:

Land Bank – Breakdown by Usage**(As at 30th June)**

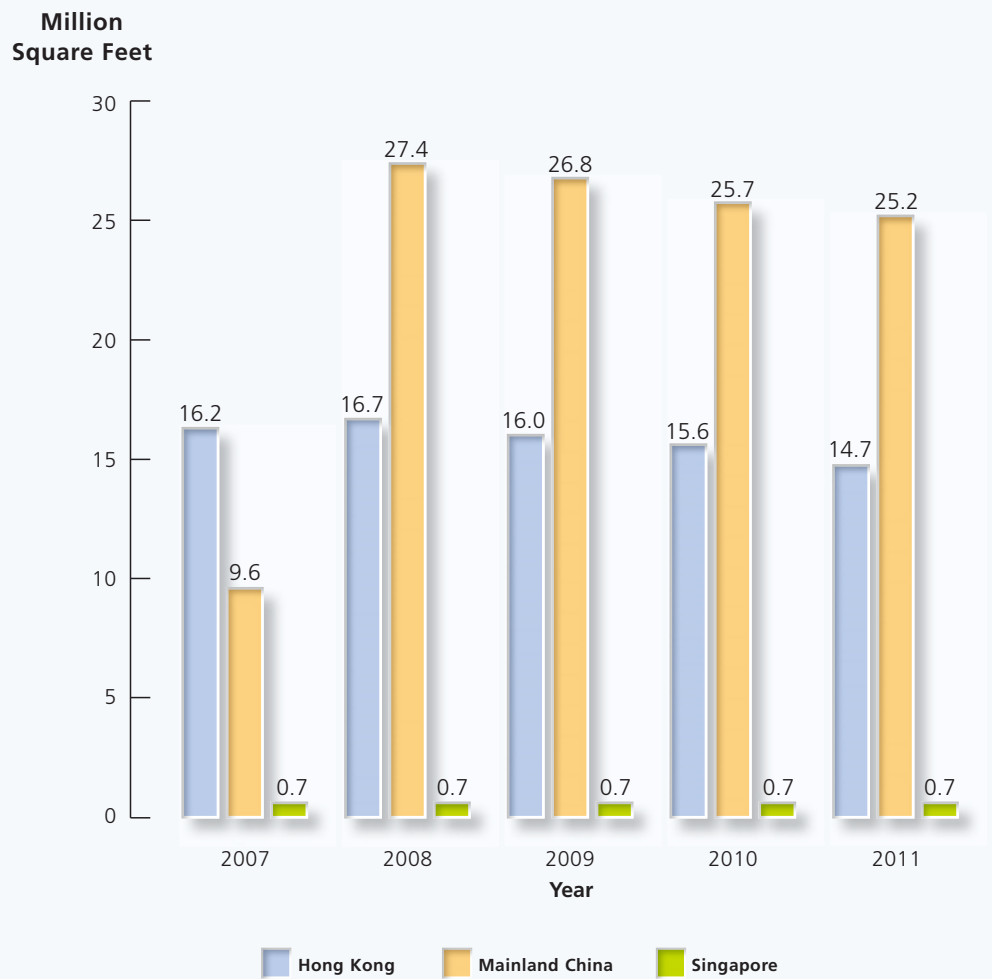
Million
Square Feet



REVIEW OF OPERATIONS *(Continued)*

(1) LAND BANK *(Continued)*

Land Bank Breakdown by Geographical Location (As at 30th June)



(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2010/2011

The Hermitage and Olympian City 3 (50% owned)

1 Hoi Wang Road, South West Kowloon, Hong Kong

The Group acquired two contiguous sites (KIL11167 and KIL11168) adjacent to the Central Park residence and the Olympian City 2 shopping mall on 27th September, 2005. The two sites have been developed into a residential-cum-retail project. The residential part is named The Hermitage and the retail part is named Olympian City 3.

The Hermitage comprises six towers, offering a total of 964 residential units. The Hermitage is ideally located in the heart of West Kowloon, a transport and commercial hub. It is well served by various types of transport, including Olympic Station along the Tung Chung and Airport Express lines. It is also in close proximity to the future West Kowloon Cultural District and Guangzhou-Shenzhen-Hong Kong Express Rail Link. The development faces south overlooking spectacular views of Victoria Harbour and Hong Kong Island and all units feature high ceilings and balconies.

The project was completed in September 2010 with a total of approximately 1.1 million square feet of gross floor area, of which approximately 949,842 square feet of gross floor area is designated for residential development and the remaining of approximately 118,846 square feet for retail use. Certificate of Compliance was obtained in March 2011. The project received the "Finest Architectural Design and Best Clubhouse Awards" in the Best Developer Awards 2011 by *Capital Magazine* in August 2011.

The Group launched residential units in The Hermitage for sale in June 2010. Market response has been favourable with over 99% of the units sold.

18 Kowloon East (50% owned)

18 Wang Chiu Road, Kowloon Bay, Hong Kong

18 Kowloon East is a redevelopment project located in Kowloon Bay. It was redeveloped from an industrial building, formerly known as Po Hing Centre, into a Grade-A office building. The redevelopment was completed in January 2011 with a total gross floor area of approximately 348,620 square feet. Of this total gross floor area, 347,970 square feet are for office uses and the rest are mainly for retail purposes. Certificate of Compliance was obtained in May 2011. The project incorporates eco-friendly designs including skygarden. 18 Kowloon East will be used for investment purposes and will further enhance the rental income of the Group.

REVIEW OF OPERATIONS *(Continued)*

(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2010/2011 *(Continued)*

Maison Rosé (100% owned)

270 Cheung Sha Wan Road, Kowloon, Hong Kong

The Group acquired the site through a tender in January 2007. The project was completed in December 2010. A total of approximately 39,120 square feet of gross floor area consisting of 32,247 square feet of residential area and 6,873 square feet of retail space have been built. Maison Rosé was launched for sale in April 2011 and all of the units were completely sold.

Sino International Plaza, Fuzhou, PRC (100% owned)

137 Wu Xi Lu, Fuzhou, PRC

Sino International Plaza is located in the central business district of Fuzhou city, the capital city of Fujian Province. Conveniently accessible through an extensive transport network, the development is in a desirable location for local and multinational firms. Government authorities, including the Fujian Provincial Government, and a number of local attractions, namely West Lake Park and Fujian Museum are also within the catchment area. The development, which provides approximately 499,000 square feet of commercial space, features environmentally friendly architectural characteristics. The project was completed in the financial year 2010/2011 and is at high occupancy.

(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS

DEVELOPMENT PROJECTS IN HONG KONG

IL9018 (H15) (Joint Venture)

Lee Tung Street/McGregor Street, Wan Chai, Hong Kong

The Urban Renewal Authority awarded the Group the development rights to the site in Lee Tung Street/McGregor Street in June 2009. The site is located in the heart of the Wan Chai, a vibrant and exciting area with diverse tourist attractions, local landmarks, historical conserved buildings as well as a wide variety of shops and restaurants offering a choice of cuisines. The area is regarded as a major art and cultural hub with two of the city's most popular performance venues, namely the Hong Kong Academy for Performing Arts and the Hong Kong Arts Centre. Wan Chai is also well known for the school networks in the area. Commuters can easily access other areas from Wan Chai or from other areas to Wan Chai via various well-established modes of transport, including the MTR, tram and bus.

(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS *(Continued)***DEVELOPMENT PROJECTS IN HONG KONG** *(Continued)***IL9018 (H15) (Joint Venture)** *(Continued)*

This project comprises redevelopment, conservation and revitalisation elements. After its completion, estimated to be in the financial year 2013/2014, a total of approximately 731,000 square feet of gross floor area with approximately 1,300 residential units and a themed shopping mall of approximately 86,000 square feet of gross floor area will be built. Planning and foundation works are currently in progress.

NKIL6499 (Joint Venture)

Yuet Wah Street, Kwun Tong, Kowloon

In November 2009, the Group was awarded the rights to develop the site in Yuet Wah Street in Kwun Tong, which is situated in the eastern part of Kowloon Peninsula. The district is undergoing a redevelopment and revitalisation programme being led by the Urban Renewal Authority of Hong Kong. The site is located in the residential area of Kwun Tong with a playground, garden, shops and market nearby. In the vicinity of a bus terminus and Kwun Tong Station, the project is easily accessed by public transport. The project is currently under the planning and site formation stage. A total of approximately 232,800 square feet of residential space will be built upon its expected completion in the financial year 2013/2014.

The Coronation (45% owned)

KIL 11073, West Kowloon, Hong Kong

The Group acquired this prime site close to Kowloon and Austin Road Stations in the West Kowloon area at a government land auction in May 2007. The superstructure work is in progress. On completion, expected to be in the financial year 2012/2013, a total of approximately 650,685 square feet of gross floor area will be available, of which approximately 563,927 square feet of gross floor area are designated for residential and approximately 86,758 square feet are retail space.

One Mayfair (100% owned)

1 Broadcast Drive, Kowloon Tong, Kowloon, Hong Kong

The Group won this project at a government land auction in November 2006. The site will be developed into a low-density residential project with a total of approximately 196,592 square feet of gross floor area. The superstructure is under construction. Completion of the project is estimated to be in the financial year 2011/2012.

REVIEW OF OPERATIONS *(Continued)*

(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS *(Continued)*

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

Providence Bay

TPTL 187, Site A, Pak Shek Kok (50% owned)

Pak Shek Kok, Tai Po, New Territories, Hong Kong

Acquired in March 2007, the Group plans to build 345,406 square feet of low-density residential premises overlooking Tolo Harbour. Of the total gross floor area, approximately 323,824 square feet are residential area and approximately 21,582 square feet are retail space. The Group has 50% interest in the project. The superstructure is now in progress. The project is estimated to be completed in the financial year 2011/2012.

Providence Bay

TPTL 186, Site B, Pak Shek Kok (35% owned)

Pak Shek Kok, Tai Po, New Territories, Hong Kong

This site was acquired at a government land auction in September 2007. It is located next to site TPTL 187 and 188. Upon completion the site will yield a total of approximately 714,493 square feet of gross floor area of residential space. Foundation work has been completed and superstructure is now in progress. The project is estimated to be completed in the financial year 2011/2012.

Providence Bay

TPTL 188, Site C, Pak Shek Kok (25% owned)

Pak Shek Kok, Tai Po, New Territories, Hong Kong

The development, in which the Group has 25% interest, will consist of approximately 749,788 square feet of residential premises. The site was acquired at a government land auction in March 2007. Work on superstructure is now in progress. Project completion is estimated to be in the financial year 2011/2012.

TPTL 200, Site D1, Pak Shek Kok (100% owned)

Pak Shek Kok, Tai Po, New Territories, Hong Kong

The site was acquired in December 2009 through a government land auction, and is adjacent to the TPTL 187 and TPTL 201 sites. The area is well known for various types of sports including water sports and cycling. Upon completion, estimated to be in the financial year 2013/2014, a total of approximately 720,757 square feet of gross floor area will be built. Of this, 675,710 square feet will be for residential purposes and the remaining area of 45,047 square feet for commercial use.

(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS *(Continued)***DEVELOPMENT PROJECTS IN HONG KONG** *(Continued)***TPTL 201, Site D2, Pak Shek Kok (85% owned)**

Pak Shek Kok, Tai Po, New Territories, Hong Kong

The site was acquired in December 2009 through a government land auction. The site is well connected to the site of TPTL 200 as well as the other three of the Group's projects sites in Pak Shek Kok. Foundation work is in progress. Upon completion, expected in the financial year 2013/2014, a total of approximately 720,757 square feet space will be provided. Of this, 675,710 square feet will be for residential purposes and the remaining area of 45,047 square feet for commercial use.

Marinella (35% owned)

Aberdeen Inland Lot No. 451, Aberdeen, Hong Kong

In October 2007, the Group acquired this site in Aberdeen at a government land auction. The site is in the southern part of Hong Kong Island, historically one of the earliest landing points for foreigners. It is only a few minutes drive to the Ocean Park, one of the largest oceanariums and theme parks in Southeast Asia. The nearby 423-hectare Aberdeen Country Park was developed in an earlier period of Hong Kong. Aberdeen Marina Club is opposite the site. Upon completion, estimated to be in the financial year 2012/2013, the site will provide a total of approximately 643,883 square feet of gross floor area of residential space. The superstructure work is in progress.

Lot No. 245 in Demarcation District No. 331 (100% owned)

Cheung Sha, Lantau Island, Hong Kong

This Cheung Sha site was acquired at a government land auction in October 2007. It is located in the picturesque southern part of Lantau Island overlooking an environmental reserve area. When completed, the project will provide a total of approximately 71,417 square feet of gross floor area of residential space. The project is in the planning and site formation stage. Completion is estimated for the financial year 2012/2013.

IL2138 RP (100% owned)

53 Conduit Road, Hong Kong Island, Hong Kong

The Group acquired this site from a private landlord in August 2004. The site will be redeveloped into a residential project. On completion, estimated to be in the financial year 2012/2013, it will yield a total of approximately 60,421 square feet of gross floor area. Site formation and foundation works are in progress.

REVIEW OF OPERATIONS *(Continued)*

(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS *(Continued)*

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

KIL 11192 (Joint Venture)

Beech Street/Ivy Street, West Kowloon, Hong Kong

In March 2008, the Group was awarded the development rights by the Urban Renewal Authority of Hong Kong to redevelop a site in Beech Street/Ivy Street in West Kowloon, close to the Olympian City. The site is in superstructure construction stage and it is expected that a total of 225,527 square feet of gross floor area comprising 187,939 square feet of residential gross floor area and 37,588 square feet of retail space will be built. The project is estimated to be completed in the financial year 2012/2013.

Baker Residences (Joint Venture)

Baker Court, Hung Hom, Kowloon, Hong Kong

In June 2008, the Group was awarded the development rights by Urban Renewal Authority of Hong Kong to redevelop the site at Baker Court in Hung Hom. The Group obtained the Occupation Permit from the Building Authority of HKSAR Government in July 2011. A total of 22,357 square feet of gross floor area of residential space and 4,467 square feet of gross floor area of retail space have been built.

RBL380 (100% owned)

38 Repulse Bay Road, Hong Kong

Located in one of the most coveted areas in between the Deep Water Bay Beach and Repulse Bay Beach overlooking the Deep Water Bay and Middle Island in southern part of the Hong Kong Island, the project will be redeveloped into three houses. All houses can enjoy full sea views. On completion, expected to be in the financial year 2012/2013, the development will provide a total of 12,132 square feet of gross floor area.

KIL11200 (Joint Venture)

Fuk Tsun Street/Pine Street, Tai Kok Tsui, West Kowloon, Hong Kong

The Group was awarded the development rights from Urban Renewal Authority of Hong Kong to develop the site of KIL11200 in West Kowloon in November 2010. The project comprises residential units and commercial area. Upon completion of the project, which is estimated to be in financial year 2013/2014, a total of 54,251 square feet of gross floor area is expected to be built.

(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS *(Continued)*

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

STTL525 (40% owned)

Shatin Area 56A, Kau To (Site A), New Territories, Hong Kong

The site of STTL525 was acquired at a government land auction on 9th August, 2011. The entire project, of which the Group owns 40% interest, is for residential development. Upon completion, which is expected to be in the financial year 2015/2016, a total of approximately 1,031,470 square feet of residential gross floor area will be built.

DEVELOPMENT PROJECTS IN MAINLAND CHINA

Project in Cheng Hua District, Chengdu (100% owned)

West of Cheng Kun Railway, East of Sha He, South of Cheng Luo Road, North of Ying Hui Road, Cheng Hua District, Chengdu, PRC

The Group acquired this site in the Cheng Hua District, on the eastern side of Chengdu, at a land auction in July 2007. Chengdu is the capital of Sichuan province, described as the "Heavenly State" (Tian Fu Zhi Guo), meaning a land rich in minerals and resources. It is also the economic and financial centre of Southwestern China.

The site is close to Tazhishan Park and the second ring road along the Sha He (River of Sand). It is only about 2 km from the new regional railway express station transport hub. The new transport hub connects the eastern part of Chengdu with neighbouring regions and the rest of the Chengdu city.

Under the Central Government's Twelfth 5-year Plan passed in March 2011, Chengdu, together with Chongqing and several other cities, have been designated as the core cities for the new round of advancement of western development in Mainland China. This will not only bring in more business opportunities in the city but also speed up the urbanisation process and income growth generating stronger demand for quality housing in the city. The prospects of the city are promising.

Upon completion of the entire project, which is estimated to be in approximately five years, the approximately 13.1 million-square-foot development will include residential and commercial space (retail and office) and a hotel, all directly connected to local road networks. The project will be developed in phases with the excavation work and construction for Phase 1 already in progress.

REVIEW OF OPERATIONS *(Continued)*

(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS *(Continued)*

DEVELOPMENT PROJECTS IN MAINLAND CHINA *(Continued)*

Project in Jiang Bei District, Chongqing (50% owned)

No. 1, Zhong Xing Duan, Qiao Bei Cun, Hua Xin Street, Jiang Bei District, Chongqing, PRC

Acquired in July 2007, the project is located in the prime area of Jiang Bei District overlooking the Jialing River, Jia Ling Jiang Bridge and the People's Square in Yuzhong district (or Central Chongqing District) in Chongqing, which is the Mainland's largest and well developed commercial and industrial municipality.

Connected by Jia Ling Jiang Bridge and Yu Ao Bridge, residents of the project can easily access the Yuzhong district and interesting places such as parks and attractions, including the Jie Fang Bei (The People's Liberation Monument) and the classical architecture of the Great Hall of the People.

Chongqing development zones have gone through a process of redefinition. The State Council has approved the development of certain districts within Chongqing city into its financial centre, a centre for manufacturing advanced products, and a centre for innovation and technological developments. The area where the site is located has been defined as a core development centre for finance, banking and business, as well as a cultural centre.

In June 2010, with the approval of the Central Government, the New District of the Two Rivers (Liangjiang Xinqu) was formed within the most central district of Chongqing. This will be Chongqing's new economic driver, and the project falls within the centre of the newly formed New District. This economic policy will further enhance the value of the site.

Under the Central Government's Twelfth 5-year Plan, both Chongqing and Chengdu have been designated to drive the new round of western development in Mainland China. This will facilitate the economic growth of the city and generate more business opportunities in the city. This will also attract more investment and demand for quality housing is expected to continue to rise. The economic outlook for both cities is promising.

On full completion, which is expected to be in approximately five years, the project will yield approximately 10.6 million square feet of total gross floor area mainly comprising residences, offices and retail. The project will be developed in phases, with the construction of Phase 1 already in progress.

(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS *(Continued)*

DEVELOPMENT PROJECTS IN MAINLAND CHINA

(Continued)

Grand Park, Zhangzhou, Fujian Province, PRC (100% owned)

2004G12 North of Zhangxiang Road, Zhangzhou, Fujian Province, PRC

Located in the city centre of Zhangzhou, the site was acquired in 2004. Zhangzhou is a prefecture-level city in Fujian Province, which is abundant in minerals and agricultural products. The city has close economic ties with Taiwan along with Xiamen.

Grand Park will be developed in phases and the entire project is expected to be completed in approximately five years. Construction work has commenced. Upon completion, a total of 4.5 million square feet of gross floor area will be built with 4.3 million square feet of residential area and the remaining space for retail use.

Chengdu International Community, Sichuan, PRC (20% owned)

Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan, PRC

The site on which Chengdu International Community is built was acquired in 2004. The project is jointly developed with another property company. Upon completion, the development will yield a total of approximately 13 million square feet of total gross floor area consisting of approximately 8,500 residential units, approximately 721,000 square feet of commercial space and approximately 193,000 square feet of hotel space. To date, over 99% of the total number of units have been sold.

Central Park, Xiamen, PRC (100% owned)

Jia He Lu, South-East Side of Lu Ling Lu, Xiamen Lot No. 90-C5, C6, PRC

This site has been designated for residential and commercial development. Upon completion, the project will offer a total of approximately 521,440 square feet of gross floor area consisting of approximately 470,176 square feet of residential area and approximately 51,264 square feet of commercial space. Approximately 450 residential units will be built for this project. The foundation work has been completed and superstructure construction has commenced. The project is expected to be completed in the financial year 2012/2013.

REVIEW OF OPERATIONS *(Continued)*

(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS *(Continued)*

DEVELOPMENT PROJECTS IN MAINLAND CHINA *(Continued)*

Regency Park, Xiamen, PRC (100% owned)

Hu Bin Bei Lu, Xiamen Lot No. 88-C5, PRC

On completion this development will offer a total of approximately 507,523 square feet of gross floor area consisting of approximately 489,030 square feet of residential space and approximately 18,493 square feet of retail space. Approximately 553 residential units will be built for this project. The foundation work is in progress and the superstructure construction is expected to commence in the late 2011. The project is expected to be completed in the financial year 2014/2015.

Le Sommet, Xiamen, PRC (100% owned)

West Side of Jia He Lu & North of Song Bai Zhong Lu, Xiamen Lot No. 89-C2, PRC

The site will be developed into approximately 124,535 square feet of gross floor area on completion. The project was previously named Mandarin Garden. Of the total gross floor area, 108,709 square feet are for residential units and 15,826 square feet for retail use. Approximately 138 residential units will be built in this project. The project is expected to be completed in the financial year 2011/2012.

(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS

Lake Silver (Joint Venture)

No.599 Sai Sha Road, Wu Kai Sha Station, Ma On Shan, New Territories

Lake Silver is a residential and commercial project located atop Wu Kai Sha Station on the Ma On Shan Line along the East Rail Extension, as well as a public transport interchange encompassing a bus terminal offering a number of routes to various locations, public light bus and taxi stands. This development comprises a total of 2,169 residential units with approximately 43,000 square feet of retail space and a clubhouse. The clubhouse, named Palace by the Sea, is inspired by world-class holiday resorts and it offers a wide range of leisure and recreational facilities for residents and their guests to enjoy. Sales of this project received good market response with approximately 98.9% of the total units sold. The Occupation Permit and Certificate of Compliance for Lake Silver were obtained in July and November 2009 respectively.

The Balmoral (100% owned)

1 Ma Shing Path, Tai Po, New Territories, Hong Kong

The site was acquired in November 2004 and has been developed into a residential property consisting of 79 apartments in three medium-rise blocks. Situated in the midst of a green and quiet environment. Approximately 72.2% of the total number of units have been sold. The Occupation Permit and the Certificate of Compliance were obtained in January and June 2010 respectively.

REVIEW OF OPERATIONS *(Continued)*

(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS *(Continued)*

The Palazzo (Joint Venture)

28 Lok King Street, Shatin, New Territories, Hong Kong

The Palazzo is located in the prime area of Shatin overlooking spectacular panoramic views of the Shatin international racecourse, the lush Penfold Park, Tolo Harbour as well as the Shing Mun River. The project provides a total of 1,375 residential units in 10 towers and 21,528 square feet of retail space.

The design of the clubhouse in The Palazzo is inspired by Italian palaces and it is named The Palazzo Derby. The clubhouse offers a number of thematic gardens and areas, such as Borghese Garden, The Derby, Equestrian Courtyard, Piazza Michelangiolo and Olympic Hall as well as a spectrum of leisure and recreational facilities including a bowling alley, roman bath, mini theatre and gymnasium.

The Palazzo is well served by several public transport links and is opposite Fotan Station on the East Rail, which will also connect to the future Shatin to Central Link with phase 1 estimated to be completed in 2015 and the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link estimated to be completed in the same year. The surrounding road network is also well developed with Route 8 providing direct access to Central through the Western Harbour Crossing.

The Palazzo was launched on the market in May 2008. Market response has been good with approximately 98.2% of the units sold. The Occupation Permit for The Palazzo was obtained in December 2008 and Certificate of Compliance obtained in April 2009.

(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS *(Continued)***The Dynasty and Citywalk 2 (Joint Venture)**

18 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong

The Urban Renewal Authority awarded the Group the rights to redevelop a site close to the Vision City residential project in Yeung Uk Road in Tsuen Wan in April 2004. The development is well served by a wide range of public transport including two railway lines, West Rail and the Tsuen Wan Line. The development offers 288,160 square feet of residential area represented by 256 residential units as well as 191,568 square feet of retail space. The residential units are for sale and the retail area is retained for investment purpose. The Occupation Permit and Certificate of Compliance for the project were obtained in January and June 2009 respectively.

The Dynasty was launched on the market for sale in October 2008 and it has been well received with all of the units sold.

The retail mall is named Citywalk 2 which complements Citywalk in terms of tenant mix, design and shopping themes. Combined, Citywalk 2 and the environmentally-friendly shopping mall Citywalk, will create a shopping hub for residents in the Tsuen Wan area. Further details of Citywalk can be found in Section (6) of this Review of Operations.

Goodwood Park (100% owned)

138 Hang Tau Road, Kwu Tung, Sheung Shui, New Territories, Hong Kong

The Group acquired the site at 138 Hang Tau Road in Kwu Tung in January 2005. The project provides a total of 23,638 square feet of gross floor area with 13 houses with lush private gardens and clubhouse facilities. It is located near Beas River and its neighbours include The Royal Oaks, St. Andrews Place, The Hong Kong Golf Club and The Hong Kong Jockey Club Beas River Country Club. The Occupation Permit was obtained in December 2008 and the Certificate of Compliance was obtained in November 2009. A total of nine houses have been sold.

REVIEW OF OPERATIONS *(Continued)*

(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS *(Continued)*

Vista (Joint Venture)

188 Fuk Wa Street, Kowloon, Hong Kong

The Group won a joint development contract from the Urban Renewal Authority of Hong Kong to develop the site in Fuk Wing Street/Fuk Wa Street in September 2004. The site has been developed into a residential and retail project. Named Vista, the project is only a few minutes walk from Sham Shui Po Station. The development yields a total of 134,043 square feet of gross floor area with 173 residential units and a retail space of 22,000 square feet of floor area. The Occupation Permit and Certificate of Compliance were obtained in November 2008 and March 2009 respectively. All units have been sold.

Vision City and Citywalk (Joint Venture)

1 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong

Acquired in July 2002, this development is a joint venture with the Urban Renewal Authority of Hong Kong. The project is easily accessed by various transport links and is a short walk from two major railway arteries, namely Tsuen Wan Station on the Tsuen Wan railway line and Tsuen Wan West Station on the West Rail.

Vision City is located within a well-planned integrated city on Tsuen Wan's waterfront, adjacent to landmark hotels, office buildings and the Tsuen Wan City Hall, a centre of performing arts. With its architecturally unique retail mall, Citywalk, and clubhouse facilities, the project will redefine the lifestyles of Tsuen Wan residents and promote green and healthy living.

The project offers a total of 1,466 residential flats in five towers with a total gross floor area of approximately 1.15 million square feet and approximately 250,000 square feet of retail space. Further details of Citywalk are mentioned in Section (6) of this Review of Operations. The residential units of the development were launched on the market in April 2006 and all of the units have been sold. This project was completed in March 2007.

(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS *(Continued)***One SilverSea (100% owned)**

18 Hoi Fai Road, West Kowloon, Hong Kong

A much sought-after development on the West Kowloon waterfront, One SilverSea commands a panoramic view of Victoria Harbour. The project is only a few minutes walk from Olympic Station. It comprises 700 residential flats and 112,483 square feet of commercial space. All of the residential units have been sold. Occupation Permit was obtained in June 2006.

The Group is in the course of converting part of the retail area on One SilverSea's lower floors into a boutique hotel offering approximately 32 guest rooms. Interior fitting-out work is under way and is expected to be completed in the financial year 2011/2012.

Mount Beacon (33.3% owned)

20 Cornwall Street, Kowloon Tong, Kowloon, Hong Kong

This project is located in the most prestigious area of Kowloon Tong and within easy walking distance of Kowloon Tong Station. Mount Beacon commands breathtaking views of Victoria Harbour and the Kowloon Peninsula, and enjoys easy access to all parts of Hong Kong and Mainland China. The development offers 197 residential apartments and 22 townhouses with a full range of clubhouse facilities. It was launched in July 2005 and has received good responses. All of the units have been sold. The development was completed in April 2006.

The Royal Oaks (100% owned)

8 Kam Tsin South Road, Sheung Shui, New Territories, Hong Kong

Surrounded by acres of verdant greenery, this unique residential development is adjacent to the prestigious Hong Kong Golf Club and Hong Kong Jockey Club Beas River Country Club. The project consists of 44 quality detached country-style houses. The Occupation Permit for this project was obtained in December 2004. All of the 44 houses have been sold.

REVIEW OF OPERATIONS *(Continued)*

(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS *(Continued)*

St. Andrews Place (100% owned)

38 Kam Chui Road, Beas Stable, Sheung Shui, New Territories, Hong Kong

St. Andrews Place is in the neighbourhood of the Hong Kong Golf Club and the Hong Kong Jockey Club Beas River Country Club. The Beijing 2008 Olympic Equestrian Cross Country Event was only a few steps from the development. The project comprises 26 high-quality detached houses, each with an individual car port. The Occupation Permit was obtained in June 2005. Only two of the 26 detached houses are available for sale.

One Madison (100% owned)

305 Castle Peak Road, Kowloon, Hong Kong

Acquired in October 2004, the development site of One Madison is a short walking distance from Cheung Sha Wan Station. The development comprises 126 residential units and a retail podium with a total gross floor area of 64,791 square feet. All of the units have been sold and the retail space is fully leased. The Occupation Permit for the development was issued in February 2008.

One New York (100% owned)

468 Castle Peak Road, Kowloon, Hong Kong

This site was acquired in the second quarter of 2004 and has been developed into residential and retail property. The project is only a few minutes walk from Lai Chi Kok Station. A total of 48,969 square feet of gross floor area of residential space with 132 residential units and 9,621 square feet of retail space have been built. The project was well received by the market with only one unit remaining. The Occupation Permit for the development was issued in November 2007.

Park Place, Xiamen, PRC (100% owned)

130 Jia He Lu, Xiamen, PRC

Completed in May 2009, the project affords a total of 123,128 square feet of gross floor area comprising 112,439 square feet of residential space and 10,689 square feet of commercial space. A total of 51 car parking spaces are provided. The project offers 73 residential units and is conveniently located in heart of city centre with a good transport network. The project was launched for sale in August, 2009. Market response was good with all units already sold.

(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS *(Continued)*

Greenfields, Guangzhou, PRC (100% owned)

Chuangye Road, Guangzhou Economic & Technology Development District, Guangzhou Lot No. SZ-8-2, PRC

Greenfields offers a total of approximately 314,655 square feet of gross floor area comprising 286,863 square feet of residential gross floor area, 14,931 square feet of retail space and 12,861 square feet of car parking spaces. The project was launched on the market in 2007 and all of its 238 units have been sold. It was completed in September 2007.

One HoneyLake, Shenzhen, PRC (50% owned)

Xiangmei Road, Futian District, Shenzhen, PRC

One HoneyLake, a 50/50 joint venture residential project, is located in a prime area along the Honey Lake in Futian District, Shenzhen. The land was acquired in April 2004. The development offers a total of 447 residential units consisting of 14 semi-detached houses, 79 terrace houses, 36 low-rise villas and 318 high-rise apartments. The entire project has been completed. Sales of the houses and units have been good with a total of 99% sold.

DEVELOPMENT PROJECT IN SINGAPORE

The Fullerton Heritage (100% owned)

Singapore

In December 2006, the Group acquired a site on Singapore's prestigious Marina Bay waterfront adjacent to three projects it previously developed, namely The Fullerton Hotel Singapore, One Fullerton and The Fullerton Waterboat House. This new site has a total of 107,640 square feet of gross floor area. It is now home to three projects, namely, The Fullerton Bay Hotel, Clifford Pier and Customs House. Clifford Pier has been completed and aside from being the entrance to The Fullerton Bay Hotel, also anchors a modern Chinese restaurant. Customs House was completed in February 2010 and all lettable space has been leased. The Fullerton Bay Hotel with 100 guest rooms was completed in April 2010.

REVIEW OF OPERATIONS *(Continued)*

(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS *(Continued)* DEVELOPMENT PROJECT IN SINGAPORE *(Continued)*

The Fullerton Heritage (100% owned) *(Continued)*

Capitalising on the important history and heritage of the conserved buildings in the heart of Singapore's central business district, and the prime location of the promenade along the waterfront facing The Fullerton Hotel, the Group has embarked on a comprehensive development programme to transform the entire area into a major destination for dining, entertainment and hospitality. This development conserves the distinctive architecture and heritage of the area. It has been named The Fullerton Heritage, and comprises The Fullerton Hotel, The Fullerton Bay Hotel, One Fullerton, The Fullerton Waterboat House, Clifford Pier and Customs House. The Fullerton Heritage offers a memorable lifestyle experience for locals and tourists, and also promotes the conservation of heritage buildings in line with the Group's ongoing commitment to corporate social responsibility.

The Fullerton Hotel and The Fullerton Bay Hotel are presented in the Chairman's Statement and Section (7) of this Review of Operations. Descriptions of One Fullerton, The Fullerton Waterboat House, Clifford Pier and Customs House can be found in Section (6).

(5) PROPERTIES FOR INVESTMENT/OWN USE

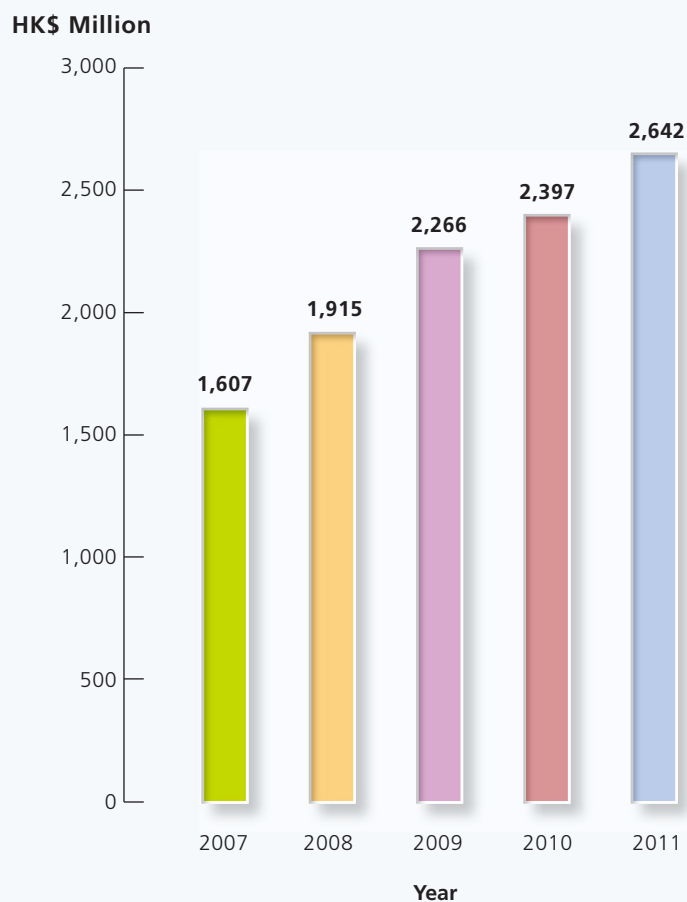
The Group's properties for investment/own use, including attributable share in associated companies, was approximately 11.7 million square feet as at 30th June, 2011, compared with 11.0 million square feet in the previous financial year. The increase was mainly due to completion of new projects namely Sino International Plaza in Fuzhou, Olympian City 3 (retail space of The Hermitage project) in West Kowloon and 18 Kowloon East in Kowloon Bay. The portfolio comprises properties of diversified usage:

Use	Gross Floor Area <i>(Square feet)</i>	Percentage
Office/Retail	7,643,213	65.1%
Industrial	1,631,309	13.9%
Car parks	1,458,149	12.4%
Hotels	711,016	6.1%
Residential	291,975	2.5%
	11,735,662	

REVIEW OF OPERATIONS *(Continued)***(5) PROPERTIES FOR INVESTMENT/OWN USE** *(Continued)*

The Group's investment property portfolio has maintained high occupancy rates throughout the year. Including contributions from associated and related companies, the total gross rental revenue was HK\$2,642 million for the financial year 2010/2011.

Gross Rental Revenue
(Including those from associated and
related companies attributable to the Group)
(For the years ended 30th June)



REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE

Tuen Mun Town Plaza Phase I (100% owned)

1 Tuen Shun Street & 1 Tuen Shing Street, Tuen Mun, New Territories, Hong Kong

Tuen Mun Town Plaza Phase I, also known as tmtplaza 1, is one of the major retail malls and landmarks in North-West New Territories. It has grown from a shopping mall to a retail hub for the region. With direct access to the West Rail Tuen Mun Terminus, the local Light Rail system and bus terminus as well as its proximity to Shenzhen, the mall not only draws substantial shopper traffic from the transport system that links the western New Territories but also from Mainland China.

The shopping mall houses over 400 shops and restaurants offering a wide array of merchandises for our customers. Trade mix is reviewed and reorganised from time to time to meet the demand of shoppers. Renowned retail operators in various business sectors including fashions, cosmetics, health care, jewellery and electrical appliances have opened shops in the mall in recent years to expand their footprint in the region. Together with the Group's regular promotional and marketing events, customers coming to shop in Tuen Mun Town Plaza Phase I will find it more exciting and enjoyable. Shopping will also be a family event for relaxation and enjoyment.

During the financial year 2010/2011, the Group embarked on extensive refurbishment programmes to make the mall even more enticing and appealing to our customers thereby help drive tenants' business and in turn increase rental revenue for the Group. The occupancy rate for the mall has been good throughout the year.

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*

Olympian City 1 and 2 (Joint Venture)

11 Hoi Fai Road and 18 Hoi Ting Road, Olympic Station, Kowloon, Hong Kong

Olympian City 1 and 2 shopping malls are part of the developments that surround Olympic Station in West Kowloon, a massive section of land reclaimed from Victoria Harbour. The developments are joint ventures with the MTR Corporation Limited. Olympian City 1 and 2 are inter-connected and linked to the Olympic Station and offer in excess of 650,000 square feet of retail space. This development is only five minutes from Central and it is directly connect to Hong Kong International Airport on the Tung Chung Line.

Olympian City 1 and 2 with its three levels of shopping, an open piazza, a variety of shops and a cinema offers shoppers a wide spectrum of choices of entertainment and retail shopping, and the opportunity to dine on a wide selection of cuisine in its restaurants and food court. The mall is equipped with plasma televisions, projector screens and a large outdoor LED screen to provide shoppers with entertainment and information.

To sustain shopper flow, raise the popularity of the mall and enhance the shopping environment for our customers, the Group has reviewed the trade mix and carried out renovation for the malls. Further, activities such as stage performances, lucky draws, family-oriented events and joint promotions with media companies are also organised on a regular basis. The mall has maintained a high occupancy rate throughout the year.

Olympian City 3 (50% owned)

1 Hoi Wang Road, South West Kowloon, Hong Kong

Olympian City 3 is the shopping mall of the development of The Hermitage and it is adjacent to Olympian City 2 and Central Park residence which are also developed by the Group. The shopping mall has a total of approximately 120,000 square feet of floor area. Combining the existing Olympian City 1 and 2 shopping malls, the total gross floor area of close to 800,000 square feet accommodates an attractive trade mix that provides a wide spectrum of shopper choice. The two covered footbridges extending from Olympian City 3, one connecting to the existing Olympian City 2 and the other one to Mongkok area, will enhance the accessibility of the shopping malls generating more shoppers' flow. The Group strives to ensure its malls are a favourite family destination by providing a pleasant environment and an exciting programme of special events and entertainment that add up to an enjoyable shopping experience. The mall enjoys high occupancy.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*

Citywalk (Joint Venture)

1 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong

Opened in January 2008, Citywalk is an award-winning and environmentally friendly shopping mall that offers approximately 250,000 square feet of retail space. A joint venture with the Urban Renewal Authority of Hong Kong, the development is located in the heart of Tsuen Wan, within walking distance of both Tsuen Wan Station and Tsuen Wan West Station on the West Rail.

A landmark shopping attraction, Citywalk includes a piazza, a Vertical Garden, an optimal tenant mix, good floor layouts, ample car park facilities and high accessibility via public transport networks. Among the shopper attractions are an elegant retail environment with alfresco dining.

The project has received a Platinum rating from the Hong Kong Building Environmental Assessment Method Society (HK-BEAM Society) for 11 distinctive green features and designs, which include the Vertical Garden, Citywalk Piazza, a hybrid water and air-cooled air-conditioning system and more.

Comprehensive promotion and marketing programmes designed to attract both shoppers and tenants are carried out on an ongoing basis. The mall has maintained high occupancy rate and shoppers' flow.

Citywalk 2 (Joint Venture)

18 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong

Citywalk 2 has been designed as the complement and extension of Citywalk. This contemporary three-storey technologically innovative mall comprises approximately 200,000 square feet of space accommodating brand-name shops, cinemas, lifestyle stores, restaurants and supermarkets.

The mall includes Hong Kong's first 'ArchiSculpture', the iGlobe, a distinctive giant pixelated wall with thousands of LED discs integrated into the exterior of the building as an electronic facade. Citywalk 2 and Citywalk are connected by a footbridge and together offer customers and local residents a complete spectrum of dynamic shopping, dining and entertainment. The occupancy of Citywalk 2 is at high level.

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE
*(Continued)***Exchange Tower (100% owned)**

33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong

The site was acquired through a government land auction in February 2005. Conveniently located near Kowloon Bay Station and connected by the East Kowloon Expressway, this commercial building offers a total of 609,027 square feet of gross floor area consisting of approximately 509,812 square feet of office space and 99,215 square feet of retail area. Exchange Tower is also close to the proposed Kowloon East Development, which will transform the former Kai Tak Airport site into an exciting metropolis for tourism, business, sports and residential developments. The cruise terminal, undertaken by the HKSAR Government and expected to be commissioned in 2013, will benefit the Kowloon East region.

This trend-setting landmark building has a number of environmentally-friendly features, including a spacious green balcony on every office floor, an 11-metre high indoor vertical garden in the lobby atrium providing an oasis of serenity and greenery, and a spectacular five-metre high Sky Garden on the 15th floor with unique facilities for tenants and office workers. Another key feature of Exchange Tower is its alfresco dining terrace on the podium featuring four special glass structures that will house hip and trendy food and beverage destinations. Tenants of Exchange Tower can enjoy panoramic sea views, landscaped areas and sky gardens. The project has attracted a good mix of tenants with firms in various industries and occupancy is high. The Occupation Permit and Certificate of Compliance for Exchange Tower were obtained in September 2008 and March 2009 respectively.

The Hennessy (100% owned)

256 Hennessy Road, Wan Chai, Hong Kong Island, Hong Kong

The site was acquired in December 2004. It is conveniently located in a vibrant business area near Wan Chai Station, is a stone's throw from the Causeway Bay entertainment hub and only minutes from the Central Business District.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*

The Hennessy (100% owned) *(Continued)*

The building has been designed with full-height windows offering panoramic Victoria Harbour views, a 4.8-metre floor-to-floor height and flexible layout. The first three floors of retail space are encased in a 15-metre high glass curtain providing excellent visibility from the street. The podium garden on the third level combines indoor and alfresco dining. The aptly named Sky Garden reaches a colossal six-metre floor-to-floor height. The rooftop floor, with its stunning panoramic views of the harbour and the city, offers a visually spectacular setting for alfresco dining.

The Occupation Permit for the project was obtained in November 2008. The building contains a total of 71,862 square feet of commercial space and it is fully leased.

Island Resort Mall (40% owned)

28 Siu Sai Wan Road, Hong Kong Island, Hong Kong

With 189,190 square feet of retail space over three levels and in excess of 1,240 carparking spaces, Island Resort Mall offers a rich array of consumer choice. The ground floor comprises an air-conditioned public transport interchange equipped with a state-of-the-art digital electronic information system. Served by different bus companies with more than 20 routes, it links popular locations across the territory. The mall features fine retail shopping and the relaxed appeal of a spacious promenade with views of Victoria Harbour. The mall enjoys good occupancy.

Tsim Sha Tsui Centre (45% owned)

Salisbury Road, Tsim Sha Tsui East, Kowloon, Hong Kong

Located on the waterfront of Tsim Sha Tsui East overlooking panoramic views of Hong Kong Island, Tsim Sha Tsui Centre is conveniently accessed by various transport options and surrounded by several international-class hotels. The building is a popular choice for toy, sourcing, trading and manufacturing companies requiring office space. An enhanced transport and infrastructure network, which includes East Tsim Sha Tsui Station on the East Rail Line, the Tsim Sha Tsui East (Mody Road) bus terminus and the Kowloon Southern Link in operation as well as the Tsim Sha Tsui Promenade Beautification Scheme, have been conducive in bringing more shopper traffic to the area.

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE
*(Continued)***Tsim Sha Tsui Centre (45% owned)** *(Continued)*

The Group initiated a major repositioning exercise to revamp the tenant mix a few years ago. The retail area is home to a number of renowned international food and beverage operators, such as Outback Steakhouse and Bulldog's Bar and Grill. Beauty and health product distributor SaSa and quality international luggage brand Rimowa have also established shops. The occupancy rate for this property has been maintained at high level.

Hong Kong Pacific Centre (100% owned)

28 Hankow Road, Tsim Sha Tsui, Kowloon, Hong Kong

Located in the centre of Tsim Sha Tsui's bustling retail neighbourhood, this commercial development comprises a high-rise modern office tower and shopping centre podium with a total gross floor area of 232,606 square feet. Most of the shops enjoy extensive street frontage with a heavy pedestrian flow from nearby Nathan Road. Further, with the Kowloon Southern Link in operation and the new Austin Station commencing passenger service, these will bring in more shoppers' flow and business to the area. The building enjoys high occupancy.

China Hong Kong City (25% owned)

33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

Located on the waterfront of western Tsim Sha Tsui, China Hong Kong City is a development of 2.6 million square feet comprising shops, offices, hotels, a public traffic interchange and a ferry terminal. The unique gold curtain wall cladding and China Ferry Terminal passenger facilities have led to its recognition as the 'Golden Gateway to China'. The continuing expansion in traffic between Hong Kong and China's coastal cities (including Macau), has seen pedestrian flow in the complex experience encouraging growth, underpinning good business opportunities for tenants and hotel alike. The commissioning of the Kowloon Southern Link railway line and the commencement of passenger service of the new Austin Station will benefit the entire Tsim Sha Tsui and West Kowloon areas bringing in more shoppers' flow and business. With an exciting retail mix and a bright retail ambience reflecting its contemporary style, China Hong Kong City promises a rewarding shopping experience for visitors, commuters and shoppers. Shoppers' flow stays at a high level and occupancy rate is good.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*

Oceania Heights (100% owned)

2 Hoi Chu Road, Tuen Mun, New Territories, Hong Kong

Located in one of the fastest growing areas of the New Territories new towns, this development is close to major traffic arteries and can be conveniently reached by various transport options, including the West Rail. The existing local Light Rail system provides a convenient connection to new towns within the North-West New Territories. The site is well served by public recreational facilities and schools and is approximately a ten-minute walk from Tuen Mun Town Plaza, Phase I. The project was completed in September 2004 and all of the 544 residential units have been sold. The 29,082 square feet of retail space retained as a rental property provides a good income for the Group. Occupancy rate is good.

Central Plaza (10% owned)

18 Harbour Road, Wan Chai, Hong Kong

Recognised as one of the tallest buildings in Asia, Central Plaza is a 78-storey intelligent Grade-A office tower, with spectacular views of Victoria Harbour and a gross floor area of approximately 1.4 million square feet. Located next to the Hong Kong Convention & Exhibition Centre, its prestigious location and advanced technical facilities have attracted many multinational corporate tenants. The building was completed in October 1992 and occupancy is good.

Skyline Tower (50% owned)

39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong

This office redevelopment project is located next to the East Kowloon Expressway. The project was completed in November 2003 and provides a total attributable gross floor area of 413,915 square feet. It achieves high occupancy.

The Centrium (70% owned)

60 Wyndham Street, Central, Hong Kong

Completed in June 2001, this Grade-A commercial development is located near the Lan Kwai Fong 'expatriate quarters' known for its cosmopolitan lifestyle, entertainment and dining. It provides 255,911 square feet of international-class commercial space with a retail mall that complements the flamboyant atmosphere and popular restaurants nearby. The building maintains high occupancy.

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE*(Continued)***Futura Plaza (100% owned)**

111-113 How Ming Street, Kwun Tong, Hong Kong

This 26-storey building located in Kwun Tong is only a few minutes walk from Kwun Tong Station. The property has been converted from industrial usage to an office building. The project was completed in November 2001 and achieves good occupancy.

148 Electric Road (100% owned)

Electric Road, North Point, Hong Kong

This is a prime commercial development near Fortress Hill Station and the Cross-Harbour Tunnel. The development caters to a wide range of businesses and is within walking distance of five international hotels, including the City Garden Hotel. The project yields an attributable gross floor area of 197,400 square feet. The project enjoys good occupancy.

Pacific Plaza (100% owned)

418 Des Voeux Road West, Hong Kong

Pacific Plaza is situated in the popular Western district near the Western Harbour Tunnel. This attractive 22-storey commercial building provides 131,960 square feet gross floor area of office space and a 32,500-square-foot shopping podium. The occupancy rate has improved and remains high.

Omega Plaza (100% owned)

32 Dundas Street, Mongkok, Kowloon, Hong Kong

Completed in 1993 and situated in the heart of Mongkok, Kowloon's most vibrant retail and business area, this property includes 20 storeys of office space and a four-storey shopping podium. The occupancy rate is good.

One Capital Place (100% owned)

18 Luard Road, Wan Chai, Hong Kong

This attractively designed commercial project, located in the heart of Wan Chai, is close to the Wan Chai Station. The building has maintained good occupancy.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*

Cameron Plaza (100% owned)

23 Cameron Road, Tsim Sha Tsui, Kowloon, Hong Kong

This Ginza-style commercial building is located within one of Kowloon's busiest retail and tourist areas. Both the retail space and the office floors enjoy high occupancy.

Marina House (100% owned)

68 Hing Man Street, Shau Kei Wan, Hong Kong

Located in one of Hong Kong Island's busiest districts and close to Sai Wan Ho Station, the property is easily accessible by various transport means. The commercial development provides 119,298 square feet of office space above a shopping podium and a basement car park. The building has maintained good occupancy.

Sunley Centre (100% owned)

9 Wing Yin Street, Tsuen Wan, New Territories, Hong Kong

The Centre was acquired in June 2002. This 18-storey, 170,570-square-foot industrial building is located at the centre of the Tsuen Wan Industrial Zone and is close to the Kwai Chung terminals. The property recorded high occupancy.

Commercial Parts of Rosedale Gardens (100% owned)

133 Castle Peak Road, Tuen Mun, New Territories, Hong Kong

Acquired in May 2005, the commercial portion of Rosedale Gardens comprises a two-level shopping arcade of approximately 35,000 square feet and 38 car parking spaces. It is conveniently located near the Light Rail's Ho Fuk Tong Station. The occupancy rate for this retail property is satisfactory.

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE
*(Continued)***One Fullerton (100% owned)**

1 Fullerton Road, Singapore

Acquired in 1998, this development is situated adjacent to Merlion Park from The Fullerton Hotel Singapore. It has been developed into an award-winning contemporary two-storey building providing over 80,000 square feet of gross floor area of commercial space. Named One Fullerton, it houses some of Singapore's best restaurants, bars and entertainment concepts, from chic cafes to fine-dining alfresco restaurants serving cuisines from around the globe, all with panoramic views of Marina Bay. Merlion Park attracts over a million visitors every year who flock to visit the Lion City's famous tourism icon.

One Fullerton forms part of The Fullerton Heritage and is connected with The Fullerton Hotel by an underground traveller. It is also a well-placed vantage point for Formula One Grand Prix circuit in Singapore.

Presenting an exciting tenant mix, coupled with a recently enhanced landscaped waterfront promenade and stunning views of Marina Bay, One Fullerton joins Singapore's most popular lifestyle destinations.

The Fullerton Waterboat House (100% owned)

3 Fullerton Road, Singapore

Built in 1919 and acquired by the Group in May 2002, The Fullerton Waterboat House was once occupied by the Singapore Port Authority to supply fresh water to ships anchored offshore. The iconic and eye-catching structure resembles the circular stern of a ship, with nautical details of circular windows, elegantly curved facade, and glass enclosed lookout deck.

Today it is an elegant destination for intimate fine dining and an enclave of sophistication for those with discerning tastes. The property has a total of 21,743 square feet of gross floor area.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*

Clifford Pier (100% owned)

80 Collyer Quay, Singapore 049326

The neo-classical inspired Clifford Pier is named after Sir Hugh Charles Clifford, Governor of the Straits Settlements (1927 to 1929). The pier was first opened on 3rd June, 1933. It is defined by its notable architecture as a quintessential column-free Victorian wrought-iron pier. Clifford Pier is a historic landmark and was the key landing point for visitors and immigrants arriving by ships in the early days of Singapore. Now part of The Fullerton Heritage, it opened in December 2008. The revitalised pier has kept its original architectural characteristics and charm and commands spectacular views of Marina Bay. The pier affords over 10,000 square feet of commercial space, and has been leased to a stylish modern Chinese establishment. It now also serves as the main entrance to The Fullerton Bay Hotel and continues to welcome guests from around the world.

Customs House (100% owned)

70 Collyer Quay, Singapore

Customs House, part of The Fullerton Heritage, is a two-storey heritage building with a total floor area of approximately 14,800 square feet. Built in the late 1960s with distinctive bowtie-shaped protruding panels on its façade and elegant umbrella-like pavilions, it was once home to the Singapore Customs Police. It is now a charming conservation building with panoramic views of Marina Bay, and a hotspot for chic dining and entertainment. The redevelopment project was completed in February 2010 and all lettable space has been leased.

Raffles City Shanghai (22.4% owned)

Plot 105 A & B, 228 Xizang Road Central, Huangpu District, Shanghai, PRC

Jointly developed by several international property developers, this 46-storey prime office-cum-retail tower is located in the central business area of Huangpu District and surrounded by boutique shops that attract heavy pedestrian flows. The project was completed in October 2003, yielding a total of 1.35 million square feet of gross floor area. The retail part is fully occupied and the office space enjoys high occupancy.

(7) HOTELS**The Fullerton Hotel Singapore (100% owned)**

1 Fullerton Square, Singapore

Characterised by its unique heritage architecture with distinguished Doric columns and monumental porte cocheres, the Fullerton Building represents the height of Palladian architecture in Singapore. The Fullerton Building underwent a major makeover and has been transformed into a prestigious, world class, 5-star hotel with 400 rooms and suites. Named The Fullerton Hotel Singapore, it officially opened on 1st January, 2001, featuring a contemporary interior design.

Located at the waterfront with spectacular views of the Marina Bay, the hotel is well situated in the heart of the Singapore's Financial and Business District. The hotel is in close proximity to prime commercial developments and it is linked to adjacent commercial developments including One Fullerton, Clifford Pier, The Fullerton Bay Hotel, Customs House, waterfront residences and offices. The hotel's excellent location, comprehensive facilities make it ideal for both business and leisure travellers.

A range of dining options is available, including international cuisine at Town Restaurant, Italian at The Lighthouse and Chinese at Jade. Located in the sunlit atrium, The Courtyard is ideal for a casual lunch with the Japanese or Indian curry buffet, afternoon tea and chocolate buffet on Fridays and Saturdays. Guests can also enjoy signature cocktails and gourmet tapas at the stylish Post Bar.

As a unique heritage hotel, The Fullerton Hotel has received international awards and accolades in the financial year 2010/2011, in recognition of the exemplary services that guests have experienced. These awards include:

- Ranked first in "Top 25 Conference Hotels in Asia" and second in "Top 25 Business Hotels in Asia" by *SmartTravelAsia.com* – Best in Travel Poll (2010)
- Voted one of the Top 25 City Hotels in Asia by *Travel + Leisure* World's Best Reader's Choice Awards 2010
- Voted one of Asia's Top Hotels list by *Condé Nast Traveler* – Reader's Choice Award 2010
- Voted one of the World's Best Hotels by *Travel + Leisure*
- Conferred "Arts Supporter Award 2010" by the National Arts Council of Singapore

REVIEW OF OPERATIONS *(Continued)*

(7) HOTELS *(Continued)*

The Fullerton Hotel Singapore (100% owned) *(Continued)*

The hotel has previously received a number of awards in recognition of its quality of service as well as its architectural design and interior concepts.

Major awards in relation to architectural design and concept received prior to the financial year 2010/2011 include the following:

- Awards of Excellence by *Urban Land Institute* (2004)
- FIABCI Prix d'Excellence under the Leisure Category Winner (2003)
- Urban Redevelopment Authority Architectural Heritage Award 2001
- The Singapore Institute of Architects Architectural Design Award 2001 (Conservation Category)

The Fullerton Bay Hotel (100%)

80 Collyer Quay, Singapore

Newly introduced in July 2010, The Fullerton Bay Hotel is exclusively built on the waters of Marina Bay – Singapore's latest focal destination for both business and leisure. At its prime waterfront location, the Central Business District, the new Marina Bay Financial District, the arts and cultural precinct as well as key attractions like the Merlion Park, Esplanade-Theatres on the Bay, Boat Quay and the Singapore Flyer are all within close proximity. The hotel features breathtaking architecture and elegant interiors that combine contemporary style and Singapore's illustrious seafaring history. Each of its 100 rooms impresses with panoramic views of the vibrant Singapore skyline through floor-to-ceiling windows and private balconies or sun decks. Overlooking the city's landmarks from the privacy of the room, guests are treated to natural light and a sense of destination.

The hotel's trio of culinary experiences includes signature restaurants and bar such as The Landing Point, Clifford and Lantern. Lantern is a stylish rooftop bar, surrounding the hotel's 25-metre rooftop swimming pool, where guests can enjoy the enthralling views of the Marina Bay waterfront and city skyline.

Modern brasserie Clifford is illuminated by 10-metre high floor-to-ceiling windows overlooking the sparkling waters of the bay. With layers of theatrical salons and vintage furnishings, Clifford sets to redefine destination dining by the bay with personalised service.

(7) HOTELS *(Continued)***The Fullerton Bay Hotel (100%)** *(Continued)*

The Landing Point is positioned alongside a six-metre wide indoor promenade paved in bespoke marble mosaics. With a 13-metre long bar and spacious outdoor terrace, The Landing Point is designed to attract the sophisticated chic.

Since its opening in July 2010, The Fullerton Bay Hotel has received international awards and accolades in recognition of its exemplary services. These include:

- Named one of the World's Best New Hotels by *Condé Nast Traveler's Hot List (US)* and *Condé Nast Traveller's Hot List (UK) 2011*
- Voted one of the World's 50 Best New Hotels by *Travel + Leisure IT List (USA) 2011*
- Voted by readers of *TimeOut Singapore* as Best New Luxury Hotel 2011
- Featured on the Luxe List by *DestinAsian* – 2010

Conrad Hong Kong (30% owned)

Pacific Place, 88 Queensway, Hong Kong

This five-star, world-class hotel is located above a major shopping complex on Hong Kong Island and is managed by a renowned international hotel operator. Its good location and high standard of service have placed Conrad Hong Kong among the most favoured hotels in the region.

In recognition of its quality of service, Conrad Hong Kong received the following awards from respected organisations and magazines during the financial year 2010/2011:

- One of the "Top 25 Conference Hotels in Asia" by *SmartTravelAsia.com – Best in Travel Poll 2010*
- "Travelers' Choice Award 2011" by *TripAdvisor*
- "The World's Best Hotels Awards" by *Travel + Leisure Southeast Asia*
- All three restaurants Nicholini's, Brasserie on the Eighth and Golden Leaf received Hong Kong Best Restaurant Awards from *Hong Kong Tatler*

REVIEW OF OPERATIONS *(Continued)*

(8) CORPORATE AFFAIRS

The Group affirms its commitment to maintaining a high degree of corporate transparency and communicating regularly with banks, research analysts and investors. The Corporate Finance Department disseminates information about the Group's latest developments through various channels, including meetings with investors, fund managers and analysts, investor conferences, site visits, results briefings and the www.sino.com website. During the financial year 2010/2011, the Group participated in a total of 18 investor conferences and 13 non-deal roadshows.

Date	Type	Region/Country/City	Organiser
Jul-10	Conference 1	Singapore	DBS Vickers
Jul-10	Conference 2	Hong Kong	CLSA
Jul-10	Non-deal roadshow	Tokyo	Nomura International
Sep-10	Non-deal roadshow	Hong Kong	CLSA
Sep-10	Non-deal roadshow	Europe	JP Morgan
Sep-10	Conference 3	Hong Kong	CLSA
Sep-10	Non-deal roadshow	Sydney & Singapore	Macquarie Capital Securities
Oct-10	Non-deal roadshow	United States & Canada	Goldman Sachs
Nov-10	Conference 4	Singapore	Morgan Stanley
Nov-10	Non-deal roadshow	United States & Europe	Goldman Sachs
Nov-10	Conference 5	Hong Kong	CLSA
Nov-10	Conference 6	Hong Kong	Macquarie Capital Securities
Jan-11	Conference 7	Beijing	Deutsche Bank
Jan-11	Non-deal roadshow	Beijing	Deutsche Bank
Jan-11	Conference 8	Shanghai	UBS
Jan-11	Non-deal roadshow	Shanghai	CCB International Securities
Jan-11	Non-deal roadshow	Singapore	Bank of America Merrill Lynch
Mar-11	Non-deal roadshow	Europe	CLSA
Mar-11	Non-deal roadshow	United States	UBS
Mar-11	Conference 9	Hong Kong	Credit Suisse
Apr-11	Non-deal roadshow	Sydney and Melbourne	HSBC
Apr-11	Conference 10	Hong Kong	Bank of America Merrill Lynch
Apr-11	Conference 11	Hong Kong	DBS Vickers
May-11	Conference 12	Singapore	Citigroup Global Markets Asia
May-11	Conference 13	Hong Kong	Macquarie Capital Securities
May-11	Conference 14	Hong Kong	Morgan Stanley
May-11	Conference 15	Hong Kong	Mirae Asset
Jun-11	Conference 16	Hong Kong	CLSA
Jun-11	Conference 17	London	HSBC
Jun-11	Non-deal roadshow	London	HSBC
Jun-11	Conference 18	Hong Kong	Daiwa Capital Markets

(8) CORPORATE AFFAIRS (Continued)

The Group was voted by investors and analysts as one of the awardees of “Best Managed Company”, “Best Investor Relations”, “Best Corporate Governance” and “Best Corporate Social Responsibility” in the *FinanceAsia*’s 11th annual poll of Asia’s top companies. It also won the Corporate Governance Asia Annual Recognition Awards 2011 from *Corporate Governance Asia* this year. Management would like to thank everyone who nominated Sino Land for this year’s award. The encouragement and support from investment and finance professionals will continue to motivate management to further improve product and service quality.

Sino Land is one of the constituent stocks of the Hang Seng Index and the Hang Seng Property Index.

Sino Club was established in July 1997 to enhance communication between the Group and its customers and promote customer loyalty. Sino Club communicates regularly with members through newsletters, websites and email. The Group is developing web-based communication channels as part of the commitment to environmental protection.

Sino Club members are offered a wide range of shopping and hospitality incentives from the Group and Group-related malls and hotels both in Hong Kong and Singapore, which include exclusive home purchase privileges. They are also invited to priority previews of show flats and enjoy activities arranged exclusively for them. As the Group markets more residential units and commercial space, Sino Club will see further increases in membership.

(9) EMPLOYEE PROGRAMMES

Human capital is among the Group’s most important assets. As at 30th June, 2011, the Group employed approximately 8,243 staff members, excluding part-time and temporary employees.

In line with the Group’s mission of being the “Preferred Choice for Customers, Investors and Employees”, training courses and knowledge programmes are continually developed to meet corporate training and career development needs. During the financial year 2010/2011, approximately 41,480 hours of training were provided to employees within the Group. Language proficiency, professional knowledge, management know-how, corporate governance, productivity and efficiency, as well as other initiatives are addressed through ongoing training.

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES *(Continued)*

The Group's continuous commitment to manpower training, as well as the development and promotion of a learning culture within the organisation, was recognised by the Employees Retraining Board under the "ERB Manpower Developer Award Scheme", where the Group was awarded the title and logo of Manpower Developer 1st (MD 1st) for two years, from 23rd April, 2010 to 31st March, 2012.

Service Enhancement

In pursuit of quality and service excellence, the Group deploys internal and external training programmes to further raise employee service standards and to promote staff awareness of the importance of understanding customer needs, and exceeding customer expectations, with superior care and attention.

It is the Group's policy that all staff, in particular those in front-line positions, must uphold meticulous standards of customer service. The company continues to channel efforts into enhancing customer service. Regular workshops and programmes related to customer service reinforce consistently high service standards across the Group.

Sino's Staff Academies initiative offers systematic property services training programmes with more than 115 courses covering customer service, property management, building maintenance, security service, clubhouse management, environmental conservation, cleaning services, car park operation and language skills to help employees grow professionally and serve customers better. A Leasing Academy comprising 16 training modules was launched in mid-2010 to equip colleagues with knowledge of Leasing Department's operations for enhancing work effectiveness, synergy and inter-departmental collaboration leading to excellent customer service.

Leadership and Management Practices

The Group emphasises teamwork as a critical factor to help achieve synergy among staff, internal processes and departments. "Dialogue in the Dark" training was first introduced in 2009 as a new team building initiative among executives and managers. Further to the six workshops organised in the previous year, four more workshops were organised for 95 managers in 2010/2011, enabling a total of 240 executives and managers to benefit from the programme since introduction of the training.

(9) EMPLOYEE PROGRAMMES *(Continued)***Leadership and Management Practices** *(Continued)*

To nurture a culture of systematic thinking while generating new ideas for continuous improvement and problem solving, the Group continued to organise the Six Thinking Hats training programme in 2010/2011. With 80 middle managers having attending the training during 2010/2011, a total of around 180 middle managers have already attended the training since it was first launched in 2008.

To promote continuous improvement in personal effectiveness and the ability to leading people, The Seven Habits of Highly Effective People Programme was organised for more than 90 senior managers in 2010.

In addition to leadership and personal effectiveness training programmes, seminars and talks on different management topics, such as Transformational Leadership, Leading with Positive Mindset, Crisis Management etc., by external speakers are arranged regularly to keep the Group's middle managers abreast of the latest leadership and management practices. Four seminars with a total of 578 participants were conducted in 2010.

To strengthen the supervisory skills of frontline supervisors and increase their sense of ownership and accountability in managing the day-to-day performance of frontline staff, a new module of supervisory skills training on positive mindset and influencing skills was launched in mid-2010. Over 700 training hours of training has been provided to more than 200 frontline supervisors.

Talent Management

The Group has taken steps to strengthen its leadership pipeline to support business development in Hong Kong and China. In addition to recruiting graduates from universities in Hong Kong, the Group expanded its talent base by encouraging graduates from top-notch universities in China and overseas to join the Group's Corporate Management Trainee Programme. This has been established to identify and groom young talents for long-term career development within the Group and ensure a continual supply of executives with the skills and potential to support the Group's drive for ongoing success and excellence. Apart from this, the Property Trainee Programme continues to prepare high-caliber people for long-term professional careers in property management with the Group.

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES *(Continued)*

Language and Corporate Governance

As the economic and social ties between Mainland China and Hong Kong strengthen, the Group continues its efforts to raise staff's Putonghua proficiency by providing regular training course for various levels of fluency. In 2010/2011, 33 training courses were organised for staff of different business areas with a total attendance of 2,611 training hours.

Courses and seminars on codes of practice in areas such as corporate governance, connected transactions, staff integrity and company securities dealing were also organised to enable staff members to keep abreast of latest developments in these areas.

Employment Engagement

The Group places a high priority in maintaining open two-way communications to strengthen staff engagement. Staff communication channels include Town Hall Meetings, monthly Staff Communication Meetings, department sharing sessions, site visits, regular company newsletters and a Staff Suggestion Scheme.

Regular recreational and welfare activities, including holiday flats, company-sponsored local tours and talks on workplace wellness, are arranged for staff from time to time. Activities held during the financial year of 2010/2011 were well-received by more than 1,845 participants.

(10) SINO PROPERTY SERVICES

The Group's fully integrated property management service is provided by Sino Property Services (SPS) which consists of four companies, namely Sino Estates Management Limited (SEML), Sino Security Services Limited (SSSL), Best Result Cleaning Services Limited (BRCSL) and Sino Parking Services Limited (SPSL). Each of these companies has its own specialised functions. SPS is set up to complement the Group's property development and investment businesses. SPS currently manages 183 projects with an aggregate floor area of over 53 million square feet.

(10) SINO PROPERTY SERVICES *(Continued)***Property Management Service**

By providing property management services, the Group not only manages property assets, but also gains an opportunity to better serve customers, tenants and residents. SPS is an important channel that allows the Group to communicate with customers and receive feedback from them. This two-way communications channel spans daily observations, feedback from various sources, daily personal contact, regular inspections, mystery shopper reports and customer satisfaction surveys. From this, continual operational improvements can be made to bridge the gap between the Group's offerings and customer expectations. Delivering high-quality customer services is one of the Group's key business objectives. To achieve this objective, a quality recruitment process has been developed to select the right candidate for the right career. The Group cultivates a working environment that builds the sense of belonging and enables employees to work efficiently. Other initiatives that allow the Group to serve customers better include formal in-house training to enable staff to update and strengthen their skill set, a mentoring and coaching programme, efficient internal communications to ensure messages and experience sharing reaches all staff levels, and building a culture of teamwork and performance driven attitudes.

Regular and thorough hardware checks are a must for effective property management and maintenance. Monitoring the maintenance process undertaken by contractors and staff, supply chain processes, efficient time management, effective process control and keeping close track of maintenance history are important to ensure the smooth running of daily operations and to optimise efficiency. SPS will continue to proactively make improvements in its quality of service with the aim to enhance both customer satisfaction and the value of the Group's properties.

SSSL received a number of awards from the Hong Kong Police Force and various District Fight Crime Committees in the financial year 2010/2011 in recognition of its quality security services and high standards of performance of its security staff. A total of 198 certificates have been received in nine security service award programmes organised by different regional crime prevention offices.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Property Management Service *(Continued)*

With continuous efforts in improving service quality as well as enhancing the efficiency of work process, BRCSL has integrated its three management systems in respect of Quality (ISO 9001), Environmental (ISO 14001) and Occupational Health & Safety (OHSAS 18001). As a result, it was qualified for the Integrated Management System Certificate in 2010. Giving weight to the in-house staff training designed with specific skill set for the industry and furtherance of their performance for our customers, BRCSL received 14 awards in the 2010-11 Kwun Tong Private Building Green and Cleaning Competition organised by the Kwun Tong District Council.

SPSL, an associated company of Sino Land Company Limited, has been named U Choice Brand 2011 by the Metro Radio in recognition of its quality parking services. It also achieved eight awards in car park management services by the Kowloon West Regional Crime Prevention Office.

Training

Property management is a human capital intensive business. Employees are the Group's most important assets. Managing and maintaining a portfolio of properties requires stringent regular controls, close communications, an efficient internal operation workflow system and an effective internal database. All these are executed by human interaction. Training and good communication systems are vital to ensure staff can deliver the required standards of service, adapt to the latest changes in the working environment, and upgrade their skill set, productivity and efficiency. Training and good communications also encourage staff to raise their value and increase their contributions to the Group, enhance job satisfaction and help ensure staff mindsets, attitudes and skill sets align with the interests of the Group. This all contributes to a knowledge-based management.

SPS has established 11 academies over the past few years designed to meet customer needs and expectations. Property management focused academies are Sino Property Management Academy, Sino Maintenance Academy, Sino Security Academy, Sino Cleaning Academy, Sino Parking Academy, Sino Safety Academy and Sino Clubhouse Academy. Service focused academies are Sino 5-star Service Academy and Sino Language Academy. Sino Green Academy and Sino Landscape Academy are formed to promote green living.

(10) SINO PROPERTY SERVICES *(Continued)***Training** *(Continued)*

These academies cover key aspects of property management with the main objective of building a team of all-rounded professionals. The functions of each academy are reflected by the names of the academies. For instance, Sino Property Management Academy equips new staff with comprehensive property management knowledge; Sino Security Academy enhances staff awareness in security control; Sino Cleaning Academy offers training in cleaning and pest control skills as well as customer services; Sino Parking Academy provides training and experience sharing on the operation and technical aspects of carpark management; Sino Clubhouse Academy aims at strengthening the management, service knowledge and practical skills of the staff working in clubhouses and Sino Safety Academy helps raise the staff's awareness on occupational safety and health by offering them the Mandatory Basic Safety Training for Construction Industry (the Green Card) as well as 42-hour Safety Supervisor Training and Confined Spaces Safety Training courses.

In addition to the 11 academies mentioned above, further training programmes are introduced to meet the ever-changing demands of customers and society. During the financial year 2010/2011, SPS appointed two renowned international consultants, namely Ecole hôtelière de Lausanne's Lausanne Hospitality Consulting from Switzerland, and International Professional Security Association from the United Kingdom to provide advanced training for front-line and operational staff to broaden their knowledge in delivering services with international perspectives.

All academies and training programmes are regularly reviewed and constantly fine-tuned to help staff become better equipped and more competitive.

Safety Management

Establishing and maintaining a safe working environment is of paramount importance for SPS to increase productivity and efficiency. As a socially responsible corporation, SPS reviews and analyses working procedures and operations from time to time with the objective of maintaining a safe workplace. Safety precaution measures are also implemented for events and activities held in the premises where SPS manages. In addition to procedures and measures, training is also important for staff to build their mindsets and habits to pursue safety standards. SPS has been recognised and authorised by the Labour Department to run the Green Card and the Confined Spaces Safety Training courses and endorse related professional qualifications for the staff that have completed the courses. Since 2008, over 1,600 staff members have completed the Green Card Course.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Environmental Protection

SPS recognises its role in promoting environmental protection. From the property management perspective, environmental protection initiatives can be applied in several main areas of the daily operations. These include treatment of used materials or waste; reduction of waste; use of sustainable materials, use of recycled materials, reduction of greenhouse gases (GHGs) or carbon footprints; conservation of nature and landscaping. Initiatives can be extended to raise the awareness of the residents and customers as well as to educate the young generation to be more cautious on protecting the nature and environment. SPS supports building a sustainable environment in Hong Kong. The Group has been one of the first corporations to become a 'Carbon Audit Green Partner' of the Environment Bureau since 2008 and has carried out carbon audits at their buildings and initiated carbon reduction programmes according to the 'Carbon Reduction Charter'. As of 30th June, 2011, 49 projects have been audited. Energy saving is also one of the main areas that can contribute to the reduction of fuel consumption thereby reducing carbon emission, much attention has been paid to minimising power consumption in the areas of lighting, electrical appliances and equipment, air-conditioning as well as lifts and escalators.

In response to the trend towards electric vehicles, a total of 107 electric vehicle chargers have been installed at 50 flagship car parks managed by SPSL and this project will be reviewed and expanded to cover more car parks.

SEML received a number of awards in recognition of its efforts in environmental protection. Skyline Tower was given the Grand Award (Existing Buildings – Hong Kong & Asia Pacific (Facility Management Project)) in the Green Building Award 2010 organised by the Hong Kong Green Building Council. Further, SEML also received a Silver Award (Skyline Tower) and six Certificates of Merit (Exchange Tower, One SilverSea, Island Resort, Pacific Palisades, Hong Kong Gold Coast and Mount Beacon) in the Sectoral Awards – (Property Management) in the Hong Kong Awards for Environmental Excellence 2010 organised by the Environmental Campaign Committee.

SEML has also collaborated with organisations such as the Environmental Protection Department and the Electrical and Mechanical Services Department of the HKSAR Government, WWF, Greeners Action, Hong Chi Association and Friends of the Earth (HK) to organise and support events and activities to encourage the concept of healthy living and raise public awareness on ways of protecting the environment.

(10) SINO PROPERTY SERVICES *(Continued)***Environmental Protection** *(Continued)*

Further to the above awards, SEML received a number of awards for the projects that it manages in the Competition on Source Separation of Domestic Waste 2010/2011 and Source Separation of Commercial and Industrial Waste 2010/2011 organised by the Environmental Protection Department of HKSAR Government.

SPS will continue to explore new business opportunities and widen the scope of its activities to enhance shareholder value.

(11) CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, over the years the Group has been actively involved in a wide range of community programmes, voluntary services, green initiatives, art and cultural events, and staff teambuilding activities.

Community care

To encourage staff participation in various volunteer programmes on a regular basis, the Group has established its 'Sino Caring Friends' volunteer team to spread the message of love and care to those in need. With an attempt to nurture the volunteering culture, the Group launched 'Sino Caring Day', an annual signature CSR event, in January 2011. More than 250 management and staff members provided social services in various districts to serve the community on the Sino Caring Day. Sino volunteers reached out to Tung Tau Estate, Wong Tai Sin for elderly home visits, Hong Kong Gold Coast Hotel for refreshments with the elderly, Hong Kong Gold Coast Residences for the 'Equestrian Charity Day' with low-income families, Sham Shui Po for partying with kids, as well as Cheung Chau and Tai O for elderly visits.

In July 2010, the Group collaborated with various charity organisations, including Po Leung Kuk, Hong Kong Christian Service, and Tung Wah Group of Hospitals Jockey Club Tai Kok Tsui Integrated Services Centre, to organise 'The Joy of Music and Dance Series', an event featuring music and dance performances for underprivileged children. In September 2010, together with St. James' Settlement, Sino Caring Friends celebrated the Mid-Autumn Festival with over 400 senior citizens at 'Mooncake Speaks for My Heart', which was held for the eleventh year in a row. Volunteers helped arrange health seminars and gave the elderly gifts of fresh fruits and healthy mooncakes. In June 2011, our volunteer team joined hands with Ho Chui District Community Centre for Senior Citizens (sponsored by Sik Sik Yuen), to organise 'Elderly Caring Series – visiting programme', in which Sino Caring Friends will provide regular monthly home visit to senior citizens who live alone in Tsz Wan Shan.



Daryl Ng, Executive Director, along with Sino Caring Friends visited single elderly in Tung Tau Estate.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Community care *(Continued)*

The Group is a founding partner of Feeding Hong Kong, a non-profit organisation in Hong Kong aiming at easing the city's poverty problem. The Group sponsors a vacant space for the warehouse of the food bank and recruits Sino Caring Friends on the start-up of the food bank in different phases, including the renovation of the warehouse in May 2011, which is the first phase of this new initiative.

We are delighted that the Group's efforts in supporting voluntary community service have been recognised, with the Hong Kong Council of Social Service awarding the Group a '5 Years Plus Caring Company Logo' for 2010/2011.

'Hearty Soup for the Elderly', a new community service campaign, was launched in December 2010. The Group joined hands with The Royal Pacific Hotel & Towers, City Garden Hotel, Hong Kong Gold Coast Hotel and Island Pacific Hotel to deliver hot soup to senior citizens.

The Group serves the community with an emphasis on helping the underprivileged. The 'Eye-opening Journey' community care programme launched by the Group in January 2009 has since taken over 1000 underprivileged children on a series of activities, providing them with exposure to life-enriching experience. The second annual 'Eye-opening Journey' series includes the solo exhibition-cum-art workshop 'Anybody left under the Lion Rock' by Cassian Lau, and 'Sino Kids Fantasia'.

The Group is a long-standing supporter of the Community Chest, The Boys' and Girls' Clubs Association of Hong Kong, Hong Kong Young Women's Christian Association and Hong Chi Association. Among the charitable activities the Group has been involved include 'The Community Chest Sports Corporate Challenge', 'Hong Chi Climbathon', 'Hug Families Charity Walk' and 'Sino Team Challenge 36'.

Apart from the above, The Fullerton Hotel Singapore has sponsored green events including Candle Night @ Marina Bay and the Living! Project. Candle Night @ Marina Bay involved the Lighting Detectives, kids from Japan and art students from college school in a light-up of the Fullerton Heritage Waterfront with candles and lanterns made from recycled materials. The charity event of Lunar New Year Lohei Lunch for MILK (Mainly I Love Kids) was hosted in partnership with Beyond Social Services with which disadvantaged and children from low-income families and their parents were invited to join an afternoon of food, fun and games.

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)***Environmental protection**

The Group makes substantial efforts and puts considerable resources to make its properties more environmentally friendly through well thought through architectural planning, energy-saving and management initiatives. With its proactive involvement in various green programmes, the Group also aims to further promote green living to its stakeholders and the general public.

With the keen support by various green groups, Sino Group hosted the 'Green Sino Carnival' at Easter 2011, with the kick-off held on the Earth Day, 22nd April. The four-day fête consisted of a wide range of green activities encompassing educational pavilions, electric car show, interactive workshops, exhibitions, seminars, performances, bazaars and so forth. The Carnival also gained full support from schools and local communities; students and volunteers worked together to create recycled art pieces for this event. We strive to provide a platform for green education and to arouse public awareness towards environmental protection.

Sino Property Services, the Group's management services arm, has been actively developing and adding facilities to support the government's push for the use of environmentally-friendly vehicles. As of today, 107 electric vehicle charging stations have been installed at over 50 car parks (including commercial and residential) managed by Sino Property Services, providing free charging service for customers.

During the financial year of 2010/2011, the Group received a number of awards in recognition of its efforts in environmental protection from various organisations, including government departments, professional organisations and community bodies. Skyline Tower, the Group's Grade-A commercial property in Kowloon Bay, bagged the Existing Buildings – Hong Kong & Asia Pacific (Facility Management Project) Grand Award at Green Building Award 2010. It also received the 2010 Hong Kong Awards for Environmental Excellence, Sectoral Awards (Property Management) – Silver Award. Six other projects, namely Exchange Tower, One SilverSea, Island Resort, Pacific Palisades, Hong Kong Gold Coast and Mount Beacon clinched the 2010 Hong Kong Awards for Environmental Excellence, Sectoral Awards (Property Management) – Certificate of Merit.



Sino Group organised the 'Green Sino Carnival' at Gold Coast Piazza with keen support from green groups, schools and local communities to promote green living to the general public through a wide range of green activities.



Sino Group's 'Art in Hong Kong' presented 'Picture It – Joint exhibition of 6 Local Illustrators' at OC Gallery which showcased a large mural based on stories created by six local illustrators. A series of education workshops were organised to inspire the creativity and imagination of the participating children.

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Art and culture

Believing that art and culture enrich the quality of life and promote creativity, the Group introduced the 'Art in Hong Kong' programme in 2006 to provide opportunities for local and international artists to display and promote their works, bringing art to people's daily lives and enhancing public appreciation of various types of art.

The Group has made use of its properties to house works, including the lobby of Central Plaza and OC Gallery in Olympian City. In addition to providing free venues, Sino Group's 'Art in Hong Kong' programme offers professional assistance that spans curatorial support, publicity, exhibition, design and artwork installation. Art education is also key to the 'Art in Hong Kong' programme, which has organised a wide range of educational activities including workshops, talks and guided tours to engage visitors and enhance their understanding of art. The Group also shares its marketing expertise to help promote exhibitions through its extensive network. In 2009, in recognition of its contribution to the development of local arts, the Hong Kong Arts Development Council honoured Sino Group's 'Art in Hong Kong' with the annual 'Award for Arts Sponsorship' for the second consecutive year, and the bronze award of the 'Award for Arts Promotion' for the first time.

Since its inception, Sino Group's 'Art in Hong Kong' has presented more than 100 exhibitions and art events, featuring a wide variety of art disciplines including painting, installation, sculpture, photography and illustration. Notable events carried out during the financial year 2010/2011 include 'ONE – An Exhibition of Art and Football by Otto Li', 'Earth From Above' photo exhibition by world-renowned photographer Yann Arthus-Bertrand, 'The Garden of Joy – Works by Lucia Cheung' and 'Dialogue – Prints and Collections by Liu Ye', which infused the joy of art into the hustle and bustle of cosmopolitan Hong Kong.

Apart from organising exhibitions, Sino Group sponsored many major art events in Hong Kong during the financial year 2010/2011. In support of the World Expo 2010 Shanghai China, which attracted enormous global attention, Sino Group sponsored two Expo art exhibitions, the 'Legacy and Creations – Ink Art vs Ink Art' and 'Legacy and Creations – Art vs Art'. The Group is a staunch supporter of memorable events and art performances, and has sponsored a host of events including the Business of Design Week 2010, Fotanian Open Studios 2011, Hong Kong Arts Festival 2011 and the 'Hong Kong Chinese Orchestra – HKCO4U Series'. In addition, the Group provides rental sponsorships to house the Asia Art Archive, Opera Hong Kong and Asian Youth Orchestra.

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)***Staff Engagement**

Apart from providing professional development and personal growth opportunities to enable individual staff members to realise their full potential, the Group cares for the well-being of its people and strives to enhance team spirit and work-life balance by encouraging staff to participate in various competition and sports events. Recent events of such included the 'The Community Chest Sports Corporate Challenge', 'Hong Chi Climbathon', 'Hug Families Charity Walk' and 'Sino Team Challenge 36'.

Recognition

The Group has received the 'Corporate Social Responsibility Awards' 2011 from *Capital Magazine* and *Capital Weekly*. The award is given in recognition of the Group's continuing commitment to corporate social responsibility.



Sino Group took part in the Hong Chi Climbathon 2010 charity stair run for the seventh year in a row to promote social integration.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF SINO LAND COMPANY LIMITED

信和置業有限公司

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Sino Land Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 132 to 224, which comprise the consolidated and the Company's statements of financial position as at 30th June, 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT *(Continued)*

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30th June, 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

1st September, 2011

CONSOLIDATED INCOME STATEMENT

For the year ended 30th June, 2011

	NOTES	2011 HK\$	2010 HK\$
Turnover	7	5,944,151,294	7,697,867,707
Cost of sales		(1,076,645,840)	(2,261,293,907)
Direct expenses		(1,439,197,085)	(1,344,708,654)
Gross profit		3,428,308,369	4,091,865,146
Increase in fair value of investment properties	18	5,999,114,359	2,562,741,141
Other income		88,906,101	255,546,481
Gain on disposal of available-for-sale investments		131,076,070	4,606,466
Gain arising from change in fair value of trading securities		158,334,193	6,456,485
Gain on disposal of investment properties		15,364,869	–
Administrative expenses		(730,619,802)	(532,751,239)
Other operating expenses		(169,033,332)	(86,670,744)
Finance income	9	152,768,882	138,827,704
Finance costs	10	(241,487,570)	(213,402,700)
Less: Interest capitalised	10	81,118,571	53,211,025
Finance costs net of finance income		(7,600,117)	(21,363,971)
Share of results of associates	11	3,627,544,720	904,972,687
Profit before taxation	12	12,541,395,430	7,185,402,452
Income tax expense	15	(1,634,172,200)	(982,521,087)
Profit for the year		10,907,223,230	6,202,881,365
Attributable to:			
Owners of the Company		10,544,345,671	6,093,689,617
Non-controlling interests		362,877,559	109,191,748
		10,907,223,230	6,202,881,365
Earnings per share	17		
Basic		2.05	1.25

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June, 2011

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Profit for the year	<u>10,907,223,230</u>	<u>6,202,881,365</u>
Other comprehensive income (expense)		
Gain on fair value changes of available-for-sale investments	145,394,987	91,994,862
Exchange differences arising on translation of foreign operations to the Group's presentation currency	598,864,199	137,110,526
Reclassification adjustments upon disposal of available-for-sale investments	<u>(132,018,435)</u>	<u>(4,653,833)</u>
Other comprehensive income for the year	<u>612,240,751</u>	<u>224,451,555</u>
Total comprehensive income for the year	<u>11,519,463,981</u>	<u>6,427,332,920</u>
Total comprehensive income attributable to:		
Owners of the Company	11,156,586,422	6,318,141,172
Non-controlling interests	<u>362,877,559</u>	<u>109,191,748</u>
	<u>11,519,463,981</u>	<u>6,427,332,920</u>

STATEMENTS OF FINANCIAL POSITION

At 30th June, 2011

	NOTES	THE COMPANY		THE GROUP	
		2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Non-current assets					
Investment properties	18	–	–	47,773,861,006	41,327,376,460
Hotel properties	19	–	–	1,657,579,976	1,416,100,684
Property, plant and equipment	20	–	–	149,834,828	161,330,767
Prepaid lease payments – non-current	21	–	–	1,261,852,876	1,123,367,152
Investments in subsidiaries	22	196,474,608	175,461,610	–	–
Interests in associates	23	518,714,316	518,714,342	11,184,181,511	7,712,435,078
Interest in a jointly controlled entity	24	–	–	55,792,466	70,251,382
Available-for-sale investments	25	977,749,379	964,195,985	1,058,259,703	1,101,523,039
Advance to a subsidiary	22	3,400,139,833	5,225,631,896	–	–
Advances to associates	23	–	–	9,578,579,709	11,472,718,600
Advance to a jointly controlled entity	24	–	–	1,697,282,249	1,599,853,118
Advance to non-controlling interests	26	–	–	162,149,657	–
Advances to investee companies	27	–	–	17,179,670	17,632,820
Long-term loans receivable	28	–	–	29,272,858	43,899,373
		5,093,078,136	6,884,003,833	74,625,826,509	66,046,488,473
Current assets					
Properties under development	45	–	–	22,812,356,603	20,800,713,801
Stocks of completed properties		–	–	1,058,542,810	1,932,395,194
Hotel inventories		–	–	27,271,674	22,630,641
Prepaid lease payments – current	21	–	–	19,809,674	17,363,023
Trading securities	29	879,730,173	754,465,329	879,730,173	757,177,330
Amounts due from subsidiaries	22	42,907,101,108	34,630,854,161	–	–
Amounts due from associates	23	232,256	228,587	25,733,746	86,757,552
Accounts and other receivables	30	4,220,131	6,359,316	1,283,242,610	1,007,551,835
Current portion of long-term loans receivable	28	–	–	1,237,374	1,619,111
Taxation recoverable		–	–	432,497	109,982,603
Restricted bank deposits	31	–	–	273,972,025	372,604,974
Time deposits, bank balances and cash	31	146,916,198	891,814	7,920,479,097	4,494,666,421
		43,938,199,866	35,392,799,207	34,302,808,283	29,603,462,485
Current liabilities					
Accounts and other payables	32	6,877,717	6,672,965	3,470,981,667	3,501,332,465
Amount due to a subsidiary	22	336,769,432	133,703,811	–	–
Amounts due to associates	23	67,116,314	67,303,773	1,728,128,683	592,285,885
Taxation payable		33,914,128	4,122,015	682,962,906	932,549,050
Current portion of long-term bank borrowings	33	–	–	202,212,486	212,636,143
Bank loans					
– secured	33	–	–	2,062,933,951	4,314,363,282
– unsecured	33	–	–	–	200,000,000
Financial guarantee contracts – current	42	1,992,480	130,952,551	1,645,869	7,222,665
		446,670,071	342,755,115	8,148,865,562	9,760,389,490
Net current assets		43,491,529,795	35,050,044,092	26,153,942,721	19,843,072,995
Total assets less current liabilities		48,584,607,931	41,934,047,925	100,779,769,230	85,889,561,468

STATEMENTS OF FINANCIAL POSITION (Continued)

At 30th June, 2011

	NOTES	THE COMPANY		THE GROUP	
		2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Capital and reserves					
Share capital	34	5,279,040,969	4,902,690,690	5,279,040,969	4,902,690,690
Share premium and reserves	35	43,303,917,014	37,028,727,807	75,386,357,195	60,412,367,380
Equity attributable to owners of the Company		48,582,957,983	41,931,418,497	80,665,398,164	65,315,058,070
Non-controlling interests		–	–	658,647,389	378,678,205
Total equity		48,582,957,983	41,931,418,497	81,324,045,553	65,693,736,275
Non-current liabilities					
Long-term bank borrowings – due after one year	33	–	–	12,301,197,133	14,201,468,430
Financial guarantee contracts – non-current	42	1,649,948	2,629,428	948	1,646,817
Deferred taxation	36	–	–	4,532,418,677	3,455,680,365
Advances from associates	37	–	–	2,188,632,210	2,130,277,184
Advances from non-controlling interests	38	–	–	433,474,709	406,752,397
		1,649,948	2,629,428	19,455,723,677	20,195,825,193
		48,584,607,931	41,934,047,925	100,779,769,230	85,889,561,468

The consolidated financial statements on pages 132 to 224 were approved and authorised for issue by the Board of Directors on 1st September, 2011 and are signed on its behalf by:

Robert NG Chee Siong
Chairman

Thomas TANG Wing Yung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2011

	Attributable to owners of the Company						Total HK\$	Non- controlling interests HK\$	Total HK\$
	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Investment revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$ (Note)			
At 1st July, 2009	4,839,469,538	21,170,277,150	467,708,000	218,651,025	424,331,275	32,881,458,592	60,001,895,580	296,130,462	60,298,026,042
Profit for the year	-	-	-	-	-	6,093,689,617	6,093,689,617	109,191,748	6,202,881,365
Other comprehensive income for the year	-	-	-	87,341,029	137,110,526	-	224,451,555	-	224,451,555
Total comprehensive income for the year	-	-	-	87,341,029	137,110,526	6,093,689,617	6,318,141,172	109,191,748	6,427,332,920
Shares issued in lieu of cash dividends	97,419,152	-	-	-	-	-	97,419,152	-	97,419,152
Premium on issue of shares upon scrip dividends	-	1,319,331,569	-	-	-	-	1,319,331,569	-	1,319,331,569
Share issue expenses	-	(60,000)	-	-	-	-	(60,000)	-	(60,000)
Cancellation upon repurchase of own shares	(34,198,000)	-	34,198,000	-	-	(487,757,764)	(487,757,764)	-	(487,757,764)
Deemed capital contribution from non-controlling interests in relation to interest-free advances from non-controlling interests	-	-	-	-	-	-	-	5,155,878	5,155,878
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	117	117
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(31,800,000)	(31,800,000)
Final dividend – 2009	-	-	-	-	-	(1,445,407,061)	(1,445,407,061)	-	(1,445,407,061)
Interim dividend – 2010	-	-	-	-	-	(488,504,578)	(488,504,578)	-	(488,504,578)
At 30th June, 2010	4,902,690,690	22,489,548,719	501,906,000	305,992,054	561,441,801	36,553,478,806	65,315,058,070	378,678,205	65,693,736,275
Profit for the year	-	-	-	-	-	10,544,345,671	10,544,345,671	362,877,559	10,907,223,230
Other comprehensive income for the year	-	-	-	13,376,552	598,864,199	-	612,240,751	-	612,240,751
Total comprehensive income for the year	-	-	-	13,376,552	598,864,199	10,544,345,671	11,156,586,422	362,877,559	11,519,463,981
Issue of shares by placement	305,000,000	4,834,250,000	-	-	-	-	5,139,250,000	-	5,139,250,000
Shares issued in lieu of cash dividends	79,168,279	-	-	-	-	-	79,168,279	-	79,168,279
Premium on issue of shares upon scrip dividends	-	1,145,414,871	-	-	-	-	1,145,414,871	-	1,145,414,871
Share issue expenses	-	(72,103,890)	-	-	-	-	(72,103,890)	-	(72,103,890)
Cancellation upon repurchase of own shares	(7,818,000)	-	7,818,000	-	-	(101,700,094)	(101,700,094)	-	(101,700,094)
Deemed capital contribution from non-controlling interests in relation to interest-free advances from non-controlling interests	-	-	-	-	-	-	-	4,251,651	4,251,651
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(86,550,000)	(86,550,000)
Non-controlling interests written off upon deregistration of a subsidiary	-	-	-	-	-	-	-	(610,026)	(610,026)
Final dividend – 2010	-	-	-	-	-	(1,470,297,207)	(1,470,297,207)	-	(1,470,297,207)
Interim dividend – 2011	-	-	-	-	-	(525,978,287)	(525,978,287)	-	(525,978,287)
At 30th June, 2011	5,279,040,969	28,397,109,700	509,724,000	319,368,606	1,160,306,000	44,999,848,889	80,665,398,164	658,647,389	81,324,045,553

Note: At 30th June, 2011, retained profits of the Group include a sum of HK\$3,505,284,010 (2010: HK\$2,863,984,671) relating to certain associates attributable to the Group which are distributable by way of dividend subject to the prior consent of their bankers.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30th June, 2011

	2011 HK\$	2010 HK\$
OPERATING ACTIVITIES		
Profit before taxation	12,541,395,430	7,185,402,452
Adjustments for:		
Finance costs	160,368,999	160,191,675
Depreciation	93,002,394	38,232,610
Release of prepaid lease payments	18,586,349	5,018,324
Gain on disposal of available-for-sale investments	(131,076,070)	(4,606,466)
(Gain) loss on disposal of property, plant and equipment	(150,816)	887,608
Adjustments to construction costs of investment properties	32,637,868	10,279,060
Cost of hotel properties written off	–	175,915
Cost of property, plant and equipment written off	1,549,966	–
Recognition (reversal) of impairment loss on trade receivables	1,398,417	(137,396,256)
Share of results of associates	(3,627,544,720)	(904,972,687)
Increase in fair value of investment properties	(5,999,114,359)	(2,562,741,141)
Finance income	(152,768,882)	(138,827,704)
Gain arising from change in fair value of trading securities	(158,334,193)	(6,456,485)
Gain on disposal of investment properties	(15,364,869)	(2,187,416)
(Reversal) recognition of impairment loss on loans receivable	(786,387)	1,285,937
Non-controlling interests written off upon deregistration of a subsidiary	(610,026)	–
Operating cash flows before movements in working capital	2,763,189,101	3,644,285,426
Increase in properties under development	(1,940,698,352)	(4,333,654,680)
Decrease in stocks of completed properties	1,058,180,604	1,355,991,273
Increase in hotel inventories	(4,641,033)	(1,036,290)
Decrease (increase) in trading securities	35,781,350	(68,730)
(Increase) decrease in accounts and other receivables	(277,089,192)	612,833,218
Increase (decrease) in accounts and other payables	24,926,053	(1,107,791,155)
Net cash generated from operations	1,659,648,531	170,559,062
Hong Kong Profits Tax paid	(669,510,805)	(252,979,524)
Taxation in other jurisdictions paid	(43,436,567)	(32,607,949)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	946,701,159	(115,028,411)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 30th June, 2011

	NOTE	2011 HK\$	2010 HK\$
INVESTING ACTIVITIES			
Repayments from associates		2,529,294,420	1,421,189,029
Proceeds from disposal of available-for-sale investments		208,081,890	12,788,833
Dividends received from associates		184,509,621	93,309,684
Decrease (increase) in restricted bank deposits		98,632,949	(8,174,708)
Interest received		69,552,832	57,364,021
Proceeds from disposal of investment properties		68,299,439	10,539,695
Decrease in long-term loans receivable		15,794,639	20,672,454
Proceeds from disposal of property, plant and equipment		1,448,043	584,613
Repayments from investee companies		453,150	482,051
Advances to associates		(494,798,208)	(2,440,854,858)
Additions to investment properties		(327,457,503)	(236,637,262)
Advances to non-controlling interests		(162,149,657)	–
Advance to a jointly controlled entity		(83,050,000)	(1,645,174,999)
Additions to hotel properties		(65,331,304)	(88,297)
Additions to property, plant and equipment		(49,646,451)	(90,139,729)
Additions to available-for-sale investments		(20,365,932)	(19,801,901)
Acquisition of assets and liabilities through purchase of subsidiary	40	–	(573,693,868)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		1,973,267,928	(3,397,635,242)
FINANCING ACTIVITIES			
Proceeds from issue of shares		5,139,250,000	–
New bank loans		3,875,154,216	8,967,976,321
Advances from associates		1,572,303,724	269,901,502
Advances from non-controlling interests		19,720,223	409,783,114
Repayments of bank loans		(8,526,570,904)	(8,142,612,000)
Dividends paid		(771,692,344)	(517,160,918)
Repayments to associates		(375,221,123)	(137,746,186)
Interest paid		(250,521,322)	(142,602,897)
Repurchase of own shares		(101,700,094)	(487,757,764)
Dividends paid to non-controlling interests		(86,550,000)	(31,800,000)
Shares issue expenses paid		(72,103,890)	(60,000)
Capital contribution from non-controlling interests		–	117
NET CASH FROM FINANCING ACTIVITIES		422,068,486	187,921,289
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3,342,037,573	(3,324,742,364)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		4,494,666,421	7,798,166,967
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		83,775,103	21,241,818
CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing time deposits, bank balances and cash		7,920,479,097	4,494,666,421

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30th June, 2011

1. GENERAL

The Company is a public listed limited liability company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent and ultimate holding company is Tsim Sha Tsui Properties Limited, a public listed limited liability company incorporated in Hong Kong and listed on the Stock Exchange. The address of the registered office and principal place of business of the Company is 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 48.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Company and its subsidiaries (the "Group") have applied the following new and revised Standards and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 in relation to the amendments to HKFRS 3 (as revised in 2008), HKAS 1, HKAS 27 and HKAS 28
HKAS 32 (Amendments)	Classification of Right Issues
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of these new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group and the financial position of the Company for the current or prior accounting periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

Improvements to HKFRSs 2009

As part of *Improvements to HKFRSs* issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. The amendments are effective from 1st July, 2010. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and to present them as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 does not affect the classification of the Group's leasehold land.

Improvements to HKFRSs 2010

As part of *Improvements to HKFRSs* issued in 2010, HKAS 1 *Presentation of Financial Statements* has clarified that an entity may present the analysis of other comprehensive income by item either in the consolidated statement of changes in equity or in notes to the consolidated financial statements. The amendments will be effective from 1st January, 2011 with earlier application permitted. The Group has applied the amendments in advance of their effective dates (annual periods beginning on or after 1st January, 2011). The amendments have been applied retrospectively such that items of other comprehensive income are presented as one single line item in the consolidated statement of changes in equity.

The Group and the Company have not early adopted the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (as revised in 2008), HKAS 1, HKAS 27 and HKAS 28 ¹
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ²
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ³
HKAS 19 (as revised in 2011)	Employee Benefits ⁴
HKAS 24 (Revised)	Related Party Disclosures ¹
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ⁵
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ⁵
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ⁴
HKFRS 11	Joint Arrangements ⁴
HKFRS 12	Disclosure of Interests in Other Entities ⁴
HKFRS 13	Fair Value Measurement ⁴
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ¹

¹ Effective for annual periods beginning on or after 1st January, 2011

² Effective for annual periods beginning on or after 1st July, 2012

³ Effective for annual periods beginning on or after 1st January, 2012

⁴ Effective for annual periods beginning on or after 1st January, 2013

⁵ Effective for annual periods beginning on or after 1st July, 2011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

Amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets* was issued in December 2010 and will be effective from 1st January, 2012, with earlier application permitted. Before the amendments to HKAS 12, deferred tax liability has been recognised for investment properties carried at fair value on the basis that the carrying amounts of investment properties would be recovered through use. The deferred tax arising from the revaluation of the properties as at 30th June, 2011 amounted to HK\$4,052,532,933 (2010: HK\$3,125,924,240). The amendments include a rebuttable presumption that investment properties carried at fair value will be recovered through sale. The Directors anticipated that the application of the amendments to HKAS 12, if adopted, might have a material impact on the current or prior periods as certain investment properties of the Group will be recovered through sale. The Group is in the process of assessing the impact from the application of the amendments.

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition. Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The five new or revised standards on consolidation, joint arrangements and disclosures including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011) were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1st January, 2013. Earlier application is permitted provided that all of these five new or revised standards are applied early at the same time.

HKFRS 10 *Consolidated Financial Statements* replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 *Joint Arrangements* replaces HKAS 31 *Interests in Joint Ventures*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. Joint arrangements that are classified as jointly controlled entities in accordance with HKAS 31 may be classified as joint ventures or joint operations as appropriate in accordance with HKFRS 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting. The Group’s jointly controlled entity that is currently accounted for using the equity method of accounting.

HKFRS 13 *Fair Value Measurement* requires extensive disclosure requirements relating to assets and liabilities that are measured at fair value or are measured at cost / amortised cost where disclosures of fair value are required in accordance with the applicable standards.

The Directors of the Company anticipate that these new or revised standards will be applied in the Group’s consolidated financial statements for financial year beginning on 1st July, 2013 and are in the process of assessing the impact.

The Directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are presented separately from the equity of the owners of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1st July, 2009, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings at the date when control is lost). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 (Revised in 2008) are recognised at their fair values, except that:

- deferred taxation assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement of an acquiree's share-based payment transactions of the Group are measured in accordance with HKFRS 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter for the post-acquisition changes in the Group's share of net assets of the associates, less any impairment in the value of individual investments. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

From 1st July, 2009 onwards, upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Where the accounting year end dates of the associates are different from the Group's accounting year end date, their results are accounted for in the Group's financial statements based on their latest audited financial statements and/or management accounts made up to 30th June each year.

Goodwill arising on acquisitions prior to 1st January, 2005

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate recognised at the date of acquisition is recognised as goodwill. From 1st July, 2005 onwards, the Group has discontinued amortisation of goodwill and such goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates *(Continued)*

Goodwill arising on acquisitions on or after 1st January, 2005

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

From 1st July, 2009 onwards, upon disposal of a jointly controlled entity that results in the Group losing joint control over that jointly controlled entity, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the jointly controlled entity attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the jointly controlled entity. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that jointly controlled entity on the same basis as would be required if that jointly controlled entity had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that jointly controlled entity would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses joint control over that jointly controlled entity.

Where a group entity transacts with a jointly controlled entity of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant jointly controlled entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Jointly controlled operations

When a group entity undertakes its activities under joint venture arrangements directly, constituted as jointly controlled operations, the assets and liabilities arising from those jointly controlled operations are recognised in the statement of financial position of the relevant company on an accrual basis and classified according to the nature of the item. The Group's share of the income from jointly controlled operations, together with the expenses that it incurs are included in the consolidated income statement when it is probable that the economic benefits associated with the transactions will flow to/from the Group.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the year in which they arise.

Investment properties under construction are measured at fair value at the end of the reporting period. Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction. Any difference between the fair value of the investment properties under construction and their carrying amounts is recognised in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Hotel properties and property, plant and equipment

Hotel properties and property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of items of property, plant and equipment and hotel properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Properties under development

Properties under development which are developed in the ordinary course of business are included in current assets at the lower of cost and net realisable value.

The cost of properties under development comprises land costs, construction costs, borrowing costs capitalised according to the Group's accounting policy and directly attributable expenses incurred during the development period.

Stocks of completed properties

Stocks of completed properties are stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total land and development costs attributable to the completed properties.

Hotel inventories

Hotel inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)***Financial instruments** *(Continued)**Financial assets*

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss of the Group include financial assets held for trading. A financial asset is classified as held for trading on initial recognition if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including accounts and other receivables, advances to a subsidiary/associates/a jointly controlled entity/non-controlling interests/ investee companies, loans receivable, amounts due from subsidiaries/associates, restricted bank deposits and time deposits, bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. The Group also designated debt securities (i.e. club debenture) as available-for-sale financial assets.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment of financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period subsequent to initial recognition.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables and loans receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, observable changes in national or local economic conditions that correlate with default on receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and loans receivable where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable or loans receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount of the financial liabilities on initial recognition.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities (including accounts and other payables, amounts due to a subsidiary/associates, bank borrowings and loans and advances from associates/non-controlling interests) are subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire, or the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)***Revenue recognition**

Turnover represents the fair value of amounts received and receivable from sales of properties and services provided.

- (a) Revenue from sale of properties in the ordinary course of business is recognised when all of the following criteria are met:
- the significant risks and rewards of ownership of the properties are transferred to buyers;
 - neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Group; and
 - the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

- (b) Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.
- (c) Property management and service fee income is recognised when the services are rendered.
- (d) Interest income from a financial asset excluding financial assets at fair value through profit or loss is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (e) Dividend income from investments including financial assets at fair value through profit or loss is recognised when the shareholders' rights to receive payment have been established.
- (f) Hotel income is recognised when the hotel services are provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred taxation liabilities are generally recognised for all taxable temporary differences. Deferred taxation assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred taxation liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred taxation assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred taxation liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred taxation is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred taxation is also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

From 1st July, 2010 onwards, on the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Retirement benefits costs

Payments to the retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management makes various estimates based on past experiences, expectations of the future and other information. The key sources of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

Estimated net realisable value on properties under development

In determining whether allowances should be made for the Group's properties under development, the Group takes into consideration the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs of selling expenses) less estimated costs to completion of the properties. An allowance is made if the estimated market value is less than the carrying amount. If the actual net realisable value on properties under development is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result. The carrying amount of the properties under development is HK\$22,812,356,603 (2010: HK\$20,800,713,801).

Allowance for stocks of completed properties

Management exercises its judgment in making allowance for stocks of completed properties with reference to the existing market environment, the sales performance in previous years and estimated market value of the properties, i.e. the estimated selling price less estimated costs of selling expenses. A specific allowance for stocks of completed properties is made if the estimated market value of the property is lower than its carrying amount. The specific allowance for stocks of completed properties is made based on the estimation of net realisable value on the completed properties. If the actual net realisable values of the stocks of completed properties are less than expected as a result of change in market condition, material provision for impairment losses may result. The carrying amount of the stocks of completed properties is HK\$1,058,542,810 (2010: HK\$1,932,395,194).

Depreciation on hotel properties

In determining the estimated useful lives of the hotel properties, the management makes reference to the relevant terms of leases of the hotel properties, which are 60 to 96 years. Any changes to the estimated useful lives of the hotel properties may cause a material adjustment to the carrying amount and the depreciation charge within the next financial year.

At 30th June, 2011, the carrying amount of the hotel properties is HK\$1,657,579,976 net of accumulated depreciation of HK\$133,404,659 (2010: HK\$1,416,100,684, net of accumulated depreciation of HK\$96,420,896). Details of the movements of the hotel properties are disclosed in Note 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Income taxes

As detailed in Notes 15 and 23, the Inland Revenue Department (“IRD”) had initiated tax inquiries and issued notices of assessment for additional taxes against an indirectly wholly-owned subsidiary of the Company and a wholly-owned subsidiary of the Group’s associate in respect of the deductions on certain loan interest and related expenses.

The Directors have determined that, based on the available evidence collated so far, provisions for tax payable and the estimated interest payable on additional tax should be made. The Directors are also of the opinion that the payment of any additional tax other than the tax provided is not probable and, therefore, no further tax provision has been made.

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at 30th June, 2011 at their fair value of HK\$47,773,861,006 (2010: HK\$41,327,376,460). The fair value was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group’s investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated income statement.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debts, which include bank borrowings, advances from associates/non-controlling interests and amounts due to associates and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves as disclosed in the consolidated statement of changes in equity.

The management of the Group reviews the capital structure periodically. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new shares issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

There are no change on the Group’s approach to capital risk management during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	THE COMPANY		THE GROUP	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Financial assets				
Trading securities (fair value through profit or loss)	879,730,173	754,465,329	879,730,173	757,177,330
Available-for-sale investments	977,749,379	964,195,985	1,058,259,703	1,101,523,039
Loans and receivables (including cash and cash equivalents)	<u>46,457,412,014</u>	<u>39,860,648,093</u>	<u>20,658,608,778</u>	<u>18,890,349,458</u>
Financial liabilities				
Amortised cost	409,006,640	205,962,177	20,968,394,213	23,094,993,320
Financial guarantee contracts	<u>3,642,428</u>	<u>133,581,979</u>	<u>1,646,817</u>	<u>8,869,482</u>

Financial risk management objectives and policies

The Group's major financial instruments include accounts and other receivables, advances to associates/a jointly controlled entity/non-controlling interests/investee companies, available-for-sale investments, loans receivable, trading securities, amounts due from/to associates, restricted bank deposits, time deposits, bank balances and cash, accounts and other payables, financial guarantee contracts, bank borrowings and loans and advances from associates/non-controlling interests.

The Company's major financial instruments include accounts and other receivables, advance to a subsidiary, trading securities, available-for-sale investments, amounts due from/to subsidiaries/associates, time deposits, bank balances and cash, accounts and other payables and financial guarantee contracts.

Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose the Group primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other equity price. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risks. Details of each type of market risks are described as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arises. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

The Company's transactions and balances are primarily denominated in Hong Kong dollars ("HK\$"), the functional currency of the Company, as such, the Company has no significant exposures to currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the respective reporting periods are as follows:

	THE GROUP	
	2011	2010
	HK\$	HK\$
Assets		
Renminbi ("RMB")	922,297,901	1,058,024,736
United States Dollars ("USD")	17,177,733	37,668,217
Liabilities		
RMB	177,722,195	362,634,114

Foreign currency sensitivity analysis

The Group's foreign currency risk is mainly concentrated on the fluctuation of RMB against HK\$, functional currency of the relevant group entities. The exposure of USD against HK\$ is considered insignificant as HK\$ is pegged to USD, therefore is excluded from the sensitivity analysis below.

The sensitivity analysis below has been determined based on the exposure to 5% increase and decrease in RMB against HK\$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number indicates an increase in profit for the year where RMB strengthens against HK\$. For a weakening of RMB against HK\$, there would be an equal and opposite impact on the profit and the balances below would be negative.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies** (Continued)*Market risk* (Continued)*Foreign currency sensitivity analysis* (Continued)

	THE GROUP	
	2011	2010
	HK\$	HK\$
RMB	26,929,224	34,224,979

Certain available-for-sale investments are denominated in foreign currency of the group entities. For available-for-sale investments, an increase/decrease in 5% of Singaporean dollar against the functional currency of the relevant group entities would result in an increase/decrease of HK\$11,504,813 (2010: HK\$9,277,035) in the Group's investment revaluation reserve.

Interest rate risk

Loans, bank balances and bank borrowings at floating rates expose the Group to cash flow interest rate risk. Accounts and other payables and advances from non-controlling interests at fixed rates expose the Group to fair value interest rate risk (Notes 32 and 38 respectively). The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offer Rate (the "HIBOR") or Singapore Interbank Offer Rate (the "SIBOR") arising from the bank borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the floating rate loans receivable and bank borrowings. The analysis is prepared assuming that the change in interest rate had occurred at the end of the respective reporting period and had been applied to the exposure to interest rate risk for these financial assets and financial liabilities in existence at that date and outstanding for the whole year. The 50 basis points represent the best estimation of the possible change in the interest rates over the period until the end of the next reporting period.

At the end of the respective reporting periods, if interest rates had increased/decreased by 50 basis points and all other variables were held constant, the Group's profit for the year would have decreased/increased by HK\$34,559,262 (2010: HK\$88,711,126). The Company has no other significant interest rate risk.

Other price risk

The Group is exposed to equity price risk through its investments in equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks and returns. The Group's equity price risk is primarily arising from listed equity securities which are mainly concentrated on blue chip stocks quoted in the Stock Exchange. In this regard, the management considers the Group's exposure to equity price risk is reduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk sensitivity analysis

The following tables show the sensitivity to equity price risk on the available-for-sale investments and trading securities which are carried at fair value at the end of the reporting period while all other variables were held constant. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in equity price.

	THE COMPANY		THE GROUP	
	2011	2010	2011	2010
	HK\$	HK\$	HK\$	HK\$
Available-for-sale investments				
Increase (decrease) in investment revaluation reserve				
– as a result of increase in equity price	47,875,004	47,197,334	51,353,061	53,518,178
– as a result of decrease in equity price	(47,875,004)	(47,197,334)	(51,353,061)	(53,518,178)
Trading securities				
Increase (decrease) in profit for the year				
– as a result of increase in equity price	36,728,735	31,498,927	36,728,735	31,610,525
– as a result of decrease in equity price	(36,728,735)	(31,498,927)	(36,728,735)	(31,610,525)

Credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk in the event of the counterparties failure to discharge their obligations are in relation to each class of recognised financial assets as stated in the Group's and the Company's statements of financial position and the amount of contingent liabilities as disclosed in Note 42. In order to minimise the credit risk of trade receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

With respect to credit risk arising from advances to associates/a jointly controlled entity/non-controlling interests/investee companies/subsidiaries and amounts due from associates/subsidiaries, the Company's and the Group's exposure to credit risk arising from default of the counterparty is limited as the counterparty has good history of repayment and the Group and the Company do not expect to incur a significant loss for uncollected advances to associates/a jointly controlled entity/non-controlling interests/investee companies/subsidiaries and amounts due from associates/subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The credit risk on liquid fund is limited because the counterparties are banks with good reputation.

Other than concentration of credit risk on advances to associates/a jointly controlled entity/non-controlling interests/investee companies and amounts due from associates, the Group does not have any other significant concentration of credit risk. Trade receivables and loans receivable consist of a large number of customers and borrowers.

Liquidity risk

In the management of the liquidity risk, the Company and the Group monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Company's and the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following tables detail the Company's and the Group's contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company and the Group can be required to pay. The tables include both interest and principal cash flows.

THE COMPANY

	Weighted average effective interest rate %	Repayable on demand or less than 1 month HK\$	1-3 months HK\$	3 months to 1 year HK\$	1-2 years HK\$	2-5 years HK\$	Over 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2011									
Accounts and other payables	N/A	5,120,894	-	-	-	-	-	5,120,894	5,120,894
Other non-interest bearing liabilities	N/A	403,885,746	-	-	-	-	-	403,885,746	403,885,746
Financial guarantee contracts	N/A	-	-	3,081,000,000	3,116,600,000	12,223,750,000	2,170,246,500	20,591,596,500	3,642,428
		<u>409,006,640</u>	<u>-</u>	<u>3,081,000,000</u>	<u>3,116,600,000</u>	<u>12,223,750,000</u>	<u>2,170,246,500</u>	<u>21,000,603,140</u>	<u>412,649,068</u>
2010									
Accounts and other payables	N/A	4,954,593	-	-	-	-	-	4,954,593	4,954,593
Other non-interest bearing liabilities	N/A	201,007,584	-	-	-	-	-	201,007,584	201,007,584
Financial guarantee contracts	N/A	-	-	5,936,904,000	4,892,500,000	15,022,000,000	-	25,851,404,000	133,581,979
		<u>205,962,177</u>	<u>-</u>	<u>5,936,904,000</u>	<u>4,892,500,000</u>	<u>15,022,000,000</u>	<u>-</u>	<u>26,057,366,177</u>	<u>339,544,156</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

THE GROUP

	Weighted average effective interest rate %	Repayable on demand or less than 1 month HK\$	1-3 months HK\$	3 months to 1 year HK\$	1-2 years HK\$	2-5 years HK\$	Over 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2011									
Accounts and other payables									
– non-interest bearing	N/A	573,370,013	61,502,630	168,696,575	278,234,979	951,490,330	–	2,033,294,527	2,033,294,527
– variable rate	7.00	18,520,514	–	–	–	–	–	18,520,514	18,520,514
Other liabilities									
– non-interest bearing	N/A	276,748,032	–	49,901,498	2,968,912,122	422,557,938	–	3,718,119,590	3,702,512,233
– variable rate	1.01	535,570	1,071,139	4,820,128	642,299,768	–	–	648,726,605	637,467,156
– fixed rate	1.50	–	–	–	10,256,213	–	–	10,256,213	10,256,213
Borrowings									
– variable rate	1.01	717,528,216	198,990,190	1,488,565,906	3,182,113,020	9,285,023,168	–	14,872,220,500	14,566,343,570
Financial guarantee contracts	N/A	–	–	4,328,900,000	3,569,800,000	1,159,300,000	–	9,058,000,000	1,646,817
		1,586,702,345	261,563,959	6,040,884,107	10,651,616,102	11,818,371,436	–	30,359,137,949	20,970,041,030
2010									
Accounts and other payables									
– non-interest bearing	N/A	331,013,016	85,657,135	320,398,027	133,242,129	139,333,331	1,180,634	1,010,824,272	1,010,824,272
– variable rate	7.00	88,270	176,540	15,838,146	–	–	–	16,102,956	15,131,987
– fixed rate	2.00	–	–	11,478,815	–	–	–	11,478,815	11,253,740
Other liabilities									
– non-interest bearing	N/A	539,670,794	–	52,615,091	1,561,895,145	396,510,678	–	2,550,691,708	2,537,969,128
– variable rate	0.82	393,533	787,066	3,541,799	585,208,404	–	–	589,930,802	581,770,703
– fixed rate	0.50	3,990	7,980	35,910	9,575,635	–	–	9,623,515	9,575,635
Borrowings									
– variable rate	0.82	33,955,483	221,416,629	4,659,833,126	4,648,946,919	9,824,137,864	–	19,388,290,021	18,928,467,855
Financial guarantee contracts	N/A	–	–	5,983,050,000	4,275,500,000	576,000,000	–	10,834,550,000	8,869,482
		905,125,086	308,045,350	11,046,790,914	11,214,368,232	10,935,981,873	1,180,634	34,411,492,089	23,103,862,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies (Continued)**Liquidity risk (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. At the reporting date, financial guarantee contracts are measured at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

Fair value measurements

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

THE COMPANY

	2011				2010			
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Available-for-sale investments	957,500,074	-	-	957,500,074	943,946,680	-	-	943,946,680
Trading securities:								
Equity securities listed in Hong Kong	879,478,556	-	-	879,478,556	754,291,789	-	-	754,291,789
Equity securities listed elsewhere	251,617	-	-	251,617	173,540	-	-	173,540
Total	1,837,230,247	-	-	1,837,230,247	1,698,412,009	-	-	1,698,412,009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements (Continued)

THE GROUP

	2011				2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Available-for-sale investments	1,027,061,213	-	-	1,027,061,213	1,070,324,549	-	-	1,070,324,549
Trading securities:								
Equity securities listed in Hong Kong	879,478,556	-	-	879,478,556	757,003,790	-	-	757,003,790
Equity securities listed elsewhere	251,617	-	-	251,617	173,540	-	-	173,540
Total	1,906,791,386	-	-	1,906,791,386	1,827,501,879	-	-	1,827,501,879

There were no transfers between Level 1 and 2 for both years.

Fair values of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices.
- the fair value of financial guarantee contracts is determined using option pricing models where the main parameters are the estimation of market value of the underlying properties pledged, the amount of principal of the loan facility, the volatility, the remaining life of the loan and the risk-free rate.
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices and rates from observable current market transactions as input.

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

7. TURNOVER

	2011 HK\$	2010 HK\$
Sales of properties held for sale	2,256,316,924	4,566,945,534
Gross rental income from properties	2,148,711,406	1,919,827,064
Property management and service fee income	793,478,962	701,181,766
Hotel operations	677,979,850	439,844,781
Interest income from loans receivable	873,194	1,419,908
Dividend income		
listed investments	52,541,625	50,806,154
unlisted investments	14,249,333	17,842,500
	<u>5,944,151,294</u>	<u>7,697,867,707</u>

8. OPERATING SEGMENTS

The Group's operating segments are reported by five operating divisions – property, property management and other services, hotel operations, investments in securities and financing.

Certain segment information in the prior year has been reclassified to conform with the change in the internal reports.

Segment Results

For the year ended 30th June, 2011

	The Company and its subsidiaries		Associates		Total	
	Segment revenue HK\$	Segment results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property						
Property sales	2,256,316,924	1,003,525,519	7,033,689,320	2,237,227,602	9,290,006,244	3,240,753,121
Property rental	2,148,711,406	1,795,204,003	506,273,523	459,293,209	2,654,984,929	2,254,497,212
	<u>4,405,028,330</u>	<u>2,798,729,522</u>	<u>7,539,962,843</u>	<u>2,696,520,811</u>	<u>11,944,991,173</u>	<u>5,495,250,333</u>
Property management and other services	793,478,962	194,525,211	64,094,512	9,041,431	857,573,474	203,566,642
Hotel operations	677,979,850	267,976,089	214,359,600	121,282,200	892,339,450	389,258,289
Investments in securities	66,790,958	65,870,265	203,900	203,900	66,994,858	66,074,165
Financing	873,194	873,194	138,696	118,416	1,011,890	991,610
	<u>5,944,151,294</u>	<u>3,327,974,281</u>	<u>7,818,759,551</u>	<u>2,827,166,758</u>	<u>13,762,910,845</u>	<u>6,155,141,039</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)**Segment Assets**

As at 30th June, 2011

	The Company and its subsidiaries <i>HK\$</i>	Associates and jointly controlled entity <i>HK\$</i>	Total <i>HK\$</i>
Property			
Sales	24,411,776,710	1,837,262,400	26,249,039,110
Rental	48,394,325,590	8,433,950,847	56,828,276,437
	<u>72,806,102,300</u>	<u>10,271,213,247</u>	<u>83,077,315,547</u>
Property management and other services	178,396,212	5,816,375	184,212,587
Hotel operations	3,131,147,779	904,771,214	4,035,918,993
Investments in securities	1,950,394,416	56,740,424	2,007,134,840
Financing	11,427,736,489	1,432,717	11,429,169,206
	<u>89,493,777,196</u>	<u>11,239,973,977</u>	<u>100,733,751,173</u>
Segment assets			
Time deposits, bank balances and cash			8,194,451,122
Taxation recoverable			<u>432,497</u>
Total assets			<u>108,928,634,792</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)

Other Information

For the year ended 30th June, 2011

	Property sales HK\$	Property rental HK\$	Property management and other services HK\$	Hotel operations HK\$	Investments in securities HK\$	Financing HK\$	Consolidated HK\$
Amounts included in the measure of segment assets:							
Capital additions							
– Property, plant and equipment	2,842,756	2,972,877	14,628,063	29,202,755	-	-	49,646,451
– Investment properties	-	327,457,503	-	-	-	-	327,457,503
– Hotel properties	-	-	-	65,331,304	-	-	65,331,304
Amount regularly reviewed by the chief operating decision makers but not included in the measure of segment profit or loss:							
Increase in fair value of investment properties	-	5,999,114,359	-	-	-	-	5,999,114,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)

Segment Results

For the year ended 30th June, 2010

	The Company and its subsidiaries		Associates		Total	
	Segment revenue	Segment results	Share of revenue	Share of results	Segment revenue	Segment results
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Property						
Property sales	4,566,945,534	1,989,158,347	281,732,907	77,476,683	4,848,678,441	2,066,635,030
Property rental	1,919,827,064	1,612,036,054	489,535,593	451,391,115	2,409,362,657	2,063,427,169
	6,486,772,598	3,601,194,401	771,268,500	528,867,798	7,258,041,098	4,130,062,199
Property management and other services	701,181,766	185,656,442	62,238,160	10,715,214	763,419,926	196,371,656
Hotel operations	439,844,781	169,696,156	188,439,900	107,247,129	628,284,681	276,943,285
Investments in securities	68,648,654	67,914,565	3,900	3,900	68,652,554	67,918,465
Financing	1,419,908	1,419,908	237,899	211,371	1,657,807	1,631,279
	<u>7,697,867,707</u>	<u>4,025,881,472</u>	<u>1,022,188,359</u>	<u>647,045,412</u>	<u>8,720,056,066</u>	<u>4,672,926,884</u>

Segment Assets

As at 30th June, 2010

	The Company and its subsidiaries HK\$	Associates and jointly controlled entity HK\$	Total HK\$
Property			
Sales	23,211,072,478	552,342,308	23,763,414,786
Rental	41,625,352,728	6,310,075,069	47,935,427,797
	64,836,425,206	6,862,417,377	71,698,842,583
Property management and other services	172,322,634	6,352,461	178,675,095
Hotel operations	2,750,406,897	845,712,193	3,596,119,090
Investments in securities	1,883,408,700	66,905,619	1,950,314,319
Financing	13,247,447,063	1,298,810	13,248,745,873
Segment assets	<u>82,890,010,500</u>	<u>7,782,686,460</u>	90,672,696,960
Time deposits, bank balances and cash			4,867,271,395
Taxation recoverable			109,982,603
Total assets			<u>95,649,950,958</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)

Other Information

For the year ended 30th June, 2010

	Property sales HK\$	Property rental HK\$	Property management and other services HK\$	Hotel operations HK\$	Investments in securities HK\$	Financing HK\$	Consolidated HK\$
Amounts included in the measure of segment assets:							
Capital additions							
– Property, plant and equipment	1,128,074	833,492	13,621,989	74,524,209	31,965	–	90,139,729
– Investment properties	–	803,953,663	–	–	–	–	803,953,663
– Hotel properties	–	–	–	88,297	–	–	88,297
Amount regularly reviewed by the chief operating decision makers but not included in the measure of segment profit or loss:							
Increase in fair value of investment properties	–	2,562,741,141	–	–	–	–	2,562,741,141

Measurement

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in Note 3.

Segment results represent the profit earned by each segment without allocation of certain other income, certain administrative expenses and other operating expenses, changes in fair values of investment properties and trading securities, gains on disposal of available-for-sale investments and investment properties and certain finance costs net of finance income. The profit earned by each segment also includes the share of results from the Group's associates without allocation of other income, certain administrative expenses and other operating expenses, change in fair value of investment properties, finance costs net of finance income and income tax expense. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)**Reconciliation of profit before taxation**

	2011	2010
	HK\$	HK\$
Segment profit	6,155,141,039	4,672,926,884
Other income	83,666,010	250,295,030
Administrative expenses and other operating expenses	(794,021,519)	(548,181,096)
Increase in fair value of investment properties	5,999,114,359	2,562,741,141
Gain arising from change in fair value of trading securities	158,334,193	6,456,485
Gain on disposal of available-for-sale investments	131,076,070	4,606,466
Gain on disposal of investment properties	15,364,869	–
Finance costs net of finance income	(7,657,553)	(21,369,733)
Results shared from associates		
– Other income	32,005,020	15,416,882
– Administrative expenses and other operating expenses	(97,852,968)	(86,160,440)
– Increase in fair value of investment properties	1,754,727,073	630,590,516
– Finance costs net of finance income	(108,883,320)	(83,584,723)
– Income tax expense	(779,617,843)	(218,334,960)
	800,377,962	257,927,275
Profit before taxation	12,541,395,430	7,185,402,452

During the year ended 30th June, 2011, all inter-segment sales of HK\$35,932,550 (2010: HK\$37,466,105) were eliminated within property management and other services segment. There were no inter-segment sales in other operating segments. Inter-segment sales were charged at cost plus margin basis as agreed between both parties.

Revenue from major products and services

An analysis of the Group's revenue for the year from its major products and services is set out in Note 7.

Geographical segments

Most of the activities of the Group are based in Hong Kong and more than 90% of the Group's turnover, profit before taxation, total non-current assets are derived from activities in Hong Kong.

Information about major customers

There was no customer who accounted for over 10% of the total revenue generated from the five operating divisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

9. FINANCE INCOME

	2011 HK\$	2010 HK\$
Interest income on:		
advances to associates	22,517,337	28,807,988
advances to investee companies	886,595	892,535
bank deposits	46,148,900	27,663,498
Imputed interest income on non-current interest-free		
advances to associates	75,993,385	73,883,590
Financial guarantee income	7,222,665	7,580,093
	<u>152,768,882</u>	<u>138,827,704</u>

10. FINANCE COSTS

	2011 HK\$	2010 HK\$
Interest and other finance costs on:		
bank loans wholly repayable within five years	221,325,442	177,777,647
other loans wholly repayable within five years	7,439,548	5,082,181
Imputed interest expense on non-current interest-free		
advances from associates	12,722,580	30,542,872
	<u>241,487,570</u>	<u>213,402,700</u>
Less: Amounts capitalised to properties under development	<u>(81,118,571)</u>	<u>(53,211,025)</u>
	<u>160,368,999</u>	<u>160,191,675</u>

11. SHARE OF RESULTS OF ASSOCIATES

	2011 HK\$	2010 HK\$
Share of results of associates comprises:		
Share of profits of associates	4,407,162,563	1,123,307,647
Share of taxation of associates	<u>(779,617,843)</u>	<u>(218,334,960)</u>
	<u>3,627,544,720</u>	<u>904,972,687</u>

The Group's share of results of associates included the Group's share of increase in fair value of investment properties of the associates, net of deferred taxation, of HK\$1,459,035,872 (2010: HK\$518,847,559) recognised in the income statement of the associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

12. PROFIT BEFORE TAXATION

	2011	2010
	HK\$	HK\$
Profit before taxation has been arrived at after charging (crediting):		
Staff costs including Directors' remuneration:		
Staff salaries and other benefits	993,657,698	852,337,002
Retirement benefit scheme contributions	40,796,529	34,812,244
	<hr/>	<hr/>
Total staff costs	1,034,454,227	887,149,246
	<hr/>	<hr/>
Release of prepaid lease payments (included in other operating expenses)	18,586,349	5,018,324
Auditor's remuneration		
– audit services		
– current year provision	3,956,435	3,790,347
– underprovision of previous years	14,601	81,369
– non audit services	562,279	656,765
Cost of hotel inventories consumed	83,668,823	57,927,959
Cost of properties sold	1,076,645,840	2,252,941,628
Depreciation (included in other operating expenses)	93,002,394	38,232,610
(Gain) loss on disposal of property, plant and equipment	(150,816)	887,608
Recognition (reversal) of impairment loss on trade receivables	1,398,417	(137,396,256)
Net exchange gain (include in other income)	(8,224,766)	(11,766,429)
	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the twelve (2010: eleven) directors were as follows:

2011

	Mr. Robert Ng Chee Siong HK\$	Mr. Yu Wai Wai HK\$	Mr. Thomas Tang Wing Yung HK\$	Mr. Daryl Ng Win Kong HK\$	Mr. Ringo Chan Wing Kwong HK\$	The Honourable Ronald Joseph Arculli HK\$ (Note ii)	Dr Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Dr. Fu Yuning HK\$	Mr. Sunny Yeung Kwong HK\$ (Note iii)	Mr. Wong Cho Bau HK\$ (Note iv)	Ms. Alice Ip Mo Lin HK\$ (Note v)	Total HK\$
Fees	30,000	20,000	20,000	30,000	20,000	60,000	190,000	190,000	180,000	40,000	20,000	2,084	802,084
Other emoluments													
Salaries and other benefits	1,226,760	5,352,163	6,323,657	749,170	2,996,156	-	-	-	-	3,305,781	-	240,304	20,193,991
Retirement benefit scheme contributions	12,000	36,000	18,000	12,000	36,000	-	-	-	-	18,000	-	1,500	133,500
Discretionary bonus (Note i)	-	1,199,055	473,755	62,360	554,850	-	-	-	-	798,600	-	-	3,088,620
Total emoluments	1,268,760	6,607,218	6,835,412	853,530	3,607,006	60,000	190,000	190,000	180,000	4,162,381	20,000	243,888	24,218,195

2010

	Mr. Robert Ng Chee Siong HK\$	Mr. Raymond Tong Kwok Tung HK\$	Mr. Mr. Yu Wai Wai HK\$	Mr. Thomas Tang Wing Yung HK\$	Mr. Daryl Ng Win Kong HK\$	Mr. Ringo Chan Wing Kwong HK\$	The Honourable Ronald Joseph Arculli HK\$ (Note ii)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Dr. Fu Yuning HK\$	Mr. Sunny Yeung Kwong HK\$	Total HK\$
Fees	30,000	6,665	20,000	20,000	30,000	20,000	60,000	190,000	190,000	180,000	35,417	782,082
Other emoluments												
Salaries and other benefits	1,226,760	797,164	5,186,106	5,995,677	758,857	2,927,850	-	-	-	-	3,058,483	19,950,897
Retirement benefit scheme contributions	12,000	2,000	36,000	18,000	12,000	36,000	-	-	-	-	18,000	134,000
Discretionary bonus (Note i)	-	1,750,000	1,166,963	1,150,000	60,690	450,000	-	-	-	-	605,000	5,182,653
Total emoluments	1,268,760	2,555,829	6,409,069	7,183,677	861,547	3,433,850	60,000	190,000	190,000	180,000	3,716,900	26,049,632

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

13. DIRECTORS' EMOLUMENTS (Continued)

Note i: Discretionary bonus is determined primarily based on the performance of each director and the profitability of the Group.

Note ii: A consultancy fee of HK\$1,666,664 (2010: HK\$1,666,664) was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP is the sole proprietor.

Note iii: Mr. Sunny Yeung Kwong resigned as an Executive Director of the Company on 21st June, 2011.

Note iv: Mr. Wong Cho Bau was appointed as a Non-Executive Director of the Company on 1st March, 2011.

Note v: Ms. Alice Ip Mo Lin was appointed as an Executive Director of the Company on 1st June, 2011.

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2010: two) are Executive Directors of the Company whose emoluments are included in Note 13 above. The emoluments of the remaining two (2010: three) individuals disclosed pursuant to the Listing Rules are as follows:

	2011 HK\$	2010 HK\$
Salaries and other emoluments (including basic salaries, housing allowances, other allowances and benefits in kind)	6,999,664	9,161,367
Retirement benefit scheme contributions	54,000	72,000
Discretionary bonus	1,236,813	3,220,378
	8,290,477	12,453,745

The emoluments of the remaining two (2010: three) individuals were within the following bands:

	Number of individuals	
HK\$	2011	2010
3,500,001 – 4,000,000	1	2
4,000,001 – 4,500,000	1	–
4,500,001 – 5,000,000	–	1
	2	3

For the years ended 30th June, 2011 and 2010, no emoluments were paid by the Group to these five highest paid individuals, including Directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no Director waived any emoluments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

15. INCOME TAX EXPENSE

	2011 HK\$	2010 HK\$
The charge comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% (2010: 16.5%)	325,879,664	429,941,907
Overprovision in previous years	(1,798,526)	(4,506,856)
Additional provisions in respect of tax inquiries (Note)	208,282,240	–
	<u>532,363,378</u>	<u>425,435,051</u>
Taxation in other jurisdictions		
Provision for the year	40,077,520	62,052,756
(Over)underprovision in previous years	(6,521,756)	2,615,106
	<u>33,555,764</u>	<u>64,667,862</u>
	565,919,142	490,102,913
Deferred taxation (Note 36)		
Current year	1,068,253,058	492,418,174
	<u>1,634,172,200</u>	<u>982,521,087</u>

Taxation in other jurisdictions is provided for in accordance with the respective local tax requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

15. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

	2011 HK\$	2010 HK\$
Profit before taxation	<u>12,541,395,430</u>	<u>7,185,402,452</u>
Tax at Hong Kong Profits Tax rate of 16.5% (2010: 16.5%)	2,069,330,246	1,185,591,405
Tax effect of share of results of associates	(598,544,879)	(149,320,493)
Tax effect of expenses not deductible for tax purpose	25,460,892	55,556,924
Tax effect of income not taxable for tax purpose	(50,412,999)	(33,492,367)
Additional provisions in respect of tax inquiries (Note)	208,282,240	–
Overprovision in previous years	(8,320,282)	(1,891,750)
Tax effect of tax losses not recognised	2,412,966	13,429,186
Tax effect of deferred taxation assets not recognised	12,232,988	25,226,440
Utilisation of tax losses previously not recognised	(18,376,362)	(85,457,634)
Utilisation of deferred taxation assets previously not recognised	(39,598,179)	(94,221,786)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<u>31,705,569</u>	<u>67,101,162</u>
Tax charge for the year	<u>1,634,172,200</u>	<u>982,521,087</u>

Details of deferred taxation are set out in Note 36.

Note:

The IRD initiated tax inquiries for the years of assessment 1995/96 to 2004/05 on a wholly-owned subsidiary, Sing-Ho Finance Company Limited ("Sing-Ho Finance"). Notices of assessment for additional tax in an aggregate sum of approximately HK\$673,880,000 were issued to Sing-Ho Finance for the years under review and objections were properly lodged with the IRD by Sing-Ho Finance. The IRD agreed to hold over the tax claim subject to the purchase of tax reserve certificates (the "TRCs") of approximately HK\$109,940,000 for those years of assessments. These TRCs were purchased by the Group in prior years. During the year, the Directors of the Company have determined that, based on the available evidence collated so far, provisions for tax payable in respect of the assessments of approximately HK\$208,000,000 and for the estimated interest payable on additional tax of approximately HK\$114,000,000 should be made by the Group. The Directors of the Company consider that such provisions are appropriate having taken into account the current circumstances. The provisions for additional tax payable and the estimated interest payable are included in the current income tax expense and administrative expenses respectively. The Directors of the Company are also of the opinion that the payment of any additional tax other than the tax provided is not probable and, therefore, no further tax provision has been made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

16. DIVIDENDS

	2011 HK\$	2010 HK\$
Dividends recognised as distribution during the year:		
Final dividend for the year ended 30th June, 2010: HK30 cents (2010: HK30 cents for the year ended 30th June, 2009) per share	1,470,297,207	1,445,407,061
Interim dividend for the year ended 30th June, 2011: HK10 cents (2010: HK10 cents for the year ended 30th June, 2010) per share	525,978,287	488,504,578
	<u>1,996,275,494</u>	<u>1,933,911,639</u>

During the year, scrip dividends were offered in respect of the 2010 final and 2011 interim dividends. These scrip alternatives were accepted by the majority of shareholders, as follows:

	2011 Interim dividend HK\$	2010 Final dividend HK\$
Dividends:		
Cash	188,211,734	583,480,610
Scrip alternatives	337,766,553	886,816,597
	<u>525,978,287</u>	<u>1,470,297,207</u>

A final dividend of HK35 cents per share for the year ended 30th June, 2011 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming Annual General Meeting.

On 29th November, 2010 and 28th April, 2011, the Company issued and allotted a total of 54,074,182 (2010: 75,962,242) ordinary shares and 25,094,097 (2010: 21,456,910) ordinary shares of HK\$1.00 each at an issue price of HK\$16.40 (2010: HK\$14.512) and HK\$13.46 (2010: HK\$14.652) per share, respectively, in the Company in lieu of cash for the 2010 final and 2011 interim dividends (2010: 2009 final and 2010 interim dividends).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

17. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Earnings for the purpose of basic earnings per share	<u>10,544,345,671</u>	<u>6,093,689,617</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>5,120,603,458</u>	<u>4,863,731,677</u>

No diluted earnings per share has been presented for the years ended 30th June, 2011 and 2010 as there were no potential ordinary shares outstanding during the current and prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

18. INVESTMENT PROPERTIES

	Investment properties in Hong Kong held under long leases HK\$	Investment properties in Hong Kong held under medium- term leases HK\$	Investment properties in the People's Republic of China held under medium- term lease HK\$	Investment properties under redevelopment in Hong Kong HK\$	Investment property under construction in the People's Republic of China HK\$	Investment property in Singapore held under a long lease HK\$	Investment property under construction in Singapore HK\$	Total HK\$
THE GROUP								
FAIR VALUE								
At 1st July, 2009	1,943,809,281	34,541,844,386	-	250,000,000	-	822,018,375	-	37,557,672,042
Reclassified from properties under development	-	-	-	-	179,494,954	-	169,406,076	348,901,030
Exchange realignment	-	-	-	-	-	30,820,256	7,001,431	37,821,687
Additions	-	20,998,933	16,218,000	14,946,537	85,463,368	4,489,924	94,520,500	236,637,262
Acquisition of subsidiary (Note 40)	-	567,316,401	-	-	-	-	-	567,316,401
Transfer from completed properties to investment properties under redevelopment	(129,000,000)	-	-	129,000,000	-	-	-	-
Transfer from properties under development upon completion	-	26,822,666	8,095,570	-	-	-	-	34,918,236
Transfer from investment property under construction upon completion	-	-	-	-	-	270,928,007	(270,928,007)	-
Disposals	-	(8,352,279)	-	-	-	-	-	(8,352,279)
Adjustments to construction costs	(1,289,825)	(8,989,235)	-	-	-	-	-	(10,279,060)
Increase (decrease) in fair value	305,780,544	1,876,907,888	16,948,430	65,053,463	453,791,678	(155,740,862)	-	2,562,741,141
At 30th June, 2010	2,119,300,000	37,016,548,760	41,262,000	459,000,000	718,750,000	972,515,700	-	41,327,376,460
Exchange realignment	-	-	25,082,000	-	-	150,023,876	-	175,105,876
Additions	39,452,925	183,768,023	47,510,341	15,667,670	16,695,947	24,362,597	-	327,457,503
Transfer from properties under development upon completion	-	30,379,246	-	-	-	-	-	30,379,246
Transfer from investment property under construction upon completion	-	-	735,445,947	-	(735,445,947)	-	-	-
Disposals	-	(52,934,570)	-	-	-	-	-	(52,934,570)
Adjustments to construction costs	-	(18,979,943)	(2,709,933)	-	-	(10,947,992)	-	(32,637,868)
Increase in fair value	514,247,075	4,809,008,606	352,238,454	126,332,330	-	197,287,894	-	5,999,114,359
At 30th June, 2011	2,673,000,000	41,967,790,122	1,198,828,809	601,000,000	-	1,333,242,075	-	47,773,861,006

The fair values of the Group's completed investment properties at 30th June, 2011 and 2010 have been arrived at on the basis of valuations carried out as at that date by Knight Frank Petty Ltd., Knight Frank Pte Ltd. and Colliers International Consultancy & Valuation (Singapore) Pte Ltd, firms of independent qualified professional property valuers not connected with the Group. The valuations were arrived at by reference to market evidence of recent transaction prices for similar properties and/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

18. INVESTMENT PROPERTIES (Continued)

For investment properties under construction or redevelopment, the valuations have been arrived at adopting direct comparison approach with reference to comparable transactions in the locality and assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations have also taken into account the relevant future cost of development, including construction costs, finance costs, professional fees and developer's profit, which duly reflect the risks associated with the development of the properties.

All of the Group's property interests held under operating lease to earn rentals or for capital appreciation purposes are measured using fair value model and are classified and accounted for as investment properties.

19. HOTEL PROPERTIES

**Hotel properties
in Singapore held
under a long lease**
HK\$

THE GROUP**COST**

At 1st July, 2009	949,447,139
Exchange realignment	39,239,964
Transfer from properties under development upon completion	523,922,095
Additions	88,297
Write off	(175,915)
	<hr/>
At 30th June, 2010	1,512,521,580
Exchange realignment	213,131,751
Additions	65,331,304
	<hr/>
At 30th June, 2011	1,790,984,635

DEPRECIATION

At 1st July, 2009	82,691,906
Exchange realignment	3,622,222
Provided for the year	10,106,768
	<hr/>
At 30th June, 2010	96,420,896
Exchange realignment	15,031,671
Provided for the year	21,952,092
	<hr/>
At 30th June, 2011	133,404,659

CARRYING VALUES

At 30th June, 2011	1,657,579,976
	<hr/>
At 30th June, 2010	1,416,100,684
	<hr/>

The hotel properties are depreciated on a straight-line basis over the relevant terms of the leases of 60 to 96 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

20. PROPERTY, PLANT AND EQUIPMENT

	Computer systems HK\$	Furniture, fixtures and equipment HK\$	Leasehold improvements HK\$	Motor vehicles HK\$	Plant and machinery HK\$	Total HK\$
THE GROUP						
COST						
At 1st July, 2009	62,064,929	136,266,082	34,732,148	17,328,804	5,657,852	256,049,815
Exchange realignment	573,863	4,453,962	6,761	169,700	–	5,204,286
Acquisition of subsidiary (Note 40)	1,419,259	11,264,340	–	–	–	12,683,599
Additions	4,222,983	74,694,733	8,593,128	1,308,722	1,320,163	90,139,729
Disposals	(5,281,801)	(1,890,246)	(4,749,471)	(1,183,192)	(1,018,912)	(14,123,622)
At 30th June, 2010	62,999,233	224,788,871	38,582,566	17,624,034	5,959,103	349,953,807
Exchange realignment	2,627,883	25,015,595	33,997	1,068,419	–	28,745,894
Additions	15,384,740	21,629,794	2,901,242	8,642,585	1,088,090	49,646,451
Write off	(73,469)	(2,343,491)	–	–	–	(2,416,960)
Disposals	(7,105,451)	(551,123)	(487,431)	(2,891,213)	(463,178)	(11,498,396)
At 30th June, 2011	73,832,936	268,539,646	41,030,374	24,443,825	6,584,015	414,430,796
DEPRECIATION						
At 1st July, 2009	44,864,250	78,691,471	29,288,020	12,298,651	4,674,364	169,816,756
Exchange realignment	388,383	2,841,384	2,951	99,125	–	3,331,843
Provided for the year	7,071,086	15,541,763	2,904,205	1,873,477	735,311	28,125,842
Eliminated on disposals	(5,090,567)	(1,030,012)	(4,345,092)	(1,183,192)	(1,002,538)	(12,651,401)
At 30th June, 2010	47,233,152	96,044,606	27,850,084	13,088,061	4,407,137	188,623,040
Exchange realignment	1,815,271	13,569,942	20,201	585,375	–	15,990,789
Provided for the year	12,544,028	49,983,665	3,635,283	3,884,864	1,002,462	71,050,302
Write off	(73,469)	(793,525)	–	–	–	(866,994)
Eliminated on disposals	(6,864,463)	(374,968)	(257,415)	(2,241,145)	(463,178)	(10,201,169)
At 30th June, 2011	54,654,519	158,429,720	31,248,153	15,317,155	4,946,421	264,595,968
CARRYING VALUES						
At 30th June, 2011	19,178,417	110,109,926	9,782,221	9,126,670	1,637,594	149,834,828
At 30th June, 2010	15,766,081	128,744,265	10,732,482	4,535,973	1,551,966	161,330,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

20. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Computer systems	20% – 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	10% – 33 $\frac{1}{3}$ %
Leasehold improvements	20%
Motor vehicles	20%
Plant and machinery	10% – 30%

21. PREPAID LEASE PAYMENTS**THE GROUP****2011**

2010

HK\$**HK\$**

The Group's prepaid lease payments comprise:

Leasehold land for hotel properties outside
Hong Kong – long lease

1,281,662,550

1,140,730,175

Analysed for reporting purposes as:

Current assets

19,809,674

17,363,023

Non-current assets

1,261,852,876

1,123,367,152

1,281,662,550

1,140,730,175

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

22. INVESTMENTS IN SUBSIDIARIES/ADVANCE TO A SUBSIDIARY/AMOUNTS DUE FROM/TO SUBSIDIARIES

	THE COMPANY	
	2011	2010
	HK\$	HK\$
Investments in subsidiaries:		
Unlisted shares, at cost	241,425,430	220,412,432
Less: impairment losses recognised	(44,950,822)	(44,950,822)
	196,474,608	175,461,610
Advance to a subsidiary	3,400,139,833	5,225,631,896
	3,596,614,441	5,401,093,506

The advance to a subsidiary is unsecured, bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and has no fixed repayment terms. In the opinion of the Directors, the Company will not demand for repayment within the next twelve months from the end of the reporting period and accordingly the advance is classified as a non-current asset in the statement of financial position of the Company as at 30th June, 2011 and 2010.

The amounts due from/to subsidiaries of the Company grouped under current assets/current liabilities are unsecured, interest-free and repayable on demand.

Particulars of the Company's principal subsidiaries at 30th June, 2011 and 2010 are set out in Note 48.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES

	THE COMPANY		THE GROUP	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Interests in associates:				
Unlisted shares, at cost	518,714,316	518,714,342	2,217,903,622	2,059,212,918
Share of post-acquisition profits	<u>–</u>	<u>–</u>	<u>8,966,277,889</u>	<u>5,653,222,160</u>
	518,714,316	518,714,342	11,184,181,511	7,712,435,078
Advances to associates less provision	<u>–</u>	<u>–</u>	<u>9,578,579,709</u>	<u>11,472,718,600</u>
	<u>518,714,316</u>	<u>518,714,342</u>	<u>20,762,761,220</u>	<u>19,185,153,678</u>

Included in the cost of investment in associates is goodwill of HK\$142,498,716 (2010: HK\$142,498,716) arising on acquisition of associates in prior years.

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 30th June, 2011, out of the Group's advances to associates, HK\$1,577,535,011 (2010: HK\$1,526,824,256) bears interest at effective rate determined based on the Group's cost-of-funds plus a margin per annum and the remaining balance of HK\$8,001,044,698 (2010: HK\$9,945,894,344) is interest-free. The effective interest rate for imputed interest income is determined based on the cost-of-funds plus a margin per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The amounts due from associates of the Group grouped under current assets are unsecured and are expected to be repaid within one year. At 30th June, 2011, out of the Group's amounts due from associates, HK\$576,437 (2010: HK\$867,883) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$25,157,309 (2010: HK\$85,889,669) is interest-free. The Company's amounts due from associates are unsecured, interest-free and repayable on demand.

The amounts due to associates of the Company and of the Group grouped under current liabilities are unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES (Continued)

Particulars of the principal associates at 30th June, 2011 and 2010 are set out in Note 49.

The summarised financial information in respect of the Group's associates is set out below:

	2011	2010
	HK\$	HK\$
Total assets	100,545,920,505	94,304,720,236
Total liabilities	(67,970,844,077)	(71,816,212,623)
Net assets	32,575,076,428	22,488,507,613
Group's share of net assets of associates	11,041,682,795	7,569,936,362
Turnover	17,872,180,917	3,308,785,088
Profit for the year	10,333,882,632	3,974,937,041
Group's share of results of associates for the year	3,627,544,720	904,972,687

The IRD initiated tax inquiries in respect of the deductions on certain loan interest and related expenses for the years of assessment 1994/95 to 2004/05 on a wholly-owned subsidiary, Murdoch Investments Inc. ("MII"), of the Group's associate, Erleigh Investment Limited. Notices of assessment for additional tax in the aggregate amounts of approximately HK\$135,038,000 were issued to MII for the years under review and objection was properly lodged with the IRD by MII. The IRD agreed to hold over the tax claim subject to the purchase of TRCs of approximately HK\$18,212,000 for those years of assessments. These TRCs were purchased by the corresponding company in prior years.

In respect of MII case, the effective share of the additional tax attributable to the Group as at 30th June, 2011 is estimated to be approximately HK\$60,767,000 (2010: HK\$57,483,000). During the year, the management has determined that, based on the available evidence collated so far, provisions for tax payable in respect of the assessments of approximately HK\$29,000,000 and for the estimated interest payable on additional tax of approximately HK\$15,600,000 should be made. The effective share of tax and the estimated interest payable attributable to the Group are approximately HK\$13,000,000 and HK\$7,000,000 respectively. The management considers that such provisions are appropriate having taken into account the current circumstances. The management is also of the opinion that the payment of any additional tax other than the tax provided is not probable and, therefore, no further tax provision has been made by MII.

The Directors of the Company have taken note of the above matters and have made due inquiries. Nothing has come to the attention of the Board of Directors of the Company which indicates that there has been material subsequent development or change in status in respect of the above matters.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

24. INTEREST IN A JOINTLY CONTROLLED ENTITY/ADVANCE TO A JOINTLY CONTROLLED ENTITY

	THE GROUP	
	2011	2010
	HK\$	HK\$
Interest in a jointly controlled entity:		
Unlisted shares, at cost	55,792,466	70,251,382
Advance to a jointly controlled entity	1,697,282,249	1,599,853,118
	1,753,074,715	1,670,104,500

The advance to a jointly controlled entity of the Group is unsecured, interest-free and has no fixed repayment terms. The effective interest rate for imputed interest income is determined based on the cost-of-fund plus a margin per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advance is therefore shown as non-current.

Particulars of the jointly controlled entity at 30th June, 2011 and 2010 are set out as below:

Name of jointly controlled entity	Place of incorporation/ operation	Class of shares held	Issued share capital	Proportion of nominal value of issued share capital held by the Company		Principal activity
				2011	2010	
				%	%	
Indirect:						
Grand Site Development Limited	Hong Kong	Ordinary	HK\$2	50	50	Property development

The summarised financial information in respect of the Group's jointly controlled entity is set out below:

	2011	2010
	HK\$	HK\$
Total assets	3,538,528,465	3,342,467,822
Total liabilities	(3,538,829,032)	(3,342,608,820)
Net liabilities	(300,567)	(140,998)
Group's share of net liabilities of a jointly controlled entity	(150,283)	(70,499)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

25. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	THE COMPANY		THE GROUP	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Listed investments:				
Equity securities listed in				
Hong Kong	627,728,523	610,961,060	668,479,399	675,640,056
Singapore	329,771,551	332,985,620	358,581,814	394,684,493
	957,500,074	943,946,680	1,027,061,213	1,070,324,549
Unlisted securities:				
Equity securities	19,949,305	19,949,305	30,898,490	30,898,490
Club debenture	300,000	300,000	300,000	300,000
	20,249,305	20,249,305	31,198,490	31,198,490
Total	977,749,379	964,195,985	1,058,259,703	1,101,523,039

As at the end of the reporting period, all available-for-sale investments are stated at fair value, except for those unlisted equity investments of which their fair values cannot be measured reliably.

The above unlisted equity investments are investments in unlisted equity securities issued by private entities incorporated in Hong Kong. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably.

26. ADVANCE TO NON-CONTROLLING INTERESTS

The advance to non-controlling interests of the Group is unsecured, has no fixed repayment terms and bears interest at variable interest rates of HIBOR plus margin per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

27. ADVANCES TO INVESTEE COMPANIES

The advances to investee companies of the Group are unsecured and have no fixed repayment terms. At 30th June, 2011, out of the advances, HK\$17,179,670 (2010: HK\$17,631,824) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of Nil (2010: HK\$996) is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

28. LONG-TERM LOANS RECEIVABLE

	THE GROUP	
	2011	2010
	HK\$	<i>HK\$</i>
Total long-term variable-rate loans receivable	30,510,232	45,518,484
Less: Current portion shown under current assets	(1,237,374)	(1,619,111)
	<u>29,272,858</u>	<u>43,899,373</u>

The Group offers loans to buyers of properties sold by the Group and the repayment terms of the loans are specified in the respective loan agreements.

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 debtors.

The carrying amount of loans receivable at 30th June, 2011 is HK\$30,510,232 net of accumulated impairment loss of HK\$12,742,272 (2010: carrying amount of HK\$45,518,484 net of accumulated impairment loss of HK\$13,528,659).

The exposure of the Group's variable-rate loans receivable to interest rate risks and their contracted maturity dates are as follows:

	2011	2010
	HK\$	<i>HK\$</i>
Variable-rate loans receivable:		
Within one year	1,237,374	1,619,111
In more than one year but not more than five years	6,755,824	9,680,773
In more than five years	<u>22,517,034</u>	<u>34,218,600</u>
	<u>30,510,232</u>	<u>45,518,484</u>

The Group's long-term loans receivable are denominated in HK\$ and carry interest rates (which are the contractual interest rates) at prime rate plus a margin per annum and are secured by second mortgages over the properties acquired by the purchasers. The maturity dates of the balances are ranging from 5 to 20 years (2010: ranging from 5 to 20 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

28. LONG-TERM LOANS RECEIVABLE (Continued)

Movements in the allowance for doubtful debts

	THE GROUP	
	2011	2010
	HK\$	HK\$
Balance at the beginning of the year	13,528,659	12,242,722
Impairment losses (reversed) recognised	(786,387)	1,285,937
	<u>12,742,272</u>	<u>13,528,659</u>

At 30th June, 2011 and 2010, no balance is past due but not impaired. The Group has assessed the creditworthiness, past payment history and substantial settlement after the end of the reporting period, and considered that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Loans receivable which are neither overdue nor impaired are in good quality.

29. TRADING SECURITIES

Trading securities comprise:

	THE COMPANY		THE GROUP	
	2011	2010	2011	2010
	HK\$	HK\$	HK\$	HK\$
Listed investments:				
Equity securities listed in				
Hong Kong	879,478,556	754,291,789	879,478,556	757,003,790
Equity securities listed elsewhere	251,617	173,540	251,617	173,540
	<u>879,730,173</u>	<u>754,465,329</u>	<u>879,730,173</u>	<u>757,177,330</u>
Total				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

30. ACCOUNTS AND OTHER RECEIVABLES

At 30th June, 2011, included in accounts and other receivables of the Group are trade receivables of HK\$843,855,615 (2010: HK\$563,964,076). Trade receivables mainly comprise rental receivables and properties sales receivables.

	THE GROUP	
	2011	2010
	HK\$	HK\$
Trade receivables	868,977,773	587,687,817
Less: Allowance for doubtful debts	(25,122,158)	(23,723,741)
	843,855,615	563,964,076
Other receivables	439,386,995	443,587,759
	1,283,242,610	1,007,551,835

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 debtors.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts). Rental receivables are billed and payable in advance by tenants. Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sales and purchase agreements:

	2011	2010
	HK\$	HK\$
0 – 30 days	786,349,816	467,689,046
31 – 60 days	19,435,515	20,895,066
61 – 90 days	3,911,603	4,150,424
Over 90 days	34,158,681	71,229,540
	843,855,615	563,964,076

Movements in the allowance for doubtful debts

	2011	2010
	HK\$	HK\$
Balance at the beginning of the year	23,723,741	161,119,997
Impairment losses recognised (reversed) on trade receivables	1,398,417	(137,396,256)
Balance at the end of the year	25,122,158	23,723,741

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

30. ACCOUNTS AND OTHER RECEIVABLES (Continued)

Ageing of trade receivables which are past due but not impaired

	THE GROUP	
	2011	2010
	HK\$	HK\$
Overdue within 30 days	116,425,003	127,421,430
Overdue between 31 days to 60 days	19,435,515	20,895,066
Overdue between 61 days to 90 days	3,911,603	4,150,424
Overdue more than 90 days	34,158,681	71,229,540
	173,930,802	223,696,460

For those past due but not impaired receivables, although no collateral is held, the Group has assessed the creditworthiness, past payment history and substantial settlement after the end of the reporting period, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Trade receivables over 90 days amounting to HK\$34,158,681 (2010: HK\$71,229,540) are sufficiently covered by rental deposits received from the respective tenants and no allowance is required for these receivables under the Group's allowance policy.

Trade receivables as at 30th June, 2011 and 2010 which are neither overdue nor impaired are in good quality.

31. RESTRICTED BANK DEPOSITS/TIME DEPOSITS, BANK BALANCES AND CASH

The restricted bank deposits of the Group represent rental income received from certain properties which have been charged but can be applied for settlement of property expenses, interest payment and principal repayment of the corresponding secured bank loans. The restricted bank deposits and time deposits carry floating interest rates, ranging from 0.0001% to 1.06% (2010: 0.03% to 1.06%) per annum.

32. ACCOUNTS AND OTHER PAYABLES

At 30th June, 2011, included in accounts and other payables of the Group are trade payables of HK\$213,569,453 (2010: HK\$90,212,596).

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

	THE GROUP	
	2011	2010
	HK\$	HK\$
0 – 30 days	154,958,357	65,096,716
31 – 60 days	42,157,329	11,958,400
61 – 90 days	3,564,369	2,800,783
Over 90 days	12,889,398	10,356,697
	213,569,453	90,212,596

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

32. ACCOUNTS AND OTHER PAYABLES (Continued)

At 30th June, 2011, out of the other payables, HK\$18,520,514 (2010: HK\$26,385,727) bears interest at 7% (2010: 2% to 7%) per annum which represent the amount due to a related company, in which Mr. Robert Ng Chee Siong, Director of the Company, holds share interest and directorship of the related company. The remaining other payable comprise mainly construction cost payable, rental and utilities deposits received and rental receipt in advance.

33. BANK BORROWINGS

	THE GROUP	
	2011	2010
	HK\$	HK\$
Short-term bank loans		
Secured	2,062,933,951	4,314,363,282
Unsecured	–	200,000,000
	<hr/>	<hr/>
Total short-term bank loans	2,062,933,951	4,514,363,282
	<hr/>	<hr/>
Long-term unsecured bank loans		
More than one year but not exceeding two years	497,246,128	–
More than two years but not exceeding three years	–	495,797,034
	<hr/>	<hr/>
	497,246,128	495,797,034
	<hr/>	<hr/>
Long-term secured bank loans		
Within one year	202,212,486	212,636,143
More than one year but not exceeding two years	2,573,032,004	4,520,571,485
More than two years but not exceeding three years	7,060,672,501	2,288,500,171
More than three years but not exceeding four years	–	6,896,599,740
More than four years but not exceeding five years	2,170,246,500	–
	<hr/>	<hr/>
	12,006,163,491	13,918,307,539
Less: Current portion shown under current liabilities	(202,212,486)	(212,636,143)
	<hr/>	<hr/>
	11,803,951,005	13,705,671,396
	<hr/>	<hr/>
Total bank loans – due after one year	12,301,197,133	14,201,468,430
	<hr/>	<hr/>
Total bank loans	14,566,343,570	18,928,467,855
	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

33. BANK BORROWINGS (Continued)

The Company does not have any borrowings at the end of the reporting period.

All of the bank borrowings carry contracted interest rates (which are also the effective interest rates) at HIBOR/SIBOR plus a margin per annum.

34. SHARE CAPITAL

	2011		2010	
	Number of ordinary shares of HK\$1.00 each	Nominal value HK\$	Number of ordinary shares of HK\$1.00 each	Nominal value HK\$
Authorised:				
At 1st July and at 30th June	<u>6,000,000,000</u>	<u>6,000,000,000</u>	<u>6,000,000,000</u>	<u>6,000,000,000</u>
Issued and fully paid:				
At 1st July	4,902,690,690	4,902,690,690	4,839,469,538	4,839,469,538
Issue of shares in lieu of cash dividends	79,168,279	79,168,279	97,419,152	97,419,152
Cancellation upon repurchase of own shares	(7,818,000)	(7,818,000)	(34,198,000)	(34,198,000)
Issuance of shares by placement	<u>305,000,000</u>	<u>305,000,000</u>	—	—
At 30th June	<u>5,279,040,969</u>	<u>5,279,040,969</u>	<u>4,902,690,690</u>	<u>4,902,690,690</u>

During the year, 7,818,000 (2010: 34,198,000) ordinary shares repurchased on the Stock Exchange were cancelled. The nominal value of HK\$7,818,000 (2010: HK\$34,198,000) of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$101,700,094 (2010: HK\$487,757,764) was paid out from the Company's retained profits.

On 9th November, 2010, arrangements were made for a top-up placement of 305,000,000 ordinary shares of HK\$1.00 each at a price of HK\$16.85 per ordinary share. The proceeds were used to finance the Group's general working capital.

On 29th November, 2010 and 28th April, 2011, the Company issued and allotted 54,074,182 ordinary shares and 25,094,097 ordinary shares of HK\$1.00 each at an issue price of HK\$16.40 and HK\$13.46 per ordinary share in lieu of cash for the 2010 final and 2011 interim dividends respectively.

The shares rank pari passu in all respects with the existing shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

35. SHARE PREMIUM AND RESERVES

	Share premium HK\$	Investment revaluation reserve HK\$	Capital redemption reserve HK\$	Retained profits HK\$	Total HK\$
THE COMPANY					
At 1st July, 2009	21,170,277,150	184,335,711	467,708,000	12,300,881,692	34,123,202,553
Profit for the year	-	-	-	3,917,078,176	3,917,078,176
Gain on fair value changes of available-for-sale investments	-	61,300,745	-	-	61,300,745
Reclassification adjustments upon disposal of available-for-sale investments	-	(4,653,833)	-	-	(4,653,833)
Total comprehensive income for the year	-	56,646,912	-	3,917,078,176	3,973,725,088
Premium on issue of shares upon scrip dividends	1,319,331,569	-	-	-	1,319,331,569
Share issue expenses	(60,000)	-	-	-	(60,000)
Cancellation upon repurchase of own shares	-	-	34,198,000	(487,757,764)	(453,559,764)
Final dividend – 2009	-	-	-	(1,445,407,061)	(1,445,407,061)
Interim dividend – 2010	-	-	-	(488,504,578)	(488,504,578)
At 30th June, 2010	22,489,548,719	240,982,623	501,906,000	13,796,290,465	37,028,727,807
Profit for the year	-	-	-	2,423,577,650	2,423,577,650
Gain on fair value changes of available-for-sale investments	-	107,662,560	-	-	107,662,560
Reclassification adjustments upon disposal of available-for-sale investments	-	(73,454,396)	-	-	(73,454,396)
Total comprehensive income for the year	-	34,208,164	-	2,423,577,650	2,457,785,814
Issue of shares by placement	4,834,250,000	-	-	-	4,834,250,000
Premium on issue of shares upon scrip dividends	1,145,414,871	-	-	-	1,145,414,871
Share issue expenses	(72,103,890)	-	-	-	(72,103,890)
Cancellation upon repurchase of own shares	-	-	7,818,000	(101,700,094)	(93,882,094)
Final dividend – 2010	-	-	-	(1,470,297,207)	(1,470,297,207)
Interim dividend – 2011	-	-	-	(525,978,287)	(525,978,287)
At 30th June, 2011	28,397,109,700	275,190,787	509,724,000	14,121,892,527	43,303,917,014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

36. DEFERRED TAXATION

The following are the major deferred taxation liabilities and assets recognised and movements thereon during the current and prior reporting periods:

	Accelerated tax depreciation <i>HK\$</i>	Revaluation of investment properties <i>HK\$</i>	Undistributed profits of associates <i>HK\$</i>	Tax losses <i>HK\$</i>	Others <i>HK\$</i>	Total <i>HK\$</i>
At 1st July, 2009	382,848,896	2,718,092,843	2,036,265	(142,843,046)	(505,410)	2,959,629,548
Exchange realignment	-	-	109,880	-	3,522,763	3,632,643
Charged (credited) to profit or loss for the year	<u>92,921,950</u>	<u>407,831,397</u>	<u>7,137,178</u>	<u>(12,616,007)</u>	<u>(2,856,344)</u>	<u>492,418,174</u>
At 30th June, 2010	475,770,846	3,125,924,240	9,283,323	(155,459,053)	161,009	3,455,680,365
Exchange realignment	-	-	629,650	-	14,847,796	15,477,446
Settlement of withholding tax	-	-	(6,992,192)	-	-	(6,992,192)
Charged (credited) to profit or loss for the year	<u>113,391,702</u>	<u>926,608,693</u>	<u>19,220,405</u>	<u>26,381,328</u>	<u>(17,349,070)</u>	<u>1,068,253,058</u>
At 30th June, 2011	<u>589,162,548</u>	<u>4,052,532,933</u>	<u>22,141,186</u>	<u>(129,077,725)</u>	<u>(2,340,265)</u>	<u>4,532,418,677</u>

For the purpose of presentation in the consolidated statement of financial position, the deferred taxation assets and liabilities have been offset.

At 30th June, 2011, the Group had unused tax losses of HK\$1,465,931,842 (2010: HK\$1,722,566,532) available for offset against future profits. A deferred taxation asset has been recognised in respect of HK\$782,289,242 (2010: HK\$942,176,079) of such losses. No deferred taxation asset has been recognised in respect of the remaining HK\$683,642,600 (2010: HK\$780,390,453) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 30th June, 2011, the Group had deductible temporary differences of HK\$1,459,112,824 (2010: HK\$1,624,962,467). No deferred taxation asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred taxation liabilities have not been recognised was HK\$293,587,506 (2010: HK\$162,139,519). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

37. ADVANCES FROM ASSOCIATES

The advances from associates of the Group are unsecured and have no fixed repayment terms but are not repayable within the next twelve months from the end of the reporting period. At 30th June, 2011, HK\$637,467,156 (2010: HK\$581,104,619) of the advances bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$1,551,165,054 (2010: HK\$1,549,172,565) is interest-free. The effective interest rate for imputed interest expense is determined based on the cost-of-funds plus a margin per annum.

38. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounted to HK\$10,916,213 (2010: HK\$10,241,719) are unsecured, bear interest at effective rate determined based on the cost-of-funds plus a margin per annum and have no fixed repayment terms. The remaining balance of HK\$422,558,496 (2010: HK\$396,510,678) is unsecured and interest-free. The non-controlling interests agreed not to demand repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The principal advances from non-controlling interests of the Group amounted to HK\$426,810,147 had been initially reduced to its present value of HK\$422,558,496 based on management's estimates of future cash payments with a corresponding adjustment of HK\$4,251,651 which was regarded as a deemed contribution from the non-controlling interests during the year ended 30th June, 2011. The effective interest rate adopted for measurement at fair value at initial recognition of the advances from non-controlling interests of a subsidiary in respect of the year is determined based on the cost-of-funds plus a margin per annum.

39. JOINTLY CONTROLLED OPERATIONS

The Group has entered into joint venture agreements ("Agreements") in the form of jointly controlled operations to jointly develop residential/commercial projects in Hong Kong. Under the Agreements, the Group is responsible for the development of the projects.

At 30th June, 2011 and 2010, the aggregate amount of assets, liabilities, income and expenses recognised in the consolidated financial statements in relation to interests in jointly controlled operations are as follows:

	2011 HK\$	2010 HK\$
Investment properties	8,762,545,339	8,204,828,912
Other non-current assets	1,430,261	1,855,059
Current assets	<u>2,764,241,969</u>	<u>3,734,152,063</u>
	<u>11,528,217,569</u>	<u>11,940,836,034</u>
Non-current liabilities	422,607,954	874,035,783
Current liabilities	<u>1,886,351,123</u>	<u>3,260,668,773</u>
	<u>2,308,959,077</u>	<u>4,134,704,556</u>
Income	<u>1,838,930,593</u>	<u>4,351,880,269</u>
Expense	<u>680,634,424</u>	<u>2,503,820,559</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

40. ACQUISITION OF ASSETS AND LIABILITIES THROUGH PURCHASE OF SUBSIDIARY

During the year ended 30th June, 2010, assets and liabilities were acquired through the acquisition of 100% equity interest in HCP Hong Kong Fully Co Ltd for a total consideration of HK\$573,693,868, net of bank and cash balances of HK\$13,355,472 acquired. This company is engaged in property investment holding.

Since the main assets of HCP Hong Kong Fully Co Ltd are investment properties in Hong Kong, the acquisition has been accounted for as acquisition of assets.

The net assets acquired in the transaction are as follows:

	Recognised amounts <i>HK\$</i>
Net assets acquired:	
Investment properties	567,316,401
Property, plant and equipment	12,683,599
Accounts and other receivables	1,391,352
Bank balances and cash	13,355,472
Accounts and other payables	(7,697,484)
Unsecured loan payable	<u>(335,199,719)</u>
	251,849,621
Assignment of unsecured loan payable to its intermediate holding company	<u>335,199,719</u>
	<u>587,049,340</u>
Total cash consideration paid for acquisition of the subsidiary	<u>587,049,340</u>
Net cash outflow arising on acquisition:	
Cash consideration paid	587,049,340
Bank and cash balances acquired	<u>(13,355,472)</u>
	<u>573,693,868</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

41. PLEDGE OF ASSETS

- (a) At 30th June, 2011, the aggregate facilities of bank loans granted to the Group amounting to approximately HK\$20,807,647,000 (2010: HK\$27,029,704,000) were secured by certain of the Group's properties, restricted bank deposits and floating charges on bank balances amounting to a total of HK\$37,639,918,011 (2010: HK\$50,434,715,761). At that date, the facilities were utilised by the Group to the extent of approximately HK\$14,096,147,000 (2010: HK\$18,280,538,000).

Assets with the following carrying amounts have been pledged to secure borrowings of the Group:

	2011	2010
	HK\$	HK\$
Investment properties	19,796,182,950	26,929,339,000
Hotel properties	1,657,579,976	1,416,100,684
Prepaid lease payments	1,281,662,550	1,140,730,175
Property, plant and equipment	40,138	829,348
Properties under development	13,976,012,004	19,472,879,412
Stocks of completed properties	444,870,537	945,280,367
Accounts and other receivables	9,648,207	13,107,707
Pledged bank balances	298,063,260	428,707,597
Others	175,858,389	87,741,471
	<u>37,639,918,011</u>	<u>50,434,715,761</u>

- (b) At 30th June, 2011, investments in and advances to certain associates amounting to approximately HK\$7,337,904,000 (2010: HK\$6,553,299,000), in addition to certain assets pledged by the associates, were pledged to or assigned to secure loan facilities made available by banks to such associates. The Group's attributable portion of these facilities amounted to HK\$9,058,000,000 (2010: HK\$10,834,550,000), of which HK\$6,779,550,000 (2010: HK\$7,683,750,000) was utilised by the associates and guaranteed by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

42. CONTINGENT LIABILITIES

- (a) Other than as disclosed in Note 15, at the end of the reporting period, the Company and the Group had contingent liabilities as follows:

	THE COMPANY		THE GROUP	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Guarantees in respect of banking facilities of:				
Subsidiaries				
– Utilised	13,627,446,500	18,237,587,564	–	–
– Unutilised	6,964,150,000	7,613,816,436	–	–
	<u>20,591,596,500</u>	<u>25,851,404,000</u>	<u>–</u>	<u>–</u>
Associates				
– Utilised	6,779,550,000	7,683,750,000	6,779,550,000	7,683,750,000
– Unutilised	2,278,450,000	3,150,800,000	2,278,450,000	3,150,800,000
	<u>9,058,000,000</u>	<u>10,834,550,000</u>	<u>9,058,000,000</u>	<u>10,834,550,000</u>

As at 30th June, 2011, the Company issued corporate financial guarantees to banks in respect of banking facilities granted to associates. At the end of the reporting period, an amount of HK\$1,646,817 (2010: HK\$8,869,482) has been recognised in the consolidated statement of financial position as liabilities.

As at 30th June, 2011, the Company issued corporate financial guarantees to banks in respect of banking facilities granted to subsidiaries and associates. At the end of the reporting period, an amount of HK\$1,995,611 (2010: HK\$124,712,497) and HK\$1,646,817 (2010: HK\$8,869,482), respectively, has been recognised in the Company's statement of financial position as liabilities.

- (b) At the end of the reporting period, share of contingent liabilities of an associate is as follows:

	THE COMPANY		THE GROUP	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Share of contingent liabilities (Note 23)	<u>–</u>	<u>–</u>	<u>47,836,000</u>	<u>57,483,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

43. OPERATING LEASE ARRANGEMENTS**The Group as lessor**

Property rental income earned during the year, net of outgoings of HK\$353,507,403 (2010: HK\$307,791,010), was HK\$1,795,204,003 (2010: HK\$1,612,036,054). Most of the properties held have committed tenants with fixed rental for an average term of two years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments, which fall due:

	2011	2010
	HK\$	HK\$
Within one year	1,848,699,536	1,516,431,881
In the second to fifth year inclusive	2,296,651,803	1,696,371,369
After five years	471,928,248	62,983,234
	<u>4,617,279,587</u>	<u>3,275,786,484</u>

The Group as lessee

Minimum lease payments paid under operating leases during the year was HK\$34,899,048 (2010: HK\$40,828,821).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2011	2010
	HK\$	HK\$
Within one year	30,765,157	26,478,188
In the second to fifth year inclusive	12,820,775	16,314,029
	<u>43,585,932</u>	<u>42,792,217</u>

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of two years and rentals are fixed for an average term of two years.

The Company did not have any significant commitments either as a lessor or a lessee at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

44. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The Group is also required to make contributions to state pension scheme, the Central Provident Fund, based on certain percentages of the monthly salaries of the employees of the Company's subsidiaries operating in Singapore. The Group has no other obligations under this state pension scheme other than the contribution payments.

45. PROPERTIES UNDER DEVELOPMENT

At the end of the reporting period, properties under development amounting to approximately HK\$20,580,123,000 (2010: HK\$20,616,322,000) were not expected to be realised within twelve months from the reporting date.

46. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Directors proposed a bonus issue of shares on the basis of one new ordinary share for every ten ordinary shares held.

47. RELATED PARTY DISCLOSURES

The Group had the following transactions with related parties:

(a) Related companies

	2011 HK\$	2010 HK\$
Service fees received therefrom (Note i)	130,638,105	121,452,440
Rental paid thereto (Note i)	34,899,048	40,828,821
Consultancy fee paid thereto (Note ii)	<u>1,666,664</u>	<u>1,666,664</u>

Note i: Mr. Robert Ng Chee Siong, Director of the Company, was interested in these transactions as he holds share interests and directorships of the related companies.

Note ii: The consultancy fee was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP, Non-Executive Director of the Company, was interested in this transaction as a sole proprietor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

47. RELATED PARTY DISCLOSURES (Continued)**(b) Associates**

	2011	2010
	HK\$	HK\$
Service fees paid thereto	20,343,907	18,439,375
Administrative fees received therefrom	21,934,843	22,250,402
Interest income received therefrom	22,517,337	28,807,988
Interest expenses paid thereto	6,076,925	3,879,352
Imputed interest income on non-current interest-free advances to associates	75,993,385	73,883,590
Imputed interest expense on non-current interest-free advances from associates	12,722,580	30,542,872

Certain of the above related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and their details are disclosed on pages 54 to 58 in the Directors' report.

Included in the advances to associates, advances from associates and amounts due to associates, HK\$3,806,129,673 (2010: HK\$3,819,612,685), HK\$1,941,762,990 (2010: HK\$1,881,683,741) and HK\$5,201,726 (2010: HK\$8,001,571) represent the balances respectively with the associates in which Mr. Robert Ng Chee Siong, Director of the Company, has share interests and directorships. Other than the aforesaid, details of the outstanding balances with subsidiaries, associates, a jointly controlled entity, a related company and non-controlling interests at the end of the reporting period are set out in the Group and the Company's statements of financial position and in Notes 22, 23, 24, 26, 32, 37 and 38.

In addition, as set out in Notes 41 and 42, the Company and the Group have granted guarantees and pledged certain assets to banks for facilities granted to the group entities and associates.

Compensation of key management personnel

The remuneration of Directors during the year was as follows:

	2011	2010
	HK\$	HK\$
Short-term benefits	24,084,695	25,915,632
Retirement benefit scheme contributions	133,500	134,000
	24,218,195	26,049,632

The remuneration of the Directors is determined by Remuneration Committee having regard to the performance of individuals and market trends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES

The Directors are of the opinion that a complete list of all subsidiaries will be of excessive length and therefore the following list contains only the particulars of subsidiaries at 30th June, 2011 and 2010 which materially affected the results or assets and liabilities of the Group.

A complete list of all the subsidiaries will be annexed to the Company's next annual return.

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
Direct:						
Best Result Cleaning Services Limited	Hong Kong	Ordinary	HK\$2	100	100	Cleaning services
Fu King Investment Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Investment holding
Glorypark Limited	Hong Kong	Ordinary	HK\$1,000	100	100	Property investment
Hong Kong Elite Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
King Chance Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Landscape Investment Limited	Hong Kong/ The People's Republic of China, other than Hong Kong ("PRC")	Ordinary	HK\$2	100	100	Property development
Prime Reward Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Direct: (Continued)</i>						
Serenity Park Building Management Limited	Hong Kong	Ordinary	HK\$10	100	100	Building management
Sharp Rise Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Sing-Ho Finance Company Limited	Hong Kong	Ordinary	HK\$30,000,000	100	100	Financing
Sino Administration Services Limited	Hong Kong	Ordinary	HK\$3	100	100	Administration services
Sino Estates Management Limited	Hong Kong	Ordinary	HK\$5,500,000	100	100	Building management
Sino Estates Services Limited	Hong Kong	Ordinary	HK\$20	100	100	Building management
Sino Land (Fuzhou) Co., Ltd. (Note i)	PRC	Registered	HK\$50,000,000	100	100	Property investment
Sino Security Services Limited	Hong Kong	Ordinary	HK\$2	100	100	Security services
World Ace Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect:</i>						
Ackerley Estates Limited	Hong Kong	Ordinary	HK\$20,000,000	100	100	Property investment
Active Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Advance Profit Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Alfaso Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Allways Success Finance Limited	Hong Kong	Ordinary	HK\$10	100	100	Mortgage loan financing
Ample Way Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Apex Speed Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Beauty Plaza Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Benefit Bright Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Best Origin Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Bestone Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Central Wisdom Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Century Profit Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Champion Asia Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Champion Rise Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Champion Top Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Cheer Asia Development Limited	Hong Kong	Ordinary	HK\$1	100	100	Property Investment
Cheer Result Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Citywalk Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Building management
Citywalk 2 Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Building management
Dragon (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
e.Sino Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Elegant Lane Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Entertainment City Limited	Hong Kong	Ordinary	HK\$4,500,000	100	100	Property investment
Ever Champion Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Falcon City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Falcon Land Limited	Hong Kong	Ordinary	HK\$1	100	N/A	Property investment
Famous General Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Famous Palace Properties Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Far Gain Limited	Hong Kong	Ordinary	HK\$10,000	100	100	Property investment
Firm Wise Investment Limited	Hong Kong	Ordinary	HK\$10	70	70	Property investment
Forlink Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Fortune Garden Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	100	100	Share investment
Free Champion Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Full Fair Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Fullerton Hotels & Resorts Pte. Ltd.	Singapore	Ordinary	S\$10,000	100	100	Management services
Fung Yuen Construction Company Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Building construction

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Global Honest Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Mortgage loan financing
Globaland Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Golden Leaf Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Golden Paradise (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Good Champion Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Grace Rays Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Grand Creator Investment (BVI) Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$10	60	60	Investment holding
Grand Creator Investment Limited	Hong Kong	Ordinary	HK\$2	60	60	Property trading
Grand Empire Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Project management
Grand Start Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Grandeal Limited	Hong Kong/PRC	Ordinary	HK\$2	100	100	Property trading
Great Land (HK) Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Property trading and investment
Handsome Lift Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Hang Hau Station (Project Management) Limited	Hong Kong	Ordinary	HK\$2	60	60	Project management
Harvest Sun Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Harvestrade Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment
HCP Hong Kong Fully Co Ltd	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Hickson Limited	Hong Kong	Ordinary	HK\$20	100	100	Property investment
High Elite Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Mortgage loan financing
High Elite Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Bird Development Limited	Hong Kong	Ordinary	HK\$100,000	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Jade Line Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Mate Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Pine Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Jade Queen Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jet Rise Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment and development
King Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
King Regent Limited	Hong Kong	Ordinary	HK\$1	85	85	Property development
Kingdom Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Kingsfield International Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Property investment
Land Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Lucky Fortress Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	100	100	Share investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Masswell International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Mega Sino Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Morbest Profits Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Share investment
Multipurpose Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment
Nice Scene International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Ocean Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Ocean Treasure (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Octerworth Enterprises Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Olympian City 1 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	100	100	Project management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Olympian City 2 Finance Company Limited	Hong Kong	Ordinary	HK\$1,000	100	100	Mortgage loan financing
Olympian City 2 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	100	100	Project management
Orient Harvest International Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Peace Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Perfect Sun Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Precious Land Pte. Limited	Singapore	Ordinary	S\$2	100	100	Property investment
Precious Quay Pte. Ltd.	Singapore	Ordinary	S\$10,000	100	100	Hotel operation, property investment and development
Precious Treasure Pte Ltd	Singapore	Ordinary	S\$20,000,000	100	100	Hotel operation and property investment
Premium Living Limited	Hong Kong	Ordinary	HK\$2	100	100	Premium living services
Pridegate (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Prime Harvest (Administration Services) Limited	Hong Kong	Ordinary	HK\$2	100	100	Consultant services provider
Prime Harvest Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Primewin Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Profit Land Limited	Hong Kong	Ordinary	HK\$2	100	100	Decoration services provider
Rainbow City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Rankchief Company Limited	Hong Kong	Ordinary	HK\$200	100	100	Property trading
Real Maker Development Limited	Hong Kong	Ordinary	HK\$200,000	90	90	Property investment
Regent Profit Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Region One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Residence Oasis Finance Company Limited	Hong Kong	Ordinary	HK\$2	60	60	Mortgage loan financing
Rich Tact International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Rich Treasure Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Mortgage loan financing
Rickson Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Roystar Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Ruddiman Trading Company Limited	Hong Kong	Ordinary	HK\$100,000	100	100	Investment holding
Saky Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Shine Harvest International Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Sidak Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment
Silver Palm Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Silver Target Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Sincere Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Sino (Xiamen) Realty Development Co., Ltd. (Note i)	PRC	Registered	HK\$40,000,000	100	100	Property development, trading and investment
Sino Land Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Deposit placing
Sino Land (Guangzhou) Company Limited (Note i)	PRC	Registered	US\$3,200,000	100	100	Property investment
Sino Land (Zhangzhou) Company Limited (Note i)	PRC	Registered	HK\$94,150,000	100	100	Property development
Sino Land Investment (Holdings) Ltd.	Cayman Islands/ Hong Kong	Ordinary	US\$6,000,000	100	100	Investment holding
Standard Union Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Share investment
Star Talent Development Limited	Hong Kong	Ordinary	HK\$1	100	100	Property Development
Success One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Success United Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Sunfairs International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Sunny Force Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Sunrise Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Super One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Thousand Growth Development Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Timeshare Development (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Top Gallant Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Top Route Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Trans China Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Triple Reach International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Triumph One Limited	Hong Kong	Ordinary	HK\$10,000	100	100	Property trading and investment
Union Century (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Union Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Union Harvest Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Union Rich Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Union Treasure Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Union Vision Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
United Link Investments Limited	Hong Kong	Ordinary	HK\$2	100	N/A	Property investment
Vantage Plus Investments Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$100	85	85	Investment holding
Vasilon Pte Ltd	Singapore	Ordinary	S\$2	100	100	Investment holding
Weiland Development Company Limited	Hong Kong	Ordinary	HK\$33,140,000	100	100	Property investment
Well Growth International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Well Victory Limited	Hong Kong	Ordinary	HK\$2	100	N/A	Property investment
Wellord Investments Limited	Hong Kong	Ordinary	HK\$2	100	N/A	Property investment
Wendia Limited	Hong Kong	Ordinary	HK\$20	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2011 %	2010 %	
<i>Indirect: (Continued)</i>						
Will Glory Company (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Win Harvest (HK) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Winchamp Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Winning Limited	Hong Kong	Ordinary	HK\$1	100	100	Investment holding
Wisdom Power Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Wise Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Wise Mate Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
World Empire Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
信和置業(成都)有限公司 (Note i)	PRC	Registered	HK\$4,662,000,000	100	100	Property development

Notes:

- (i) Wholly foreign owned enterprises established in the PRC.
- (ii) None of the subsidiaries had issued any debt securities at 30th June, 2011 and 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

49. PRINCIPAL ASSOCIATES

The Directors are of the opinion that a complete list of all associates will be of excessive length and therefore the following list contains only the particulars of associates at 30th June, 2011 and 2010 which materially affected the results of the year or form a substantial portion of the net assets of the Group.

A complete list of all the associates will be annexed to the Company's next annual return.

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company			2010 Total %	Principal activities
			2011 Directly %	2011 Indirectly %	2011 Total %		
Ace Glory Limited	Hong Kong	Ordinary	–	25	25	25	Property development
Asian Success Investments Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property trading
Astoria Estate Management Company Limited	Hong Kong	Ordinary	–	50	50	50	Building management
Best Profit Limited	Hong Kong	Ordinary	–	50	50	50	Property trading and investment
Better Chief Limited	Hong Kong	Ordinary	50	–	50	50	Property investment
Beverhill Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Boatswain Enterprises Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Brisbane Trading Company Limited	Hong Kong	Ordinary and non-voting deferred	–	50	50	50	Property trading
Century Rise Limited	Hong Kong	Ordinary	–	50	50	50	Property development
Cheer City Properties Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Chongqing Champion Globe Company Limited	PRC	Registered	–	50	50	50	Property development
Chongqing Champion King Company Limited	PRC	Registered	–	50	50	50	Property development
Chongqing Sino Land Company Limited	PRC	Registered	–	50	50	50	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

49. PRINCIPAL ASSOCIATES (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company			2010 Total %	Principal activities
			2011 Directly %	2011 Indirectly %	2011 Total %		
C.H.K.C. Building Management Limited	Hong Kong	Ordinary	–	25	25	25	Building management
Cosmos Door Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Credit World Limited	Hong Kong	Ordinary	–	20	20	20	Property trading
Direct Win Development Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property trading
Dramstar Company Limited	Hong Kong	Ordinary	–	22	22	22	Property trading
Empire Funds Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Enterprico Investment Limited	Hong Kong	Ordinary	–	50	50	50	Loan financing
Eternal Honest Finance Company Limited	Hong Kong	Ordinary	–	50	50	50	Mortgage loan financing
Famous Empire Finance Limited	Hong Kong	Ordinary	–	40	40	40	Mortgage loan financing
Famous Empire Properties Limited	Hong Kong	Ordinary	–	40	40	40	Property trading and investment
Finedale Industries Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property investment
Full Raise International Limited	British Virgin Islands/ Hong Kong	Ordinary	–	25	25	25	Investment holding
Gloryland Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property investment
Golden Famous International Limited	Hong Kong	Ordinary	–	25	25	25	Property trading
Grace Sign Limited	Hong Kong	Ordinary	–	30	30	30	Property trading
Grand Palisades Finance Company Limited	Hong Kong	Ordinary	–	20	20	20	Mortgage loan financing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

49. PRINCIPAL ASSOCIATES (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company			2010 Total %	Principal activities
			2011 Directly %	2011 Indirectly %	2011 Total %		
Grand Rise Investments Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Greenroll Limited	Hong Kong	Ordinary	–	30	30	30	Hotel operation
Hua Qing Holdings Pte Ltd	Singapore	Ordinary	–	23.5	23.5	23.5	Investment holding
Island Resort Estate Management Company Limited	Hong Kong	Ordinary	–	40	40	40	Building management
Jet Fame (Hong Kong) Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Lead Bright Finance Limited	Hong Kong	Ordinary	–	20	20	20	Mortgage loan financing
Lead Bright Limited	Hong Kong	Ordinary	–	20	20	20	Property trading
Million Success Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
More Treasure Company Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
Murdoch Investments Inc.	Republic of Panama/ Hong Kong	Ordinary	–	45	45	45	Property investment
Nimble Limited	British Virgin Islands/ Hong Kong	Ordinary	–	45	45	45	Investment holding
Orient Field Holdings Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Pacific Bond Limited	Hong Kong	Ordinary	–	35	35	35	Property development
Prime Force Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Pui Hay Enterprises Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Rich Century Investment Limited	Hong Kong	Ordinary	50	–	50	50	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

49. PRINCIPAL ASSOCIATES (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company			2010 Total %	Principal activities
			2011 Directly %	2011 Indirectly %	2011 Total %		
Silver Link Investment Limited	Hong Kong	Ordinary	–	40	40	40	Property trading and investment
Sino Parking Services Limited	Hong Kong	Ordinary	50	–	50	50	Carpark operation
Sino Real Estate Agency Limited	Hong Kong	Ordinary	50	–	50	50	Real estate agency
Tat Lee Construction Company Limited	Hong Kong	Ordinary	25	–	25	25	Building construction
Teamer International Limited	Hong Kong	Ordinary	–	35	35	35	Property development
Union King (Hong Kong) Limited	Hong Kong	Ordinary	–	45	45	45	Property development
Union Top Properties Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Victory Top Properties Limited	Hong Kong	Ordinary	–	50	50	N/A	Property investment
Victory World Limited	Hong Kong	Ordinary	–	50	50	50	Property trading and investment
Wide Harvest Investment Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
Win Chanford Enterprises Limited	Hong Kong	Ordinary	5	45	50	50	Property investment
Wisekey Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	–	50	50	50	Investment holding
深圳中海信和地產開發有限公司	PRC	Registered	–	50	50	50	Property trading
中海信和(成都)物業發展有限公司	PRC	Registered	–	20	20	20	Property development and trading

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

In accordance with Rule 13.22 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies as at the end of the most recent financial period. This information has been extracted from the relevant audited financial statements of the affiliated companies.

	At 30th June, 2011 HK\$	At 30th June, 2010 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	7,073,351,881	8,065,015,771
Advances from the Group	13,134,046,457	14,956,607,037
	<u>20,207,398,338</u>	<u>23,021,622,808</u>
The Group's share of contingent liabilities of its affiliated companies	<u>47,836,000</u>	<u>57,483,000</u>

Note: "Affiliated companies" mentioned above refers to associates and jointly controlled entity of the Group.

MAJOR PROPERTIES HELD BY THE GROUP

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
HONG KONG							
1. No. 1 Chatham Path Mid-levels, Hong Kong	2072	100.0%	–	7,800	R	Completed	Existing
2. 15 Shek O Headland, Hong Kong	2047	100.0%	2,970	2,228	R	Completed	Existing
3. 20-24 Staunton Street Central, Hong Kong	2844	100.0%	3,313	22,098 <u>8,283</u> 30,381	R C	Completed	Existing
4. 148 Electric Road North Point, Hong Kong	2047	100.0%	13,160	197,400	C	Completed	Existing
5. Bayview Park 3 Hong Man Street, Chai Wan, Hong Kong	2047	100.0%	17,122	82,260	R	Completed	Existing
6. Central Plaza 18 Harbour Road, Wan Chai, Hong Kong	2047	10.0%	77,824	140,000	C	Completed	Existing
7. The Centrium 60 Wyndham Street, Central, Hong Kong	2047	70.0%	17,061	179,138	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
HONG KONG							
8. Conrad Hong Kong Pacific Place, 88 Queensway, Hong Kong	2047	30.0%	–	165,506	H	Completed	Existing
9. Fraser Suites Hong Kong 74-80 Johnston Road, Wan Chai, Hong Kong	2047	100.0%	5,353	46,331 <u>11,777</u> <u>58,108</u>	R C	Completed	Existing
10. Harbour Centre Harbour Road & Fleming Road, Hong Kong	2128	16.7%	32,626	40,167	C	Completed	Existing
11. The Hennessy 256 Hennessy Road, Wan Chai, Hong Kong	2127	100.0%	4,791	71,862	C	Completed	Existing
12. Hollywood Centre 233 Hollywood Road, Hong Kong	2128	50.0%	6,706	47,705	C	Completed	Existing
13. Island Resort Mall 28 Siu Sai Wan Road, Chai Wan, Hong Kong	2047	40.0%	275,470	75,676 <u>53,602*</u> <u>129,278</u>	C P	Completed	Existing
* 480 car parks							
14. Marina House 68 Hing Man Street, Shau Kei Wan, Hong Kong	2047	100.0%	7,818	119,298	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
HONG KONG							
15. One Capital Place 18 Luard Road, Wan Chai, Hong Kong	2127	100.0%	5,315	73,443	C	Completed	Existing
16. Pacific Palisades 1 Braemar Hill Road, Hong Kong	2047	20.0%	165,550	93,550	R	Completed	Existing
17. Pacific Plaza 418 Des Voeux Road West, Hong Kong	2860	100.0%	9,450	164,460	C	Completed	Existing
18. 25/F United Centre Queensway, Hong Kong	2128	50.0%	–	10,225	C	Completed	Existing
KOWLOON							
19. No. 1 Hung To Road Kwun Tong, Kowloon	2047	33.3%	60,970	179,404	I	Completed	Existing
20. 18 Kowloon East 18 Wang Chiu Road, Kowloon Bay, Kowloon	2047	50.0%	29,063	174,310	C	Completed	Existing
21. The Astrid 180 Argyle Street, Kowloon	2047	100.0%	61,118	17,467	R	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
KOWLOON							
22. Cameron Plaza 23 Cameron Road, Tsim Sha Tsui, Kowloon	2038	100.0%	5,413	65,550	C	Completed	Existing
23. China Hong Kong City 33 Canton Road, Tsim Sha Tsui, Kowloon	2135	25.0%	165,334	359,433	C	Completed	Existing
24. Corporation Square 8 Lam Lok Street, Kowloon Bay, Kowloon	2047	100.0%	21,745	155,910	I	Completed	Existing
25. Exchange Tower 33 Wang Chiu Road, Kowloon Bay, Kowloon	2055	100.0%	50,752	609,027	C	Completed	Existing
26. Fullerton Centre 19 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,394	114,334	I	Completed	Existing
27. Futura Plaza 111-113 How Ming Street, Kwun Tong, Kowloon	2047	100.0%	18,783	225,396	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
KOWLOON							
28. Hong Kong Pacific Centre 28 Hankow Road, Tsim Sha Tsui, Kowloon	2039	100.0%	18,028	232,606	C	Completed	Existing
29. Kent Court 137 Boundary Street, Kowloon	2047	100.0%	–	3,072	R	Completed	Existing
30. Kwun Tong Harbour Plaza 182 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	31,018	156,770 <u>198,758*</u> <u>355,528</u>	C P	Completed	Existing
							* 474 carparks
31. Kwun Tong Plaza 68 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	25,995	192,694*	P	Completed	Existing
							* 366 carparks
32. Maison Rosé 270 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon	2047	100.0%	4,490	6,873	C	Completed	Existing
33. Olympian City 1 11 Hoi Fai Road, MTR Olympic Station, Kowloon	2047	Joint Venture	712,614	139,931 [†]	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
KOWLOON							
34. Olympian City 2 18 Hoi Ting Road, MTR Olympic Station, Kowloon	2047	Joint Venture	708,577	511,287 [†]	C	Completed	Existing
35. Olympian City 3 1 Hoi Wang Road, South West Kowloon, Kowloon	2055	50.0%	146,131	59,423	C	Completed	Existing
36. Omega Plaza 32 Dundas Street, Kowloon	2047	100.0%	5,385	80,775	C	Completed	Existing
37. One Madison 305 Castle Peak Road, Kowloon	2047	100.0%	7,200	12,800	C	Completed	Existing
38. One New York 468 Castle Peak Road, Kowloon	2047	100.0%	6,448	9,621	C	Completed	Existing
39. One SilverSea 18 Hoi Fai Road, Kowloon	2052	100.0%	112,484	112,483	C	Completed	Existing
40. Parmanand House 51-52 Haiphong Road, Kowloon	2863	100.0%	1,800	18,043	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
KOWLOON							
41. Remington Centre 23 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,370	114,103	I	Completed	Existing
42. Skyline Tower 39 Wang Kwong Road, Kowloon Bay, Kowloon	2047	50.0%	68,986	413,915	C	Completed	Existing
43. Sunshine Plaza Shopping Arcade, 17 Sung On Street, Hung Hom, Kowloon	2047	100.0%	26,598	58,887	C	Completed	Existing
44. Tsim Sha Tsui Centre Salisbury Road, Tsim Sha Tsui, Kowloon	2127	45.0%	42,835	231,309	C	Completed	Existing
45. Vista 188 Fuk Wa Street, Sham Shui Po, Kowloon	2054	Joint Venture	14,895	22,335 [†]	C	Completed	Existing
46. Westley Square 48 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	21,110	238,187	I/O	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
KOWLOON							
47. Yau Tong Industrial City 17 Ko Fai Road, Yau Tong, Kowloon	2047	90.0%	100,580	464,627	I	Completed	Existing
NEW TERRITORIES							
48. Avon Park Shopping Mall, 15 Yat Ming Street, Fanling, New Territories	2047	100.0%	145,649	101,980	C	Completed	Existing
49. Citywalk 1 Yeung Uk Road, Tsuen Wan, New Territories	2052	Joint Venture	207,659	245,419 [†]	C	Completed	Existing
50. Citywalk 2 18 Yeung Uk Road, Tsuen Wan, New Territories	2054	Joint Venture	77,823	191,568 [†]	C	Completed	Existing
51. Golden Plaza 28 Shui Che Kwun Street, Yuen Long, New Territories	2047	100.0%	21,420	32,178 <u>173,571*</u> <u>205,749</u>	C P	Completed	Existing
				* 438 carparks			
52. Grand Regentville Shopping Arcade, 9 Wo Mun Street, Fanling, New Territories	2049	100.0%	131,448	71,462 <u>148,292*</u> <u>219,754</u>	C P	Completed	Existing
				* 415 carparks			

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
NEW TERRITORIES							
53. Lake Silver Shopping Arcade, 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	43,056 [†]	C	Completed	Existing
54. Mansfield Industrial Centre 19 Hong Yip Street, Tung Tau, Yuen Long, New Territories	2047	100.0%	52,582	111,253	I	Completed	Existing
55. Maritime Bay Shopping Mall, 18 Pui Shing Road, Tseung Kwan O, New Territories	2047	100.0%	64,261	57,316	C	Completed	Existing
56. Oceania Heights Shopping Mall, 2 Hoi Chu Road, Tuen Mun, New Territories	2052	100.0%	65,552	29,082	C	Completed	Existing
57. The Palazzo Shopping Arcade, 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	21,528 [†]	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
NEW TERRITORIES							
58. Parklane Centre 25 Kin Wing Street, Tuen Mun, New Territories	2047	100.0%	26,522	84,988 <u>166,976*</u> <u>251,964</u>	I P	Completed	Existing
							* 116 carparks
59. Ping Wui Centre 13-17 Ping Wui Street, Yuen Long, New Territories	2047	100.0%	20,376	20,401 <u>173,267*</u> <u>193,668</u>	C P	Completed	Existing
							* 450 carparks
60. Rosedale Gardens Shopping Arcade, 133 Castle Peak Road, Tuen Mun, New Territories	2047	100.0%	29,956	35,213	C	Completed	Existing
61. Shatin Galleria 18-24 Shan Mei Street, Fo Tan, Shatin, New Territories	2047	100.0%	38,234	268,798 <u>93,691*</u> <u>362,489</u>	C P	Completed	Existing
							* 268 carparks
62. Springdale Villas Shopping Arcade, 80 Ma Tin Road, Yuen Long, New Territories	2047	100.0%	45,273	39,668 <u>87,102*</u> <u>126,770</u>	C P	Completed	Existing
							* 261 carparks

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
NEW TERRITORIES							
63. Sunley Centre 9 Wing Yin Street, Tsuen Wan, New Territories	2047	100.0%	17,362	170,570	I	Completed	Existing
64. Tuen Mun Town Plaza, Phase I 1 Tuen Shun Street & 1 Tuen Shing Street, Tuen Mun, New Territories	2047	100.0%	262,715	853,553 <u>157,335*</u> <u>1,010,888</u>	C P	Completed	Existing
* 525 carparks							
65. The Waterside Shopping Mall, 15 On Chun Street, Ma On Shan, Shatin, New Territories	2047	40.0%	69,428	22,772	C	Completed	Existing
MAINLAND CHINA							
66. Greenfields Chuangye Road, Guangzhou Economic & Technology Development District, Guangzhou	2054	100.0%	53,131	14,931 <u>12,861*</u> <u>27,792</u>	C P	Completed	Existing
*52 carparks							
67. Park Place 130 Jia He Lu, Xiamen	2039	100.0%	44,118	10,689	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
MAINLAND CHINA							
68. Raffles City Shanghai Plot 105 A&B, 228 Xizang Road Central, Huangpu District, Shanghai	2044 2046	22.4%	163,624	301,145	C	Completed	Existing
69. Sino International Plaza 137 Wu Xi Lu, Fuzhou	2059	100.0%	58,126	499,158	C	Completed	Existing
OVERSEAS – SINGAPORE							
70. Clifford Pier 80 Collyer Quay, Singapore	2067	100.0%	70,397	13,731	C	Completed	Existing
71. Customs House 70 Collyer Quay, Singapore	2067	100.0%	44,348	14,822	C	Completed	Existing
72. The Fullerton Hotel Singapore 1 Fullerton Square, Singapore	2096	100.0%	139,469	466,423	H	Completed	Existing
73. The Fullerton Bay Hotel 80 Collyer Quay, Singapore	2067	100.0%	38,965	79,087	H	Completed	Existing
74. The Fullerton Waterboat House 3 Fullerton Road, Singapore	2032	100.0%	16,921	21,743	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
OVERSEAS – SINGAPORE							
75. One Fullerton 1 Fullerton Road, Singapore	2096	100.0%	92,646	80,433	C	Completed	Existing
Properties held for sale							
HONG KONG							
1. Far East Finance Centre 16 Harcourt Road, Hong Kong	2130	19.1%	34,595	9,869	C	Completed	Existing
KOWLOON							
2. Chevalier Commercial Centre Wang Hoi Road, Kowloon Bay, Kowloon	2047	33.3%	44,350	11,588	C	Completed	Existing
3. The Hermitage 1 Hoi Wang Road, South West Kowloon, Kowloon	2055	50.0%	146,131	5,014	R	Completed	Existing
4. Hewlett Centre 54 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	38,000	15,099	I	Completed	Existing
5. Kowloon Plaza 485 Castle Peak Road, Cheung Sha Wan, Kowloon	2047	100.0%	19,375	25,702	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties held for sale							
KOWLOON							
6. Metro Centre 32 Lam Hing Street, Kowloon Bay, Kowloon	2047	100.0%	27,125	18,395	I	Completed	Existing
7. One SilverSea 18 Hoi Fai Road, Kowloon	2052	100.0%	112,484	7,596	R	Completed	Existing
8. Pan Asia Centre 137 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	5,760	66,512	I	Completed	Existing
9. Westin Centre 26 Hung To Road, Kwun Tong, Kowloon	2047	50.0%	17,280	103,576	I	Completed	Existing
NEW TERRITORIES							
10. The Balmoral 1 Ma Shing Path, Tai Po, New Territories	2055	100.0%	63,603	40,980	R	Completed	Existing
11. Cambridge Plaza 188 San Wan Road, Sheung Shui, New Territories	2047	100.0%	–	174,358	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties held for sale							
NEW TERRITORIES							
12. Goodwood Park 138 Hang Tau Road, Kwu Tung, Sheung Shui, New Territories	2054	100.0%	61,032	12,238	R	Completed	Existing
13. Lake Silver 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	60,525 [†]	R	Completed	Existing
14. Lincoln Centre 20 Yip Fung Street, Fanling, New Territories	2047	100.0%	21,163	61,144	I	Completed	Existing
15. The Palazzo 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	55,738 [†]	R	Completed	Existing
16. Poly Centre 15 Yip Fung Street, Fanling, New Territories	2047	100.0%	18,191	10,430	I	Completed	Existing
17. Raleigh Centre 9 Yip Cheong Street, Fanling, New Territories	2047	100.0%	10,194	8,386	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties held for sale							
NEW TERRITORIES							
18. Sea Crest Terrace Mui Wo, Lantau Island, New Territories	2047	100.0%	7,976	800 <u>7,498</u> <u>8,298</u>	R C	Completed	Existing
19. St. Andrews Place 38 Kam Chui Road, Beas Stable, Sheung Shui, New Territories	2050	100.0%	247,281	9,696	R	Completed	Existing
20. Technology Plaza 29-35 Sha Tsui Road, Tsuen Wan, New Territories	2047	100.0%	20,000	15,468	I	Completed	Existing
MAINLAND CHINA							
21. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074	20.0%	14,253,628	19,403 <u>86,320</u> <u>105,723</u>	R C	Completed	Existing
Properties under development							
HONG KONG							
1. Marinella Aberdeen, Hong Kong Aberdeen Inland Lot. 451	2057	35.0%	68,922	225,359	R	Superstructure works in progress	July 2012

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
HONG KONG							
2. 38 Repulse Bay Road, Hong Kong Rural Building Lot No. 380 (*)	2084	100.0%	16,176	12,132	R	Foundation works in progress	September 2012
3. 53 Conduit Road, Hong Kong The Remaining Portion of Inland Lot No. 2138 and Inland Lot No. 2613	2065	100.0%	24,930	60,421	R	Foundation works in progress	May 2013
4. Lee Tung Street/ McGregor Street Project, Wan Chai, Hong Kong Inland Lot No. 9018	2060	Joint Venture	88,652	731,393 <u>85,638</u> <u>817,031</u> [†]	R C	Foundation works in progress	January 2014
KOWLOON							
5. Baker Residences Baker Court, Hung Hom, Kowloon Kowloon Inland Lot No. 11181	2058	Joint Venture	2,982	22,357 <u>4,467</u> <u>26,824</u> [†]	R C	Superstructure works in progress	July 2011
6. One Mayfair 1 Broadcast Drive, Kowloon Tong, Kowloon New Kowloon Inland Lot No. 6374	2056	100.0%	65,531	196,592	R	Superstructure works in progress	October 2011

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area <i>(sq.ft.)</i>	Approx. floor area attributable to the Group <i>(sq.ft.)</i>	Type	Stage of completion	Estimated completion date
Properties under development							
KOWLOON							
7. Beech Street/Ivy Street, West Kowloon, Kowloon Kowloon Inland Lot No. 11192	2058	Joint Venture	25,058	187,939 <u>37,588</u> <u>225,527[†]</u>	R C	Superstructure works in progress	September 2012
8. The Coronation Junction of Hoi Wang Road, Yan Cheung Road and Yau Cheung Road, West Kowloon Reclamation Area, Kowloon Kowloon Inland Lot No. 11073	2057	45.0%	86,757	253,767 <u>39,041</u> <u>292,808</u>	R C	Superstructure works in progress	September 2012
9. 12-18 Hau Wong Road Ma Tau Kok, Kowloon (*)	2047	100.0%	3,967	25,890 <u>9,861</u> <u>35,751</u>	R C	Foundation works in progress	October 2012
10. Yuet Wah Street and Hip Wo Street, Kwun Tong, Kowloon New Kowloon Inland Lot No. 6499	2059	Joint Venture	46,565	232,825 [†]	R	Ground investigation works completed	December 2013
11. Fuk Tsun Street/Pine Street West Kowloon, Kowloon Kowloon Inland Lot No. 11200	2061	Joint Venture	6,032	45,209 <u>9,042</u> <u>54,251[†]</u>	R C	Ground investigation works completed	March 2014

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
NEW TERRITORIES							
12. Providence Bay Pak Shek Kok Reclamation Phase I Site A, Tai Po, New Territories Tai Po Town Lot No. 187	2057	50.0%	107,941	161,912 <u>10,791</u> <u>172,703</u>	R C	Superstructure works in progress	March 2012
13. Providence Bay Pak Shek Kok Reclamation Phase I Site B, Tai Po, New Territories Tai Po Town Lot No. 186	2057	35.0%	238,164	250,072	R	Superstructure works in progress	March 2012
14. Providence Bay Pak Shek Kok Reclamation Phase I Site C, Tai Po, New Territories Tai Po Town Lot No. 188	2057	25.0%	214,225	187,447	R	Superstructure works in progress	June 2012
15. Cheung Sha Lantau Island Lot No. 245 in DD331	2057	100.0%	178,542	71,417	R	Site formation & foundation works in progress	March 2013
16. Pak Shek Kok Development Area Site D1, Tai Po, New Territories Tai Po Town Lot No. 200	2059	100.0%	225,237	675,710 <u>45,047</u> <u>720,757</u>	R C	Foundation works completed	December 2013
17. Pak Shek Kok Development Area Site D2, Tai Po, New Territories Tai Po Town Lot No. 201	2059	85.0%	225,237	574,354 <u>38,289</u> <u>612,643</u>	R C	Foundation works completed	December 2013

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
MAINLAND CHINA							
18. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074 2044	20.0%	14,253,628	86,623	R	Superstructure	June 2012
				65,971	C	works in	
				<u>38,750</u>	H	progress	
				<u>191,344</u>			
19. Le Sommet West Side of Jia He Lu & North of Song Bai Zhong Lu, Xiamen Lot No. 89-C2	2061 2041	100.0%	33,188	108,709	R	Superstructure	June 2012
				<u>15,826</u>	C	works in	
				<u>124,535</u>		progress	
20. Central Park Jia He Lu, South-East Side of Lu Ling Lu, Xiamen Lot No. 90-C5, C6	2068 2046	100.0%	113,904	470,176	R	Superstructure	February 2013
				<u>51,264</u>	C	works in	
				<u>521,440</u>		progress	
21. Regency Park Hu Bin Bei Lu, Xiamen Lot No. 88-C5	2066 2046	100.0%	64,904	489,030	R	Foundation	December 2014
				<u>18,493</u>	C	works in	
				<u>507,523</u>		progress	
22. Grand Park Kaisawangchao at East, Zhanghua Lu at South, Donglinghao Lu at West & Zhangxiang Lu at North, Zhangzhou, Fujian Province, 2004G12	2075 2045	100.0%	1,004,199	4,347,002	R	Foundation	December 2017
				<u>177,283</u>	C	works in	
				<u>4,524,285</u>		progress	

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
MAINLAND CHINA							
23. West of Cheng Kun Railway, East of Sha He, South of Cheng Luo Road, North of Ying Hui Road, Cheng Hua District, Chengdu	2078	100.0%	2,630,284	11,979,559	R	Foundation	June 2018
	2048			772,224	C	works in	
				<u>378,161</u>	H	progress	
				<u>13,129,944</u>			
24. 1 Zhong Xing Duan, Qiao Bei Cun, Hua Xin Street, Jiang Bei District, Chongqing	2058	50.0%	1,993,549	4,641,878	R	Planning stage	December 2019
	2048			<u>673,337</u>	C		
				<u>5,315,215</u>			

Note: C: Commercial

R: Residential

I: Industrial

I/O: Industrial/Office

H: Hotel

P: Multi-storey carpark

(*): Property under redevelopment

t: it represents the total approximate floor area of the property.

Sino Land Company Limited

Proxy Form for use at the Annual General Meeting

(or at any adjournment thereof)

I/We ^(Note 1) _____

of _____

being the registered holder(s) of ^(Note 2) _____
ordinary shares of HK\$1.00 each in the capital of the above-named Company, **HEREBY APPOINT** the Chairman of the Meeting or ^(Note 3) _____

of _____

as my/our proxy to act for me/us at the Annual General Meeting (or at any adjournment thereof) of the Company to be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon on Friday, the 28th day of October, 2011 at 9:30 a.m. and at such Meeting (or at any adjournment thereof) and in the event of a poll to vote for me/us and in my/our name(s) as indicated below or if no such indication is given, as my/our proxy thinks fit.

	For ^(Note 4)	Against ^(Note 4)
1. To receive and consider the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2011.		
2. To declare a final dividend of HK\$0.35 per ordinary share with an option for scrip dividend.		
3. (i) To re-elect Mr. Robert Ng Chee Siong as Director.		
(ii) To re-elect Mr. Adrian David Li Man-kiu, JP as Director.		
(iii) To re-elect Mr. Wong Cho Bau, JP as Director.		
(iv) To re-elect Mr. Ringo Chan Wing Kwong as Director.		
(v) To re-elect Ms. Alice Ip Mo Lin as Director.		
(vi) To authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2012.		
4. To re-appoint Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorise the Board to fix their remuneration.		
5. (i) To approve the increase in authorised share capital (Ordinary Resolution on item 5(i) of the Notice of Annual General Meeting).		
(ii) To approve the bonus issue (Ordinary Resolution on item 5(ii) of the Notice of Annual General Meeting).		
(iii) To approve the share repurchase mandate (Ordinary Resolution on item 5(iii) of the Notice of Annual General Meeting).		
(iv) To approve the share issue mandate (Ordinary Resolution on item 5(iv) of the Notice of Annual General Meeting).		
(v) To approve the extension of share issue mandate (Ordinary Resolution on item 5(v) of the Notice of Annual General Meeting).		

Dated _____ Signature ^(Note 5) _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of ordinary shares of HK\$1.00 each registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares of the Company registered in your name(s).
3. If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the Chairman of the Meeting or" herein inserted and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "AGAINST"**. Failure to complete the boxes will entitle your proxy to cast his vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
6. In order to be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company, 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting (as the case may be).
7. In the case of joint holders, any one of such joint holders may vote at the Meeting, either personally or by proxy, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons whose name stands first on the register of members in respect of the relevant shares shall alone be entitled to vote in respect thereof.
8. Any member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and on a poll vote instead of him. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
9. Completion and deposit of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish.
10. At the Annual General Meeting, the Chairman of the Meeting will put each of the above resolutions to the vote by way of a poll. On a poll, every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder.



