



Sino Land Company Limited

ANNUAL REPORT 2013



THE
CORONATION



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 Share Registrars, Tricor Standard Limited at 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 or are deemed to have consented to receive the Corporate Communications using electronic means through the Company’s website and who have difficulty in receiving or gaining access to the Annual Report posted on the Company’s website will 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 notice in writing by post to the Company’s Share 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.

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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*
 Wong Cho Bau, JP*
 Steven Ong Kay Eng*
 Daryl Ng Win Kong
 Ringo Chan Wing Kwong
 Alice Ip Mo Lin
 Gordon Lee Ching Keung *(appointed on 3rd January, 2013)*

(# Non-Executive Director)

(* Independent Non-Executive Directors)

AUDIT COMMITTEE

Adrian David Li Man-kiu, JP, Chairman
 Allan Zeman, GBM, GBS, JP
 Wong Cho Bau, JP
 Steven Ong Kay Eng

NOMINATION COMMITTEE

Robert Ng Chee Siong, Chairman
 Allan Zeman, GBM, GBS, JP
 Adrian David Li Man-kiu, JP

REMUNERATION COMMITTEE

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

AUTHORIZED REPRESENTATIVES

Robert Ng Chee Siong
 Ringo Chan Wing Kwong

COMPANY SECRETARY

Velencia Lee

AUDITOR

Deloitte Touche Tohmatsu
 Certified Public Accountants, Hong Kong

SOLICITORS

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

SHAREHOLDERS' CALENDAR

Closure of Register of Members for entitlement to attend and vote at Annual General Meeting	21st to 23rd October, 2013 (both dates inclusive)
Annual General Meeting	23rd October, 2013
Closure of Register of Members for dividend entitlement	29th to 30th October, 2013 (both dates inclusive)
Record Date for final dividend entitlement	30th October, 2013
Last Date for lodging form of election for scrip dividend	20th November, 2013 4:30 p.m.
Interim Dividend Paid	HK12 cents per share 23rd April, 2013
Final Dividend Payable	HK38 cents per share 2nd December, 2013

PRINCIPAL BANKERS

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

SHARE 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 Wednesday, the 23rd day of October, 2013 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, 2013.
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, 2014.
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:**
 - (a) subject to paragraph (i)(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 of Hong Kong Limited ("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 (i)(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

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

(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.”

(ii) **“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.”

(iii) “**THAT**, conditional upon the resolutions (i) and (ii) above being passed, the aggregate nominal amount of the shares which are repurchased by the Company under the authority granted pursuant to resolution (i) 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 (ii) above.”

By Order of the Board

Velencia LEE

Company Secretary

Hong Kong, 19th September, 2013

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

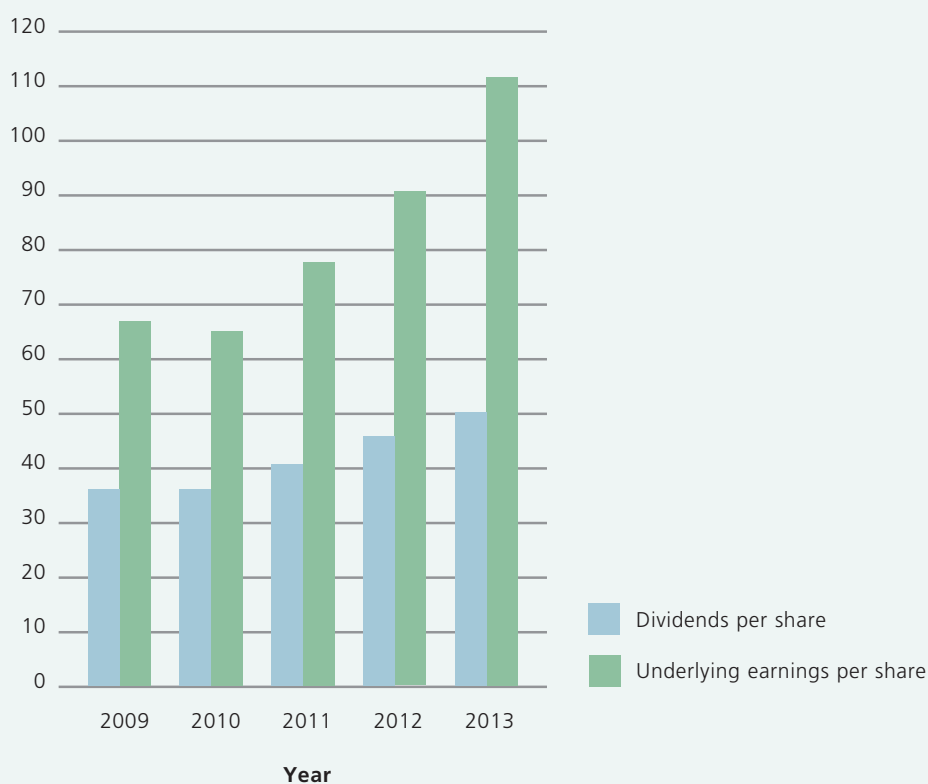
Notes:

- (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 Wednesday, 23rd October, 2013, the register of members of the Company will be closed from Monday, 21st October, 2013 to Wednesday, 23rd October, 2013, 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 Share 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 Friday, 18th October, 2013.
- (e) The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is at the close of business on Wednesday, 30th October, 2013. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 29th October, 2013 to Wednesday, 30th October, 2013, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share 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 Monday, 28th October, 2013.

GROUP FINANCIAL SUMMARY

	2009 HK\$ (Restated)	2010 HK\$ (Restated)	2011 HK\$ (Restated)	2012 HK\$ (Restated)	2013 HK\$
Turnover	<u>9,692,696,496</u>	<u>7,697,867,707</u>	<u>5,944,151,294</u>	<u>8,395,820,908</u>	<u>7,818,585,463</u>
Underlying net profit from operations	<u>3,600,779,712</u>	<u>3,506,201,575</u>	<u>4,401,442,725</u>	<u>5,310,690,106</u>	<u>6,635,850,519</u>
Profit attributable to the Company's Shareholders	<u>3,858,212,740</u>	<u>6,348,252,090</u>	<u>11,400,065,035</u>	<u>10,672,548,906</u>	<u>11,687,131,302</u>
Underlying earnings per share (cents)	67.07	65.04	77.93	90.71	111.92
Reported earnings per share (cents)	71.87	117.76	201.86	182.28	197.11
Dividends per share (cents)	36.4	36.4	40.9	46.0	50.0

Underlying Earnings & Dividends Per Share (HK cents)



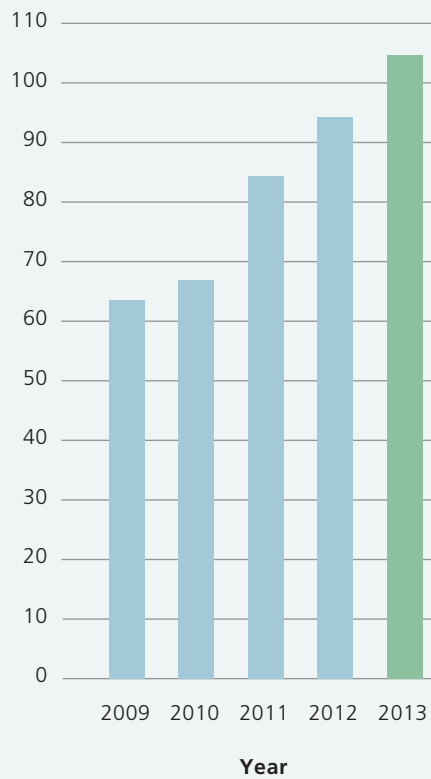
GROUP FINANCIAL SUMMARY (Continued)

	2009 HK\$ (Restated)	2010 HK\$ (Restated)	2011 HK\$ (Restated)	2012 HK\$ (Restated)	2013 HK\$
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Non-current assets	57,703,475,778	66,819,609,105	75,624,987,056	78,924,736,271	88,487,464,480
Current assets	32,183,175,355	29,603,462,485	34,302,808,283	35,347,667,593	40,775,748,820
Current liabilities	<u>(13,724,042,539)</u>	<u>(9,760,389,490)</u>	<u>(8,148,865,562)</u>	<u>(7,312,394,045)</u>	<u>(12,986,780,314)</u>
	<u>76,162,608,594</u>	<u>86,662,682,100</u>	<u>101,778,929,777</u>	<u>106,960,009,819</u>	<u>116,276,432,986</u>
Share capital	4,839,469,538	4,902,690,690	5,279,040,969	5,911,789,367	5,947,824,375
Reserves	<u>58,384,950,771</u>	<u>63,889,031,662</u>	<u>79,710,680,068</u>	<u>88,874,512,102</u>	<u>98,858,390,237</u>
Shareholders' funds	63,224,420,309	68,791,722,352	84,989,721,037	94,786,301,469	104,806,214,612
Non-controlling interests	351,294,392	448,197,135	790,121,136	821,879,024	1,178,920,912
Non-current liabilities	<u>12,586,893,893</u>	<u>17,422,762,613</u>	<u>15,999,087,604</u>	<u>11,351,829,326</u>	<u>10,291,297,462</u>
	<u>76,162,608,594</u>	<u>86,662,682,100</u>	<u>101,778,929,777</u>	<u>106,960,009,819</u>	<u>116,276,432,986</u>
Shareholders' funds at book value per share	<u>13.06</u>	<u>14.03</u>	<u>16.10</u>	<u>16.03</u>	<u>17.62</u>

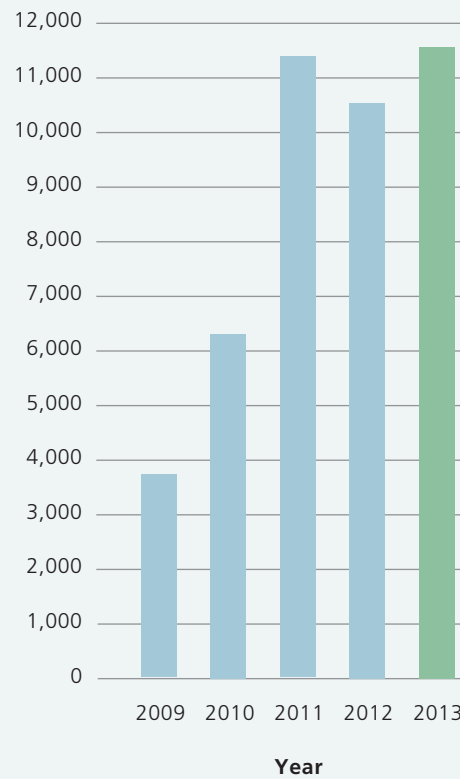
The information for the year ended 30th June, 2009, 30th June, 2010, 30th June, 2011 and 30th June, 2012 have been adjusted to reflect the change in accounting policy arising from the adoption of amendments to Hong Kong Accounting Standard 12 "Deferred Tax – Recovery of Underlying Assets" issued by the Hong Kong Institute of Certified Public Accountants as described in Note 2 to the consolidated financial statements.

GROUP FINANCIAL SUMMARY (Continued)

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



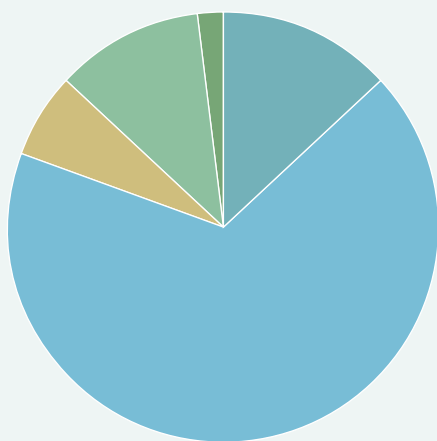
**Profit Attributable to
the Company's Shareholders
(HK\$ Million)**



GROUP FINANCIAL SUMMARY *(Continued)*

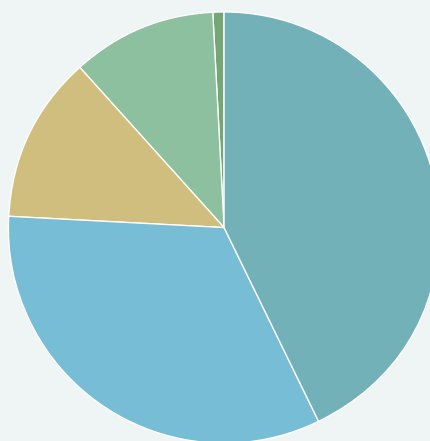
The Company and its subsidiaries (“the Group”)

Breakdown of Segment Results
for the year ended 30th June, 2013



- Property sales **13.1%**
- Property rental **67.7%**
- Property management and other services **6.4%**
- Hotel operations **11.0%**
- Investments in securities and financing **1.8%**

Breakdown of Segment Revenue
for the year ended 30th June, 2013

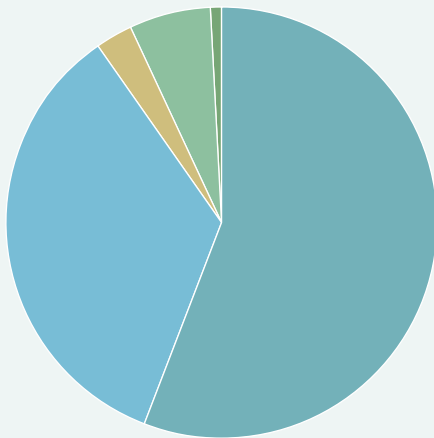


- Property sales **43.0%**
- Property rental **32.9%**
- Property management and other services **12.5%**
- Hotel operations **10.8%**
- Investments in securities and financing **0.8%**

GROUP FINANCIAL SUMMARY *(Continued)*

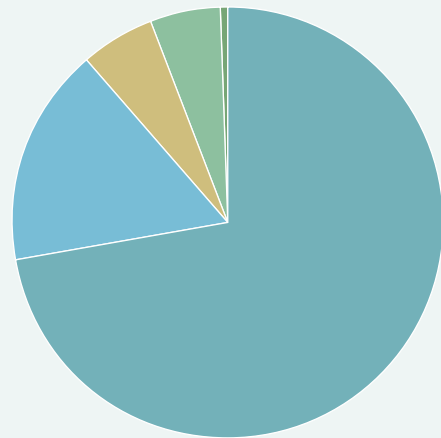
The Group and attributable share from associates

Breakdown of Segment Results
for the year ended 30th June, 2013



- Property sales **55.9%**
- Property rental **34.5%**
- Property management and other services **2.7%**
- Hotel operations **6.1%**
- Investments in securities and financing **0.8%**

Breakdown of Segment Revenue
for the year ended 30th June, 2013



- Property sales **72.4%**
- Property rental **16.4%**
- Property management and other services **5.4%**
- Hotel operations **5.5%**
- Investments in securities and financing **0.3%**

CHAIRMAN'S STATEMENT



I am pleased to present the 2012/2013 Annual Report to shareholders.

FINAL RESULTS

For the financial year ended 30th June, 2013, the Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties, was HK\$6,635.8 million, an increase of 25.0% from HK\$5,310.6 million in the last financial year. Underlying earnings per share was HK\$1.119, an increase of 23.4% from last financial year.

The Group's reported net profit attributable to shareholders was HK\$11,687.1 million (2011/2012: HK\$10,672.5 million). Earnings per share was HK\$1.971 (2011/2012: HK\$1.823). The reported profit for the year included a revaluation surplus (net of deferred taxation) on investment properties of HK\$5,051.3 million compared with a revaluation surplus (net of deferred taxation) of HK\$5,361.9 million last financial year.

CHAIRMAN'S STATEMENT *(Continued)*

DIVIDENDS

The Directors have resolved to recommend a final dividend of 38 cents per share in respect of the financial year ended 30th June, 2013 to shareholders whose names appear on the Register of Members of the Company on 30th October, 2013. Together with the interim dividend of 12 cents per share, the total dividend for the financial year ended 30th June, 2013 is 50 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 23rd October, 2013; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be dispatched to shareholders together with the form of election for scrip dividend on or about 5th November, 2013. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 2nd December, 2013.

CHAIRMAN'S STATEMENT *(Continued)*



One Mayfair

Occupying a coveted address in Kowloon Tong and surrounded by lush green, One Mayfair comprises 120 elegantly appointed residences crafted to the finest details and offers privacy comparable to that of housing living. Residents can enjoy a panoramic view of the Kowloon Peninsula.

BUSINESS REVIEW

(1) Sales Activities

Total revenue from property sales recognised for the financial year ended 30th June, 2013, including property sales of associates recognised by the Group, was HK\$14,128.2 million (2011/2012: HK\$7,148.8 million).

Total revenue from property sales comprises mainly the sales of residential units in The Coronation in West Kowloon, Providence Bay and Providence Peak both in Pak Shek Kok, Park Summit in Mongkok and Le Sommet in Xiamen completed during the financial year 2012/2013 as well as those completed in previous financial years. Market response to the sales of the units in these five projects was favourable. Over 99% of the total number of residential units in both The Coronation and Park Summit have been sold. As for the two projects in Pak Shek Kok, namely Providence Peak and Providence Bay, over 80% and 60% of the units have been sold respectively. As for Le Sommet in Xiamen, all of the units have been sold. In respect of projects completed in previous financial years, these mainly included One Mayfair, Marinella, The Palazzo, The Balmoral, Goodwood Park and Lake Silver as well as car parking spaces in several residential projects including Island HarbourView, Dynasty View and Ocean View. Contributions from property sales, including property sales of associates recognised by the Group, was HK\$4,511.3 million (2011/2012: HK\$3,017.6 million).

The Group continues to seek good opportunities to sell its projects to enhance shareholders' value. As for China, over 540 residential units in Dynasty Park in Zhangzhou and 212 units in Central Park in Xiamen were launched for sale during the financial year 2012/2013 and over 89% and 94% have been sold respectively.

(2) Land Bank

As at 30th June, 2013, the Group has a land bank of approximately 40.1 million square feet of attributable floor area in Hong Kong, China and Singapore which comprises a balanced portfolio of properties of which 64.1% is residential; 23.8% commercial; 5.3% industrial; 3.7% car parks and 3.1% hotels. In terms of breakdown of the land bank by status, 27.8 million square feet were properties under development, 11.3 million square feet of properties for investment and hotels, together with 1.0 million square feet of properties held for sale. The Group will continue to be selective in replenishing its land bank to optimise its earnings potential.

CHAIRMAN'S STATEMENT (Continued)

BUSINESS REVIEW*(Continued)***(2) Land Bank** *(Continued)*

Since July 2011, the Group has acquired a total of six sites from the HKSAR Government and the development right of a site at Long Ping Station (North) from MTR Corporation Limited with a total attributable floor area of approximately 1.2 million square feet mainly for residential development. Details of the projects are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> <i>(Square feet)</i>
1. STTL525 Shatin Area 56A, Kau To (Site A), New Territories	Residential	40%	412,588
2. TKOTL 117 Area 66C2, Tseung Kwan O, New Territories	Residential/ Commercial	60%	291,936
3. Lot 1949 in Demarcation District 221 Sha Kok Mei, Sai Kung, New Territories	Residential	100%	249,133
4. YLTL 513 Long Ping Station (North), Yuen Long, New Territories	Residential	40%	209,575
5. Lot 726 in Demarcation District No. 4, Mui Wo, Lantau Island, New Territories	Residential/ Commercial	100%	49,407
6. Lot 676 in Demarcation District, Peng Chau, New Territories	Residential	100%	36,845
7. Lot 674 in Demarcation District, Peng Chau, New Territories	Residential	100%	14,372
			1,263,856

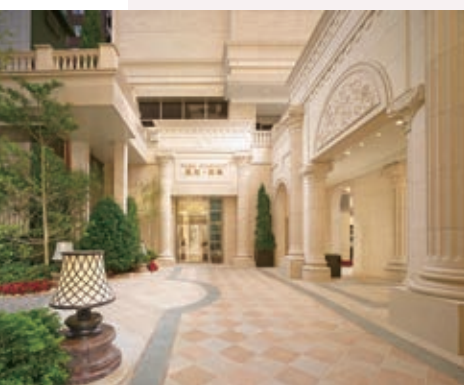
**The Coronation**

Situated in the heart of the West Kowloon Golden Circle, The Coronation enjoys excellent accessibility and is in close proximity to the Canton Road shopping belt as well as the upcoming West Kowloon Cultural District. Residents can enjoy a panoramic view spanning Victoria Harbour, Stonecutters Island and Lei Yue Mun.

CHAIRMAN'S STATEMENT (Continued)

EUROMONEY
REAL ESTATE AWARDS 2013

Sino Land Company Limited has been voted the 'Best Residential Developer in Hong Kong', the 'Best Industrial/Warehouse Developer in Hong Kong' and the 'Best Leisure/Hotel Developer in Hong Kong' at the Euromoney Real Estate Awards 2013.

**Park Summit**

Situated at a prominent location in West Kowloon, Park Summit benefits from an extensive transport network. It is a short stroll from Olympic and Mong Kok Stations, and is in close proximity to the upcoming Express Rail Link Terminus.

BUSINESS REVIEW

(Continued)

(3) Property Development

During the financial year 2012/2013, the Group obtained Occupation Permits for the following projects in Hong Kong with a total attributable floor area of approximately 1.1 million square feet. Details of these projects are presented as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
1. The Coronation 1 Yau Cheung Road, South West Kowloon	Residential/ Commercial	45%	292,808
2. Providence Bay 5 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential	35%	250,072
3. Park Summit 88 Beech Street, Mongkok, Kowloon	Residential/ Commercial	Joint Venture	225,527
4. Providence Peak 8 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential	25%	187,447
5. The Graces • Providence Bay 9 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential/ Commercial	50%	172,703
			1,128,557

As for China, Le Sommet, a wholly-owned residential project in Xiamen with total floor area of 131,700 square feet, was completed during the financial year 2012/2013.

CHAIRMAN'S STATEMENT *(Continued)***BUSINESS REVIEW***(Continued)***(4) Rental Activities**

For the financial year ended 30th June, 2013, the Group's gross rental revenue, including attributable share from associates, increased 8.5% to HK\$3,185.1 million (2011/2012: HK\$2,936.0 million) and net rental income increased 9.0% to HK\$2,769.4 million (2011/2012: HK\$2,541.5 million). The increase in rental revenue was mainly due to higher rental rates on renewals, as well as improvement in occupancy levels of the existing rental portfolio. Overall occupancy of the Group's investment property portfolio was approximately 96% (2011/2012: 94%) for the financial year 2012/2013.

The Group's retail rental portfolio in Hong Kong experienced good rental growth with overall occupancy rate of approximately 97% (2011/2012: 96%) for the financial year ended 30th June, 2013. A stable labour market and continuous growth in inbound tourism has been supportive to retail businesses. The Group's major shopping malls are located in West Kowloon and Northwestern New Territories and benefit from growing population and local communities in the catchment areas of the West Rail. With new malls, namely Coronation Circle – the retail mall in The Coronation residences in West Kowloon and the retail mall in Park Summit in Mongkok, now opened, the Group has expanded its retail portfolio which will enhance its rental revenue from the sector.

The leasing performance of the Group's office portfolio saw stable rental growth while overall occupancy rate for the portfolio was approximately 95% (2011/2012: 96%) for the financial year ended 30th June, 2013. The demand for office spaces continued to grow. Looking forward, rental trends remain positive for commercial areas such as Kowloon East and Tsim Sha Tsui. As for the industrial sector, leasing performance continued to gain momentum with overall occupancy rate of approximately 97% (2011/2012: 95%) for the financial year ended 30th June, 2013.

As at 30th June, 2013, the Group has approximately 11.3 million square feet of attributable floor area of investment properties and hotels in Hong Kong, China and Singapore. Of this portfolio, commercial developments (retail and office) account for 64.7%, industrial developments 14.4%, car parks 13.0%, hotels 6.3%, and residential 1.6%.

**Olympian City**

Olympian City is located at Olympic Station and connected to Mongkok and the surrounding affluent residential estates by a comprehensive footbridge system. This 800,000-square-foot regional shopping mall offers a wide variety of shops, from retail outlets to renowned restaurants, making it an ideal shopping place for both local shoppers and tourists. The 80,000-square-foot open piazza houses art exhibitions and community events throughout the year.

CHAIRMAN'S STATEMENT *(Continued)*



The Fullerton Heritage

The Fullerton Heritage is the Group's large-scale waterfront development project in Singapore's Marina Bay. A combination of historical and contemporary aspects, the project adds vibrancy to the waterfront with accommodation, entertainment and dining offerings. It comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, The Fullerton Waterboat House, One Fullerton, The Fullerton Pavilion, Clifford Pier and Customs House.



Sino Land Company Limited has been voted the 'Best Residential Developer in Hong Kong', the 'Best Leisure/Hotel Developer in Hong Kong' and the 'Best Industrial/Warehouse Developer in Hong Kong' at the Euromoney Real Estate Awards 2013.

BUSINESS REVIEW

(Continued)

(5) Hotels

The Fullerton Hotel and The Fullerton Bay Hotel, Singapore

With the steady growth in both leisure and business travels during the financial year ended 30th June, 2013, The Fullerton Hotel and The Fullerton Bay Hotel achieved favourable financial and operating results. The Group will continue to improve the quality of its hotel services to ensure our discerning guests have enjoyable experiences during their stays in the hotels.

Conrad Hong Kong

The financial and operating performance of Conrad Hong Kong for the financial year ended 30th June, 2013 was supported by both business activities and visitor arrivals. Despite a difficult global economic environment, business activities and tourism in Asia remained resilient benefiting Hong Kong's hotel industry.

CHAIRMAN'S STATEMENT (Continued)

BUSINESS REVIEW*(Continued)***(6) China Business**

2012/2013 marked a smooth transition of leadership in China and the new Central Government officials were appointed under the National People's Congress in March 2013. The economic and financial reforms shall continue to maintain stability of the country and steer China's economy to grow on a steady path.

Following an era of high growth in the past few decades, policymakers in China have set out the roadmap of economic and financial reforms that cover various economic and financial issues including public finance, capital markets, policy enforcement and operational standards within the government. These reforms will optimise resources allocation, minimise economic disparity among cities and regions, improve distribution of income, strengthen the financial sector which in turn will transform the country into a more consumption-led economy. Efforts have also been made to ensure that such growth is steady and at the same time, address issues such as environmental concerns.

Another key government policy focus is to manage the process of urbanisation. Urbanisation is a long-term process and has been progressing alongside with the development of land, housing, town planning, infrastructure, transportation, education, social service, security and environmental protection. Increasing population in cities and revitalization of local communities offer tremendous business opportunity not only for properties, but also for a wide range of industries.

Throughout the years, the Group has completed a number of projects in Xiamen and Fuzhou. The experience gained from developing and leasing projects in China has also built the Group's execution capability in the country. The Group's 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.

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, 2012.



Rendering

The Palazzo (Chengdu)

Situated at the Second Ring district in Chengdu, The Palazzo is adjacent to Shahe River and Tazishan Park. This riverfront and landscaped development comprises a world-class hotel, shopping mall, serviced apartments and residences, covering a total gross floor area of over 13 million sq. ft. Phase one of the project offers 1,115 residential units.



Rendering

Dynasty Park

Located in the city centre of Zhangzhou, Dynasty Park embraces an extensive transport network and is easily accessible from anywhere in the city. Covering approximately 4.5 million sq.ft., Dynasty Park includes low-rise and high-rise luxury residences, retail shops and a kindergarten.

CHAIRMAN'S STATEMENT *(Continued)*

FINANCE

As at 30th June, 2013, the Group had cash and bank deposits of HK\$11,943.3 million. After netting off total borrowings of HK\$10,192.9 million, the Group had net cash of HK\$1,750.4 million as at 30th June, 2013. Of the total borrowings, 44.7% was repayable within one year, 0.1% repayable between one and two years and 55.2% repayable between two and five years. The Group's borrowings are subject to floating and fixed interest rates. Total assets and shareholders' funds of the Group were HK\$129,263.2 million and HK\$104,806.2 million respectively.

In September, 2012, the Group successfully issued US\$500 million 5-year Notes at a coupon of 3.25% p.a. under the Medium Term Note Programme set up in April of the same year. The transaction was well received with the final order book reaching 7 times of the issued amount and over 140 fixed income investors around the world participated in the deal.

The majority of the Group's debts are denominated in Hong Kong dollars and US 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 2012/2013. The majority of the Group's cash are denominated in Hong Kong dollars, with a relatively small portion of Renminbi denominated deposits. The Group has maintained a sound financial management policy and foreign exchange exposure has been prudently kept at a minimal level.

CORPORATE GOVERNANCE

The Group places great importance on corporate integrity, business ethics and good governance. With the objective of practising good corporate governance, the Group has formed Audit, Compliance, Remuneration and Nomination Committees. The Group is committed to maintaining corporate transparency and disseminates information about new developments through various channels, including press releases, its corporate website, results briefings, site visits, participation in non-deal roadshows and investor conferences.

CUSTOMER SERVICE

The Group is committed 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 are also environmentally friendly for its developments. Management conducts regular reviews of its properties and service so that improvements can be made on a continuous basis.

CHAIRMAN'S STATEMENT *(Continued)*

CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, the Group has been actively participating in a wide range of community programmes, voluntary services, charitable activities and green initiatives to promote environmental protection, art and cultural events, and staff team-building activities. In recognition of its continuous efforts in promoting sustainability and high standards of performance in environmental, social and corporate governance aspects, Sino Land Company Limited was selected as a constituent member of the Hang Seng Corporate Sustainability Index in September 2012. The Group has published its second annual Sustainability Report that highlights the Group's corporate sustainability footprint and initiatives to demonstrate the Group's commitment to engaging its stakeholders in building a greener future.

The Group has been a long-standing partner of a number of organisations serving the community. The Group encourages staff of all levels to serve the community and care for those in need; this commitment is extended to support staff in joining voluntary service for at least one day a year during office hours. In recognition of its efforts and commitment to corporate social responsibility, the Group received a number of awards and certifications.

Continuous efforts have been made by the Group to make its properties more environmental-friendly through architectural planning, energy saving and estate management initiatives. During the financial year 2012/2013, Sino Property Services won a number of awards in recognition of its works on this area.

Dedicated to promoting local art and culture, the Group initiated Sino Art (formerly 'Art in Hong Kong') in 2006. Sino Art organises art exhibitions and activities at various properties of the Group. By providing local and international artists and arts groups with more platforms and opportunities to showcase their visual, community and performing arts talents, Sino Art aims to add vigour to a more creative and culturally vibrant Hong Kong. During the financial year 2012/2013, Sino Art collaborated with local and international artists to hold thematic events at the Group's properties to bring art to the daily life of the general public.

In March 2008, the Ng family, the major shareholder of the Group, set up a non-profit-making organisation named Hong Kong Heritage Conservation Foundation Limited ("HCF"). In December 2008, HCF won the tender to revitalise and convert the Old Tai O Police Station, a Grade II historic building, into a boutique hotel. Named Tai O Heritage Hotel ("Hotel"), the Hotel commenced operations in March 2012 and has nine colonial-style rooms and a glass-roof restaurant. The Hotel operates as a non-profit-making social enterprise, dedicating to the sustainability of Tai O through local employment, use of local ingredients and craftsmanship as well as conservation of cultural heritage.



Sino Land Company Limited was awarded 'Asia's Icon on Corporate Governance' at the Ninth Corporate Governance Asia Recognition Awards 2013 – The Best of Asia' organised by the leading corporate governance magazine Corporate Governance Asia in recognition of its commitment to upholding best practices in corporate governance and continuing dialogue with all stakeholders in the past decade.



Sino Group established Sino Caring Friends to encourage staff to regularly participate in various volunteer and charity programmes.

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS

Global economic environment remains uncertain despite some positive economic signs of financial stability in certain advanced economies. With world economic growth likely to continue to be weak, management expects there to be challenges in the short and medium term.

The United States economic data have shown that both domestic economy and the financial sector have been improving. Labour market has shown signs of recovery and household spending has advanced. Market has reacted somewhat positively with a view that economic activity is likely to pick up gradually. As stated in the meeting statements of the Federal Open Market Committee, it will maintain an accommodative monetary policy with federal funds rate being kept at low level until there are sustainable evidences of economic recovery.

In the Euro zone, the inauguration of the European Stability Mechanism in 2012 and the concerted policy actions at national and European levels to tackle the crisis have improved the financial conditions and restored confidence in the region. Although the economic growth is expected to strengthen gradually over time as policymakers continue to introduce policies to address the structural weaknesses and challenges, there may still be volatility going forward.

As for China, the Central Government continues its economic reforms for the purpose of building a more resilient, healthier and balanced economy and society. The reforms are important from the perspectives of urban development, income distribution and resources allocation. Not only do they improve people's standard of living, but also help tackle challenges arising from the domestic economy and changes in global economic environment. The meeting convened by the Political Bureau of the Communist Party of China Central Committee held in July this year reaffirmed the direction of Central Government's policy stance on economic growth and reforms, and has sent a positive signal to the market for a more sustainable economic and property market outlook.

The Hong Kong property market has been going through a period of change as a result of economic and property-related policies. The Group is mindful of the upcoming uncertainties in a challenging market and management will be responsive to market changes. The Group's recurrent businesses, namely rental, hospitality and property management services continue to be resilient. With a good financial position, the Group is well-positioned to face challenges ahead. As there will be more land for private housing development, the Group will also benefit from this opportunity and will continue to acquire land with good development value at the appropriate time.

Management will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. In respect of property development and property management, the Group will incorporate more environmentally friendly elements in our projects. The Group will maintain a policy of selectively and continuously replenishing its land bank, which will enable it to strengthen earnings and shareholders' value.

CHAIRMAN'S STATEMENT *(Continued)*

STAFF AND MANAGEMENT

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

Robert NG Chee Siong
Chairman

Hong Kong, 28th August, 2013

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

(I) EXECUTIVE DIRECTORS

Mr. Robert Ng Chee Siong^{N+}, aged 61, 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 37 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, the holding company of the Company, and the Chairman of Sino Hotels (Holdings) Limited. In addition, he is a Director of The Real Estate Developers Association of Hong Kong and a member of the 11th and 12th National Committee of the Chinese People's Political Consultative Conference. He was formerly an Independent Non-Executive Director of The Hongkong and Shanghai Hotels, Limited. Mr. Ng is the father of Mr. Daryl Ng Win Kong, an Executive Director of the Company, a 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. Daryl Ng Win Kong^R, aged 35, an Executive Director 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 an Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. He is also an Independent Non-Executive Director of Blue Cross (Asia-Pacific) Insurance Limited and BEA Life Limited. 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 10th Sichuan Committee of Chinese People's Political Consultative Conference ("CPPCC"), a member of the 12th Beijing Committee of CPPCC, a member of the 10th and 11th Committees of the All-China Youth Federation, the Deputy Chairman of the Chongqing Youth Federation, 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 of the Group Mr. Robert Ng Chee Siong and the eldest grandson of the late substantial shareholder Mr. Ng Teng Fong.

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

Mr. Ringo Chan Wing Kwong, aged 53, an Executive Director since January 2008. He first joined the Company in 1988 and had been an Associate Director (Group Treasury) of the Company since 2005. He is also a director of a number of subsidiaries and 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 29 years of experience in accounting and finance.

Ms. Alice Ip Mo Lin, aged 57, an Executive Director since June 2011, joined the Company in 2007 and had 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 as well as the procurement and administration function. She is a member of the Hong Kong Management Association Organizing Committee for Quality Award 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 a number of subsidiaries and associated companies of the Company.

Mr. Gordon Lee Ching Keung, aged 53, an Executive Director since January 2013. Mr. Lee first joined the Company in 1989 and left the Company in 1995. He rejoined the Company in 1997 and has been an Associate Director (Development Division) of the Company since 2006. He is also a director of a number of subsidiaries and associated companies of the Company. Mr. Lee is a member of The Hong Kong Institute of Architects, a Registered Architect and an Authorized Person (Architect). He has extensive experience in design, project management, quality management, construction site management and cost management and is in charge of the Development Division.

(II) NON-EXECUTIVE DIRECTOR

The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP, aged 74, 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 Ronald Arculli and Associates provides consultancy services to the Company. He is also a Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. The Honourable Ronald Arculli was an Independent Non-Executive Director of Hong Kong Exchanges and Clearing Limited from 2006 to April 2013, for which he was also a former Independent Non-Executive Chairman from 2006 to April 2012. 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 was a Non-Official Member of the Executive Council of the HKSAR Government from November 2005 to June 2012, for which he also acted as Convenor of the Non-Official Members since December 2011. He chairs Hong Kong Arts Festival Society Limited, the Honorary Advisory Committee of SVHK Foundation Limited and Common Purpose Charitable Foundation Limited. He is also a Director of Asia Art Archive Limited and a Trustee and Director of IFRS Foundation. He is a Board Member of The West Kowloon Cultural District Authority and chairs its Executive Committee and Development Committee. 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 these companies are listed on The Stock Exchange of Hong Kong Limited.

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

Dr. Allan Zeman^{A N R}, GBM, GBS, JP, aged 65, 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 Tsim Sha Tsui Properties Limited. 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, and a member of the Committee on Economic Development and Economic Cooperation with the Mainland Commission on Strategic Development. 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. Dr. Zeman is on Board of Wynn, the prominent gaming company in Las Vegas and Macau, China. He is also a Non-Executive Director and Vice-Chairman of Wynn Macau, Limited, a company listed on The Stock Exchange of Hong Kong Limited. He was formerly an Independent Non-Executive Director of The Link Management Limited and a Non-Executive Director of Wynn Resorts, Limited.

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

Mr. Adrian David Li Man-kiu^{A+ N R}, JP, aged 40, an Independent Non-Executive Director since April 2005, is Deputy Chief Executive of The Bank of East Asia, Limited, with responsibility for the bank's Hong Kong business. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. Mr. Li is a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference, a member of the All-China Youth Federation, Deputy Chairman of the Beijing Youth Federation and a Counsellor of the Hong Kong United Youth Association. He is a board member of The Community Chest of Hong Kong, a member of the HKSAR Government-mandated Banking Industry Training Advisory Committee and a member of the MPF Industry Schemes Committee of the MPFA. He is an Advisory Committee member of the Hong Kong Baptist University's School of Business, a Vice President of The Hong Kong Institute of Bankers' Council and a Steering Committee member of the Asian Financial Forum. Furthermore, he serves as a member of the Election Committees responsible for electing the Chief Executive of the HKSAR and deputies of the HKSAR to the 12th National People's Congress. Mr. Li is currently an Independent Non-Executive Director of China State Construction International Holdings Limited and COSCO Pacific Limited, and an Alternate Independent Non-Executive Director of San Miguel Brewery Hong Kong Limited, all companies listed in Hong Kong. In addition, he is an Independent Non-Executive Director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., which is dual listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, a Non-Executive Director of The Berkeley Group Holdings plc, which is listed on the London Stock Exchange, and an Alternate Director of AFFIN Holdings Berhad, which is listed on the Bursa Malaysia. He also serves as a member of the International Advisory Board of Abertis Infraestructuras, S.A., a company listed in Spain. Mr. Li holds a Master of Management degree from the Kellogg School of Management, Northwestern University in the US, and a Master of Arts degree and a Bachelor of Arts degree in Law from the University of Cambridge in Britain. He is a member of The Law Society of England and Wales, and The Law Society of Hong Kong.

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

Mr. Wong Cho Bau^{A, JP}, aged 55, Honorary Fellow of City University of Hong Kong, 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 (Holdings) Limited. Mr. Wong, with more than 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, 11th and 12th 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 the Customs and Excise Service Children's Education Trust Fund Investment Advisory Board.

Mr. Steven Ong Kay Eng^{A R+}, aged 67, an Independent Non-Executive Director since October 2011. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited since July 2005. He is a Director of Altrade Investments Pte. Ltd. in Singapore and a substantial shareholder of Hwa Hong Corporation Limited, which is listed on the main board of the Singapore Stock Exchange. Mr. Ong has been a veteran banker with extensive experience in banking and finance over 43 years. He was the General Manager and Country Head for American Express Bank in Singapore for nearly 10 years and also the Chief Representative and Country Manager in China for Banca Monte dei Paschi di Siena S.p.A. for 16 years. Mr. Ong remained as the bank's advisor and consultant for 2 years after he left China in 2006 having resided in the country for over 16 years. He was the Chairman of Foreign Bankers' Association in Beijing, PRC from 1999 to 2000.

**(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 (“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 Corporate Governance Code and has complied with all code provisions as set out in Appendix 14 (“Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), except for the deviation as disclosed in this report. The corporate governance practices of the Company in compliance with the Code during the financial year ended 30th June, 2013 with explanation of the deviation are set out in this report.

CORPORATE GOVERNANCE PRACTICES

DIRECTORS

Corporate Governance Principle

The Board provides overall leadership and control for the Company 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, determines the Company’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 10 Directors composing of five Executive Directors including the Chairman of the Board, one Non-Executive Director and four Independent Non-Executive Directors. During the year ended 30th June, 2013 and up to the date of this Annual Report, the changes to the composition of the Board are set out under the section entitled “Directors’ Report” of this Annual Report. Biographical details of the Directors and their relationships, where applicable, are contained under the section entitled “Biographical Details of Directors & Senior Management” of this Annual Report. The Company has maintained on its website and on the website of The Stock Exchange of Hong Kong Limited (“Exchange”) 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.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Board Composition *(Continued)*

The balance between the number of Executive and Non-Executive Directors is considered effective in ensuring independent judgment is exercised effectively to provide sufficient checks and balances to safeguard the interests of the Company and its shareholders.

With a view to achieving a sustainable and balanced development, the Company has been seeing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Board diversity has been considered and practised by the Company from a number of aspects, including but not limited to gender, age, cultural and educational background, professional or industry experience, skills, knowledge and other qualities of Directors. The current Board is considered well-balanced and of a diverse mix appropriate for the business of the Company. The Board will review such practices on a regular basis to determine the optimal composition of the Board.

Division of Responsibilities

The Board, led by the Chairman, is responsible for the Company's future development directions, overall strategies and policies, evaluation of the financial performance of the Company and approval of matters that are of a material or substantial nature, whilst the management under respective overseeing Executive Directors is responsible for the day-to-day operations of the Company.

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. He 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. Directors with different views are encouraged to voice their concerns. They are allowed sufficient time for discussion of issues so as to ensure that board decisions fairly reflect board consensus. A culture of openness and debate is promoted to facilitate the effective contribution of Non-Executive Directors and ensure constructive relations between Executive and Non-Executive Directors.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Division of Responsibilities *(Continued)*

All board committees have specific terms of reference clearly defining their powers and responsibilities. All board committees are required by their terms of reference to report to the Board in relation to their decisions, findings or recommendations, and in certain specific situations, to seek the Board's approval before taking any action.

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, including Independent Non-Executive Directors, provide the Company with diversified skills, expertise and varied backgrounds and qualifications. They participate in board/board committees (including Audit Committee, Nomination Committee and Remuneration Committee) meetings to bring independent views, advice and judgment on important issues relating to the Company's strategy, policy, financial performance, and take the lead on matters where potential conflicts of interests arise. They also attend annual general meetings of the Company to understand the view of shareholders. They make a positive contribution to the development of the Company's strategy and policy through independent, constructive and informed comments.

There is no separation of the roles of the chairman and the chief executive officer in the Company. The Chairman of the Board provides leadership to the Board and undertakes both the roles of chairman and chief executive officer. The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each business unit are overseen and monitored by designated responsible Executive Directors. The Board has found that the current arrangement has worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the 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 that it continues to meet these objectives and is in line with the industry practices.

The Chairman of the Board, at least annually, holds meetings with the Non-Executive Directors (including Independent Non-Executive Directors) in the absence of the Executive Directors.

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*DIRECTORS *(Continued)***Directors' and Officers' Liabilities Insurance**

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

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, 2013, the Board held four meetings. The attendance records of the Directors to these board meetings are set out below:

Directors	Meeting(s) Attended/Held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong (<i>Chairman</i>)	4/4
Mr. Daryl Ng Win Kong	4/4
Mr. Ringo Chan Wing Kwong	4/4
Ms. Alice Ip Mo Lin	4/4
Mr. Gordon Lee Ching Keung (<i>appointed on 3rd January, 2013</i>)	2/2
Mr. Yu Wai Wai (<i>resigned on 31st October, 2012</i>)	1/1
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	4/4
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	4/4
Mr. Adrian David Li Man-kiu	4/4
Mr. Wong Cho Bau	0/4
Mr. Steven Ong Kay Eng	4/4

Notice incorporating the agenda for each regular board meeting or board 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 agenda. All Directors/board committee members are entitled to have access to board/board committee papers and related materials in sufficient details to enable them to make informed decisions on matters to be placed before the board/board committee meetings. Meeting papers are normally sent to all Directors or board committee members at least 5 days in advance of every regular board meeting or board committee meeting.

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

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

All Directors are entitled to have access to timely information in relation to the Company's business and make further enquiries where necessary. The management provides all relevant explanation and information to the Board, giving the Board the relevant information it needs to discharge its responsibilities. During the year, the management has provided all members of the Board with monthly updates of major business operations giving a balanced and understandable assessment of the Company's performance, position and prospects.

All Directors are given unrestricted access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that the board procedures and all applicable rules and regulations are followed. The selection, appointment or dismissal of the Company Secretary is subject to approval by the Directors at board meeting.

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. The Company's Articles of Association provides that each Director is subject to retirement from office by rotation and re-election once every three years and that one-third (or the number nearest to one-third) of the Directors shall retire from office every year at the annual general meeting. New appointment to the Board is subject to re-election at the next following annual general meeting. None of the Independent Non-Executive Directors have served the Company for more than nine years, who should be subject to retirement and re-election by a separate resolution to be approved by the shareholders.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Directors' Appointment, Re-election and Removal *(Continued)* The Directors who are subject to retirement and re-election at the 2013 Annual General Meeting are set out on page 55 of this Annual Report.

The Board was 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 candidate who is experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be selected as Director.

During the year, the Nomination Committee recommended and the Board approved the appointment of Mr. Gordon Lee Ching Keung as a new Executive Director with effect from 3rd January, 2013, who is subject to retirement and re-election at the 2013 Annual General Meeting.

Confirmation of Independence The independence of the Independent Non-Executive Directors has been assessed in accordance with the applicable Listing Rules. Each of the Independent Non-Executive Directors has provided an annual written confirmation of 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.

Directors' Training and Professional Development Every Director keeps abreast of responsibilities as a Director 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, procedures and codes of the Company, terms of reference of board committees and charter of responsibilities of internal audit. The Company Secretary from time to time updates and provides written training materials to the Directors, and organizes seminars on the latest development of the Listing Rules, applicable laws, rules and regulations relating to Directors' duties and responsibilities.

CORPORATE GOVERNANCE REPORT (Continued)

CORPORATE GOVERNANCE PRACTICES (Continued)

DIRECTORS (Continued)

Directors' Training and Professional Development (Continued)

During the year, the Company organized an in-house seminar, which was conducted by the Company's Compliance Officer, Messrs. Clifford Chance, on the following topics for the Directors and the management of the Company to update the relevant knowledge and skills and to ensure awareness of the latest corporate governance practices:

1. proposed new connected transaction regime; and
2. certain selected topics on the Companies Ordinance Rewrite.

The Company Secretary maintains records of trainings attended by the Directors. The trainings attended by the current Directors during the year are as follows:

Directors	Training Matters ^(Note)
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	a, b
Mr. Daryl Ng Win Kong	a, b
Mr. Ringo Chan Wing Kwong	a, b
Ms. Alice Ip Mo Lin	a, b
Mr. Gordon Lee Ching Keung	a, b
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	a, b, c, d
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	a, b
Mr. Adrian David Li Man-kiu	a, b, c, d
Mr. Wong Cho Bau	a, b
Mr. Steven Ong Kay Eng	a, b

Note:

- a. corporate governance
- b. regulatory
- c. finance
- d. managerial

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

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 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 Directors and senior management have not been involved in deciding their own remuneration.

Remuneration Committee

The Company established its Remuneration Committee on 23rd June, 2005 with written terms of reference. The written terms of reference of the Remuneration Committee, the revised form of which was approved by the Board on 20th February, 2012, are available at the Company's website www.sino.com and the Exchange's website.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. In arriving at its recommendations, the Committee consults the Chairman of the Board and takes into consideration factors including salaries paid by comparable companies, employment conditions elsewhere in the Company and its subsidiaries, and desirability of performance-based remuneration. The Committee either determines or makes recommendations to the Board on the remuneration package of individual Executive Directors and senior management, and it also makes recommendations to the Board on the remuneration of Non-Executive Directors. The Committee is provided with sufficient resources enabling it to discharge its duties. The Committee meets at least annually to make recommendations to the Board on the Company's emolument policy, including the remuneration of Directors and senior management.

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

The Remuneration Committee currently comprises four members with the Independent Non-Executive Directors constituting the majority of the Committee and an Independent Non-Executive Director acting as its chairman.

During the year, the Remuneration Committee had performed the following works:

- reviewed the Company's existing emolument policy;
- reviewed the remuneration packages of Executive Directors; and
- made recommendations on the Directors' fees.

No Director was involved in deciding his own remuneration at the meeting of the Remuneration Committee. The attendance records of the committee members to committee meeting(s) are set out below:

Committee members	Meeting(s) Attended/Held
Mr. Steven Ong Kay Eng* <i>(Committee Chairman)</i>	1/1
Dr. Allan Zeman*	1/1
Mr. Adrian David Li Man-kiu*	1/1
Mr. Daryl Ng Win Kong	1/1

* *Independent Non-Executive Directors*

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

NOMINATION OF DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

The Company established its Nomination Committee with written terms of reference effective on 1st March, 2012. The written terms of reference of the Nomination Committee are available at the Company's website www.sino.com and the Exchange's website.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board regularly and making recommendation on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include making recommendation to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and succession planning for Directors, and regularly reviewing the time required from a Director to perform his responsibilities. The Committee is also responsible for assessing the independence of Independent Non-Executive Directors and reviewing their annual confirmations on their independence. The Committee is provided with sufficient resources to perform its duties.

The Nomination Committee currently comprises three members with the Independent Non-Executive Directors constituting the majority of the Committee.

During the year, the Nomination Committee had performed the following works:

- recommended to the Board the appointment of Mr. Gordon Lee Ching Keung as Executive Director;
- reviewed the current structure, size and composition of the Board;
- assessed the independence of Independent Non-Executive Directors and their annual confirmations on independence; and
- reviewed time commitment of directors.

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*NOMINATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Nomination Committee *(Continued)* The attendance records of the committee members to committee meeting(s) are set out below:

Committee members	Meeting(s) Attended/Held
Mr. Robert Ng Chee Siong <i>(Committee Chairman)</i>	1/1
Dr. Allan Zeman*	1/1
Mr. Adrian David Li Man-kiu*	1/1

* *Independent Non-Executive Directors*

**Directors' Responsibilities for
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 Company 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 judgments 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 Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Company'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 its opinion on the financial statements of the Company and the independent auditor's report for the financial year ended 30th June, 2013 is set out in the section entitled "Independent Auditor's Report" of this Annual Report.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT

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 the guidance entitled “Internal Control and Risk Management – A Basic Framework” issued by the Hong Kong Institute of Certified Public Accountants, the Company’s integrated internal control and risk management framework embodies 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 reference of all major business operations and departments so as to encourage a risk aware and control conscious environment throughout the Company.

Under the Company’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 internal audit plan is reviewed and approved by the Audit Committee annually. The findings by the Internal Audit Department on the weaknesses of control activities are communicated with the operation units or departments concerned. The Internal Audit Department monitors the follow-up actions agreed upon in response to recommendations. Relevant control activities are enhanced and post-audit reviews are conducted, where appropriate. The Internal Audit Department summarizes the results and reports to the Audit Committee, which in turn reports to the Board. 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.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Internal Controls and Risk Management *(Continued)*

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.

Audit Committee

The Company set up its Audit Committee on 23rd September, 1998 with written terms of reference. The written terms of reference of the Audit Committee are available at the Company's website www.sino.com and the Exchange's website.

The Audit Committee reports to the Board and holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, internal controls and risk management. The Committee monitors the integrity of the Company's financial statements, annual report and accounts and half-year report and reviews significant financial reporting judgments contained in them. It reviews, makes recommendations and reports to the Board on findings relating to the financial statements, reports and accounts, systems of internal control and risk management and compliance issues. The Committee also oversees the Company's relationship with the external auditor, reviews auditor's letter of engagement and makes recommendations to the Board on the appointment and re-appointment of external auditor. It is empowered to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. It reviews external auditor's management letter and any material queries raised by the auditor to the management and the management's response. The Committee is provided with sufficient resources enabling it to discharge its duties.

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

The Audit Committee currently comprises four members, all of them being Independent Non-Executive Directors.

During the year, the Audit Committee had held four meetings and reviewed the following matters:

- the Company's 2012 annual report and accounts and the 2012/2013 interim report and accounts, including the accounting policies and practices adopted by the Company, before submitting to the Board;
- internal audit reports on the internal controls and risk management systems, including the effectiveness of the internal control systems of the Company and its subsidiaries, the adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- internal audit plan 2013/2014;
- usage of annual caps on continuing connected transactions of the Company;
- renewal of annual caps on continuing connected transactions of the Company for the three years ending 30th June, 2016; and
- re-appointment of the Company's auditor, before submitting to the Board.

All the meetings were attended by the external auditor of the Company. The attendance records of the committee members to these committee meetings are set out below:

Committee members	Meeting(s) Attended/Held
Mr. Adrian David Li Man-kiu <i>(Committee Chairman)</i>	4/4
Dr. Allan Zeman	4/4
Mr. Wong Cho Bau	0/4
Mr. Steven Ong Kay Eng	4/4

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Codes for Dealing in the Company's Securities

The Company has adopted its own code for dealing in the Company's securities by Directors ("Directors Dealing Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules ("Model Code"). The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed compliance with the required standard set out in the Directors Dealing Code during the year ended 30th June, 2013. 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 inside information in relation to the securities of the Company, on no less exacting terms than the Model Code.

Auditor's Remuneration

The fees in respect of audit and non-audit services provided to the Company and its subsidiaries by the external auditor of the Company for the year ended 30th June, 2013 amounted to HK\$3,856,799 and HK\$1,498,500 respectively. The non-audit services mainly consist of review, consultancy and taxation services.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties as required under the Code:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

CORPORATE GOVERNANCE FUNCTIONS *(Continued)*

During the year, the Board considered the following corporate governance matters:

- reviewed the usage of annual caps on continuing connected transactions of the Company;
- reviewed the compliance with the Code through the Compliance Committee; and
- reviewed the effectiveness of the internal controls and risk management systems of the Company through the Internal Audit Department and the Audit Committee.

Compliance Committee

The Company set up its Compliance Committee on 30th August, 2004 with written terms of reference, the revised form of which was approved by the Board on 20th February, 2012, to enhance the corporate governance standard of the Company. 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 Compliance Committee currently comprises the Executive Director Mr. Daryl Ng Win Kong (the Committee Chairman), the other Executive Directors of the Company, the Head of Legal and Company Secretarial Departments, the Head of Internal Audit Department, other department heads and the Compliance Officer. The Committee holds regular meetings on a bi-monthly basis to review and make recommendations to the Board and the Audit Committee on the Company's corporate governance issues and Listing Rules compliance matters.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS

The Company affirms its commitment to maintaining a high degree of corporate transparency, communicating regularly with its shareholders and ensuring in appropriate circumstances, the investment community at large being provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable the shareholders to exercise their rights in an informed manner.

Communication Strategies

Principles

The Board is dedicated to maintain an on-going dialogue with the shareholders of the Company and the investment community. Information is communicated to the shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and regular meetings with research analysts and fund managers, as well as by making available all the disclosures submitted to the Exchange and its corporate communications and other corporate publications on the Company's website. Investor/analysts briefings and one-on-one meetings, roadshows (both domestic and international), investor conferences, site visits, results briefings are conducted on a regular basis in order to facilitate communication between the Company, shareholders and the investment community. The Board strives to ensure effective and timely dissemination of information to shareholders and the investment community at all times and will review regularly the above arrangements to ensure its effectiveness.

Shareholders' Meetings

The Board strives to maintain an on-going dialogue with the shareholders of the Company. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. The process of the Company's general meeting is monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that shareholders' needs are best served.

The Company uses annual general meeting as one of the principal channels for communicating with the shareholders. The Company ensures that shareholders' views are communicated to the Board. At the annual general meeting, each substantially separate issue has been considered by a separate resolution, including the election of individual Directors. The Chairman of the Board, chairmen of the respective board committees and the external auditor usually attend annual general meetings to inter-face with and answer questions from the shareholders.

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*COMMUNICATION WITH SHAREHOLDERS *(Continued)*Communication Strategies *(Continued)**Shareholders' Meetings (Continued)*

The last annual general meeting of the Company is the 2012 annual general meeting ("2012 AGM") which was held on 31st October, 2012 at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon. The Directors, including the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Nomination Committee and the Chairman of the Remuneration Committee, and the external auditor of the Company, Deloitte Touche Tohmatsu, attended the 2012 AGM. The attendance records of the then Directors to the 2012 AGM are set out below:

Directors	Meeting(s) Attended/Held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	1/1
Mr. Daryl Ng Win Kong	1/1
Mr. Ringo Chan Wing Kwong	1/1
Ms. Alice Ip Mo Lin	1/1
Mr. Yu Wai Wai	0/1
<i>(resigned on 31st October, 2012)</i>	
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	1/1
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	0/1
Mr. Adrian David Li Man-kiu	1/1
Mr. Wong Cho Bau	0/1
Mr. Steven Ong Kay Eng	1/1

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Communication Strategies *(Continued)*

Shareholders' Meetings (Continued)

The Company's notice to shareholders for the 2012 AGM was sent to shareholders at least 20 clear business days prior to the meeting. The chairman of the meeting exercised his power under the Company's Articles of Association to put each proposed resolution to vote by way of a poll. The Company adopted poll voting for all resolutions put to vote at the meeting. The procedures for voting by poll at the 2012 AGM were contained in the circular of the Company to the shareholders, which was dispatched together with the 2012 annual report, and were further explained at the 2012 AGM prior to the polls being taken. Simultaneous translation from English to Cantonese was available at the 2012 AGM.

CORPORATE GOVERNANCE REPORT (Continued)

CORPORATE GOVERNANCE PRACTICES (Continued)

COMMUNICATION WITH SHAREHOLDERS (Continued)

Communication Strategies (Continued)

Shareholders' Meetings (Continued)

Separate resolutions were proposed at the 2012 AGM on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 31st October, 2012 are set out below:

Resolutions proposed at the 2012 AGM		Percentage of Votes
1	Adoption of the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2012	99.99%
2	Declaration of a final dividend of HK\$0.36 per ordinary share with an option for scrip dividend	100%
3(i)	Re-election of The Honourable Ronald Joseph Arculli as Director	96.12%
3(ii)	Re-election of Dr. Allan Zeman as Director	99.91%
3(iii)	Re-election of Mr. Steven Ong Kay Eng as Director	99.94%
3(iv)	Re-election of Mr. Yu Wai Wai as Director	Not applicable ^{Note}
3(v)	Authorization of the Board to fix the Directors' remuneration for the financial year ending 30th June, 2013	99.99%
4	Re-appointment of Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorize the Board to fix their remuneration	99.97%
5(i)	Share repurchase mandate up to 10% of the Company's issued share capital	99.99%
5(ii)	Share issue mandate up to 20% of the Company's issued share capital	83.38%
5(iii)	Extension of share issue mandate to the shares repurchased under the share repurchase mandate	83.76%
6	Amendments to the Articles of Association and adoption of the new Articles of Association	99.95%

Note: Mr. Yu Wai Wai tendered his resignation as an Executive Director which took effect from the conclusion of the 2012 AGM and did not seek for re-election as a rotating director at the 2012 AGM.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Communication Strategies *(Continued)*

Shareholders' Meetings (Continued)

All resolutions put to shareholders at the 2012 AGM were passed. The Company's Share Registrars were appointed as scrutineers to monitor and count the poll votes cast at that meeting. The results of the voting by poll were published on the websites of the Company and the Exchange, where the latest version of the Memorandum and Articles of Association of the Company is also available.

Enquiries

Shareholders can direct their questions about their shareholdings to the Company's Share Registrars. To the extent the requisite information of the Company is publicly available, shareholders and the investment community may at any time make a request for such information. Designated contacts, email addresses and enquiry lines of the Company have been provided in the "Corporate Information" section of this Annual Report to enable the shareholders and the investment community to make any enquiry in respect of the Company.

Shareholders' Privacy

The Company recognizes the importance of shareholders' privacy and will not disclose shareholders' information without their consent, unless required by law to do so.

Corporate Communications

Corporate communications issued by the Company have been provided to the shareholders in both English and Chinese versions to facilitate their understanding. Shareholders have the right to choose the language (either English or Chinese, or both) or means of receipt of the corporate communications (in hard copy or through electronic means). They are encouraged to provide, amongst other things, their email addresses to the Company in order to facilitate timely, effective and environmental friendly communication.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Communication Strategies *(Continued)*

Company's Website

A section entitled "Investor Relations" is available on the Company's website www.sino.com. Information on the Company's website is updated on a regular basis. Information released by the Company to the Exchange is also posted on the Company's website immediately thereafter in accordance with the Listing Rules. Such information includes financial statements, announcements, circulars to shareholders and notices of general meetings, etc.

Shareholder's Rights

Shareholders holding not less than 5% of the paid-up capital of the Company have statutory rights pursuant to Section 113 of the Companies Ordinance of Hong Kong to convene an extraordinary general meeting by requisition stating the objects of the meeting, and deposit the signed requisition at the Company's registered office at 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Company Secretary.

Shareholders representing not less than 2.5% of the total voting rights of all the shareholders, or, of at least 50 in number holding shares in the Company on which there has been paid up to an average sum of not less than HK\$2,000 per shareholder may by requisition, at their own expense unless the Company otherwise resolves, propose any resolution to be moved at any general meeting of the Company pursuant to Section 115A of the Companies Ordinance of Hong Kong. A written notice to that effect signed by such shareholders together with a sum reasonably sufficient to meet the expenses in giving effect thereto must be deposited at the registered office of the Company not less than six weeks before the meeting. The notice shall contain, inter alia, a description of the proposed resolution desired to be put forward at the meeting, the reasons for such proposal and any material interest of the proposing shareholders in such proposal.

CORPORATE GOVERNANCE REPORT *(Continued)***CORPORATE GOVERNANCE PRACTICES** *(Continued)***COMMUNICATION WITH SHAREHOLDERS** *(Continued)***Shareholder's Rights** *(Continued)*

Shareholder(s) who wish(es) to propose a person (other than a retiring Director) for election as director ("Candidate") at a general meeting of the Company, should (a) deposit a written notice of such proposal at the registered office of the Company for the attention of the Company Secretary, signed by the shareholder(s) who should be qualified to attend and vote at the general meeting; (b) provide biographical details of the Candidate as set out in Rule 13.51(2)(a) to (x) of the Listing Rules; and (c) provide a written consent signed by the Candidate indicating his/her willingness to be elected. The period for lodgment of such a written notice shall be at least 7 days commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such meeting and such election and ending not later than 7 days prior to the meeting.

The Company has been practicing the above shareholders' communication arrangements to handle enquires put to the Board and will review them on a regular basis to ensure their effectiveness. Specific enquiries and suggestions by shareholders can be sent in writing to the Board or the Company Secretary at our registered address or by email to our Company.

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 30th June, 2013.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 49 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 144.

An interim dividend of HK12 cents per share amounting to HK\$712,825,987, including HK\$566,500,783 by way of cash dividends and HK\$146,325,204 by way of scrip alternatives, was paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK38 cents per share amounting to HK\$2,260,173,263 payable to shareholders whose names appear on the Register of Members of the Company on 30th October, 2013.

INVESTMENT PROPERTIES

During the year, the Group acquired investment properties of HK\$605,100,000 through acquisition of subsidiaries, incurred construction cost on investment properties under construction of HK\$68,686,816 and renovation cost on investment properties of HK\$51,343,996, disposed of investment properties of HK\$1,521,136,492, transferred to assets classified as held for sale of HK\$170,000,000, transferred to properties under development of HK\$217,381,619 and also transferred from properties under development of HK\$213,883,061 to investment properties. The Group revalued all its investment properties at the year end date and the increase in fair value of the investment properties amounting to HK\$3,918,639,739 has been credited directly to the consolidated statement of profit or loss.

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, 2013 are set out on pages 250 to 270.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and associates at 30th June, 2013 are set out in Notes 49 and 50 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 35 to the consolidated financial statements.

DIRECTORS' REPORT (Continued)

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

During the year, the Company repurchased 3,850,000 shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$46,890,040. 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 HK\$	Lowest price paid per share HK\$	Aggregate consideration HK\$
August 2012	240,000	12.72	12.62	3,055,165
May 2013	<u>3,610,000</u>	12.58	11.96	<u>43,834,875</u>
	<u>3,850,000</u>			<u>46,890,040</u>

All 3,850,000 shares repurchased were cancelled on delivery of the share certificates during the year. The nominal value of HK\$3,850,000 of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$46,890,040 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, 2013 were the retained profits of HK\$14,130,763,508 (2012: HK\$13,342,681,980).

MEDIUM TERM NOTE PROGRAMME

As at 30th June, 2013, the aggregate carrying amount of notes guaranteed by the Company and issued under the Group's Medium Term Note Programme established in April 2012 and which remained outstanding was US\$500,000,000, with maturity terms of five years and fixed interest rate at 3.25% per annum. These guarantee notes are included in the Group's bank and other borrowings at 30th June, 2013 as referred to in Note 34 to the consolidated financial statements of this Annual Report.

DIRECTORS' REPORT *(Continued)***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, 2013 are set out in Note 34 to the consolidated financial statements.

Interest expenses capitalised by the Group during the year in respect of properties under development amounted to HK\$40,517,094.

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 (Chairman)
 Mr. Daryl Ng Win Kong
 Mr. Ringo Chan Wing Kwong
 Ms. Alice Ip Mo Lin
 Mr. Gordon Lee Ching Keung (appointed on 3rd January, 2013)
 Mr. Yu Wai Wai (resigned on 31st October, 2012)

Non-Executive Director

The Honourable Ronald Joseph Arculli

Independent Non-Executive Directors

Dr. Allan Zeman
 Mr. Adrian David Li Man-kiu
 Mr. Wong Cho Bau
 Mr. Steven Ong Kay Eng

In accordance with 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 ("Listing Rules"), Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong and Mr. Gordon Lee Ching Keung will retire at the forthcoming Annual General Meeting and, who being eligible, will offer themselves for re-election. Mr. Wong Cho Bau 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, 2013, 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 ("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 ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, were as follows:

(A) Long Positions in Shares of the Company

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	3,152,748,137 <i>(Note)</i>	Beneficial owner of 167,417 shares, spouse interest in 3,582,222 shares and trustee interest in 3,148,998,498 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.00%
The Honourable Ronald Joseph Arculli	1,157,090	Beneficial owner	0.01%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Daryl Ng Win Kong	95,966	Beneficial owner	≈0%
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–
Mr. Gordon Lee Ching Keung	–	–	–

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

Note:

As regards trustee interest in 3,148,998,498 shares:

- (a) *1,370,559,960 shares were held by Tsim Sha Tsui Properties Limited which was 71.97% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;*
- (b)
 - (i) *42,817,382 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) *1,607,725,447 shares were held through certain other wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;*
- (c) *94,245,465 shares were held through companies which were 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong – 153,929 shares by Fanlight Investment Limited, 150,698 shares by Garford Nominees Limited, 33,912,365 shares by Karaganda Investments Inc., 14,626,258 shares by Orient Creation Limited, 7,108,718 shares by Strathallan Investment Limited, 21,425,804 shares by Strong Investments Limited, 16,418,637 shares by Tamworth Investment Limited and 449,056 shares by Transpire Investment Limited; and*
- (d) *33,650,244 shares were held by the co-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 Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	1,136,950,401 <i>(Note)</i>	Beneficial owner of 610,578 shares and trustee interest in 1,136,339,823 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.00%
The Honourable Ronald Joseph Arculli	60,000	Beneficial owner	≈0%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Daryl Ng Win Kong	–	–	–
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–
Mr. Gordon Lee Ching Keung	–	–	–

Note:

As regards trustee interest in 1,136,339,823 shares:

- (a) 1,046,656,983 shares were held through companies which were 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong – 108,485,977 shares by Fanlight Investment Limited, 147,014,323 shares by Nippomo Limited, 3,378,237 shares by Orient Creation Limited, 289,146,232 shares by Strathallan Investment Limited, 431,484,703 shares by Tamworth Investment Limited and 67,147,511 shares by Transpire Investment Limited; and
- (b) 89,682,840 shares were held by the co-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)
 (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 Company	Number of Ordinary Shares	% of Issued Share Capital
Brighton Land Investment Limited	1,000,002 <i>(Notes 1 and 2)</i>	100%
Dramstar Company Limited	440 <i>(Notes 1 and 3)</i>	44%
Empire Funds Limited	1 <i>(Notes 1 and 4)</i>	50%
Erleigh Investment Limited	110 <i>(Notes 1 and 4)</i>	55%
Eternal Honest Finance Company Limited	1 <i>(Notes 1 and 4)</i>	50%
Famous Empire Finance Limited	5 <i>(Notes 1 and 5)</i>	50%
Famous Empire Properties Limited	5,000 <i>(Notes 1 and 5)</i>	50%
FHR International Limited	1 <i>(Note 6)</i>	33.33%
Island Resort Estate Management Company Limited	10 <i>(Notes 1 and 4)</i>	50%
Jade Result Limited	500,000 <i>(Notes 1 and 4)</i>	50%
Jumbo Funds Limited	1 <i>(Notes 1 and 7)</i>	50%
Murdoch Investments Inc.	2 <i>(Notes 1 and 2)</i>	100%
Real Maker Development Limited	20,000 <i>(Notes 1 and 8)</i>	10%
Rich Century Investment Limited	500,000 <i>(Notes 1 and 4)</i>	50%
Silver Link Investment Limited	10 <i>(Notes 1 and 4)</i>	50%
Sino Club Limited	2 <i>(Note 9)</i>	100%
Sino Parking Services Limited	450,000 <i>(Note 10)</i>	50%
Sino Real Estate Agency Limited	50,000 <i>(Note 10)</i>	50%

DIRECTORS' REPORT *(Continued)*

DIRECTORS' INTERESTS (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 Erleigh Investment Limited, a company 55% controlled by Osborne.*
3. *The shares were held by Jade Result Limited, a company 50% controlled by Osborne.*
4. *The share(s) was(were) held by Osborne.*
5. *The shares were held by Standard City Limited, a wholly-owned subsidiary of Osborne.*
6. *The share was held by Smart Link Limited in which Mr. Robert Ng Chee Siong had a 100% control.*
7. *The share was held by Pure Win Company Limited, a wholly-owned subsidiary of Osborne.*
8. *The shares were held by Goegan Godown Limited, a wholly-owned subsidiary of Osborne.*
9. *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.*
10. *The shares were held by Deansky Investments Limited.*

Save as disclosed above, as at 30th June, 2013, 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.

DIRECTORS' REPORT *(Continued)***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. 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 is a 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 48 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

(A) Non-exempted Continuing Connected Transactions up to 30th June, 2013

The Company and its holding company, Tsim Sha Tsui Properties Limited ("TST Properties"), jointly announced on 24th June, 2010 that the Company and/or its subsidiaries ("Group") had entered into agreements on 24th June, 2010 ("Agreements" or individually, "Agreement") relating to the following non-exempted 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. Applicable particulars of the Agreements together with the total amount received/paid in respect of the transactions for the year ended 30th June, 2013 are disclosed herein as required under the Listing Rules:

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2013
	Service Provider	Service Recipient				
1. Building Cleaning Services	Best Result Environmental Services Limited ("BRESL") (formerly known as Best Result Cleaning Services Limited), a wholly-owned subsidiary of the Company	Ng Family	Provision of building cleaning services and cleaning consultancy services by the Group to properties developed/owned/partly owned or to be developed/owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	HK\$90 million	HK\$68.51 million
2. Car Park Management Services	Sino Parking Services Limited ("SPSL"), a company held as to 50% by the Company and 50% by the Ng Family	Group	Provision of car park management services by the Ng Family to properties owned/developed or to be owned/developed by the Group	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 SPSL pursuant to the Agreement	HK\$34 million	HK\$23.23 million

DIRECTORS' REPORT (Continued)

CONNECTED
TRANSACTIONS
(Continued)

(A) Non-exempted Continuing Connected Transactions up to 30th June, 2013 (Continued)

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2013
	Service Provider	Service Recipient				
3. Estate Management and General Administrative Services	Sino Estates Management Limited ("SEML"), a wholly-owned subsidiary of the Company	Ng Family	Provision of estate management, life style services, home maintenance services, courtesy services and general administrative services by the Group to properties developed/ owned/partly owned or to be developed/owned/ partly owned by the Ng Family	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 SEML pursuant to the Agreement	HK\$41 million	HK\$23.32 million
4. Security Guard Services	Sino Security Services Limited ("SSSL"), a wholly-owned subsidiary of the Company	Ng Family	Provision of security guard services by the Group to properties developed/owned/ partly owned or to be developed/owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	HK\$86 million	HK\$61.64 million

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

(A) Non-exempted Continuing Connected Transactions up to 30th June, 2013 *(Continued)*

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2013
	Service Provider	Service Recipient				
5. Lease of Premises	Group	Ng Family	Lease of premises by: <ul style="list-style-type: none"> (i) the Group of properties owned or to be owned by the Ng Family (ii) the Ng Family of properties owned or to be owned by the Group 	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 particular premises	For the period from 1st July, 2012 to 30th June, 2013, comprising: <ul style="list-style-type: none"> (i) HK\$94.8 million (ii) HK\$91.2 million for lease of premises by the Group; and (ii) HK\$3.6 million for lease of premises by the Ng Family 	HK\$37.49 million, comprising: <ul style="list-style-type: none"> (i) HK\$35.41 million for lease of premises by the Group; and (ii) HK\$2.08 million for lease of premises by the Ng Family

DIRECTORS' REPORT *(Continued)***CONNECTED
TRANSACTIONS**
*(Continued)***(A) Non-exempted Continuing Connected Transactions up to 30th June, 2013** *(Continued)*

TST Properties is the holding company of the Company. The Ng Family and its associates are connected persons of TST Properties and the Company by virtue of the Ng Family being the substantial shareholder of both TST Properties and the Company. Therefore, the above transactions constituted continuing connected transactions of each of TST Properties and the Company under the Listing Rules.

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.

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 Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited ("Exchange").

DIRECTORS' REPORT (Continued)

CONNECTED TRANSACTIONS (Continued)

(B) Renewal of Continuing Connected Transactions

Reference is made to the continuing connected transactions mentioned in section (A) above. The Agreements expired on 30th June, 2013 and the continuing connected transactions were carried out upon the terms set out therein. New agreements ("New Agreements" or individually, "New Agreement") were entered into on 28th June, 2013 to continue such continuing connected transactions for a term of three years commencing from 1st July, 2013 and ending on 30th June, 2016 with annual caps fixed for each of these years. Particulars of the New Agreements are disclosed herein:

	Nature of Services provided under the New Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Annual Cap(s) under the New Agreement
		Service Provider	Service Recipient			
1.	Building Cleaning Services	BRESL	Ng Family	Provision of building cleaning services and cleaning consultancy services by the Group to properties developed/owned/ partly owned or to be developed/ owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	HK\$131 million
2.	Car Park Management Services	SPSL	Group	Provision of car park management services by SPSL and/or members of the Ng Family to properties owned/ developed or to be owned/developed by the Group	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 SPSL and/or the relevant member of the Ng Family pursuant to the New Agreement	HK\$49 million

DIRECTORS' REPORT (Continued)

CONNECTED
TRANSACTIONS
(Continued)

(B) Renewal of Continuing Connected Transactions (Continued)

Nature of Services provided under the New Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Annual Cap(s) under the New Agreement
	Service Provider	Service Recipient			
3. Estate Management and General Administrative Services	SEML	Ng Family	Provision of estate management, life style services, home maintenance services, courtesy services and general administrative services by the Group to properties developed/owned/ partly owned or to be developed/ owned/partly owned by the Ng Family	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 SEML pursuant to the New Agreement	HK\$43 million
4. Security Guard Services	SSSL	Ng Family	Provision of security guard services by the Group to properties developed/owned/ partly owned or to be developed/ owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	HK\$86 million

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

(B) Renewal of Continuing Connected Transactions *(Continued)*

Nature of Services provided under the New Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Annual Cap(s) under the New Agreement
	Service Provider	Service Recipient			
5. Lease of Properties	Group	Ng Family	Lease of properties by: <ul style="list-style-type: none"> (i) the Group of properties owned or to be owned by the Ng Family (ii) the Ng Family of properties owned or to be owned by the Group 	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 particular properties	(1) For the period from 1st July, 2013 to 30th June, 2014, HK\$104.3 million comprising: <ul style="list-style-type: none"> (i) HK\$100.3 million for lease of properties by the Group; and (ii) HK\$4 million for lease of properties by the Ng Family; and (2) For the period from 1st July, 2014 to 30th June, 2015, HK\$114.8 million comprising: <ul style="list-style-type: none"> (i) HK\$110.4 million for lease of properties by the Group; and (ii) HK\$4.4 million for lease of properties by the Ng Family (3) For the period from 1st July, 2015 to 30th June, 2016, HK\$126.2 million comprising: <ul style="list-style-type: none"> (i) HK\$121.4 million for lease of properties by the Group; and (ii) HK\$4.8 million for lease of properties by the Ng Family

DIRECTORS' REPORT (Continued)

**CONNECTED
TRANSACTIONS**
(Continued)

(B) Renewal of Continuing Connected Transactions (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, 2013, 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.

Full details of the above continuing connected transactions are set out in the respective announcements and are available in the Exchange's website and the Company's website at www.sino.com.

Details of other related party transactions are set out in Note 48 to the consolidated financial statement of this Annual Report.

**SUBSTANTIAL
SHAREHOLDERS' AND
OTHER SHAREHOLDERS'
INTERESTS**

As at 30th June, 2013, 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 Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Philip Ng Chee Tat	3,160,470,080 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 11,471,582 shares and trustee interest in 3,148,998,498 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.13%
Mr. Robert Ng Chee Siong	3,152,748,137 <i>(Notes 2, 3, 4 and 5)</i>	Beneficial owner of 167,417 shares, spouse interest in 3,582,222 shares and trustee interest in 3,148,998,498 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.00%
Tsim Sha Tsui Properties Limited	3,021,102,789 <i>(Notes 2(a), 2(b), 3 and 4)</i>	Beneficial owner of 1,370,559,960 shares and interest of controlled corporations in 1,650,542,829 shares	50.79%

DIRECTORS' REPORT *(Continued)*

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

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

Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Spangle Investment Limited	372,348,172 <i>(Note 3)</i>	Beneficial owner	6.26%
Ka Fai Land Investment Limited	324,760,628 <i>(Note 4)</i>	Beneficial owner	5.46%

Notes:

1. 11,471,582 shares were held through companies which were 100% controlled by Mr. Philip Ng Chee Tat – 3,541,399 shares by Bestdeal Contractors Pte Ltd and 7,930,183 shares by Western Properties Pte Ltd.
2. As regards trustee interest in 3,148,998,498 shares:
 - (a) 1,370,559,960 shares were held by Tsim Sha Tsui Properties Limited which was 71.97% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
 - (b) (i) 42,817,382 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) 1,607,725,447 shares were held through certain other wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 372,348,172 shares held by Spangle Investment Limited (Note 3) and 324,760,628 shares held by Ka Fai Land Investment Limited (Note 4));
 - (c) 94,245,465 shares were held through companies which were 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong – 153,929 shares by Fanlight Investment Limited, 150,698 shares by Garford Nominees Limited, 33,912,365 shares by Karaganda Investments Inc., 14,626,258 shares by Orient Creation Limited, 7,108,718 shares by Strathallan Investment Limited, 21,425,804 shares by Strong Investments Limited, 16,418,637 shares by Tamworth Investment Limited and 449,056 shares by Transpire Investment Limited; and
 - (d) 33,650,244 shares were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. 372,348,172 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 co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.

DIRECTORS' REPORT *(Continued)***SUBSTANTIAL
SHAREHOLDERS' AND
OTHER SHAREHOLDERS'
INTERESTS**
*(Continued)***Long Positions in Shares of the Company** *(Continued)*

Notes: *(Continued)*

4. 324,760,628 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 co-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, 2013, 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\$3,586,000.

**MAJOR SUPPLIERS
AND CUSTOMERS**

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 71% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 32% 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 30 to 52.

**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 forthcoming 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

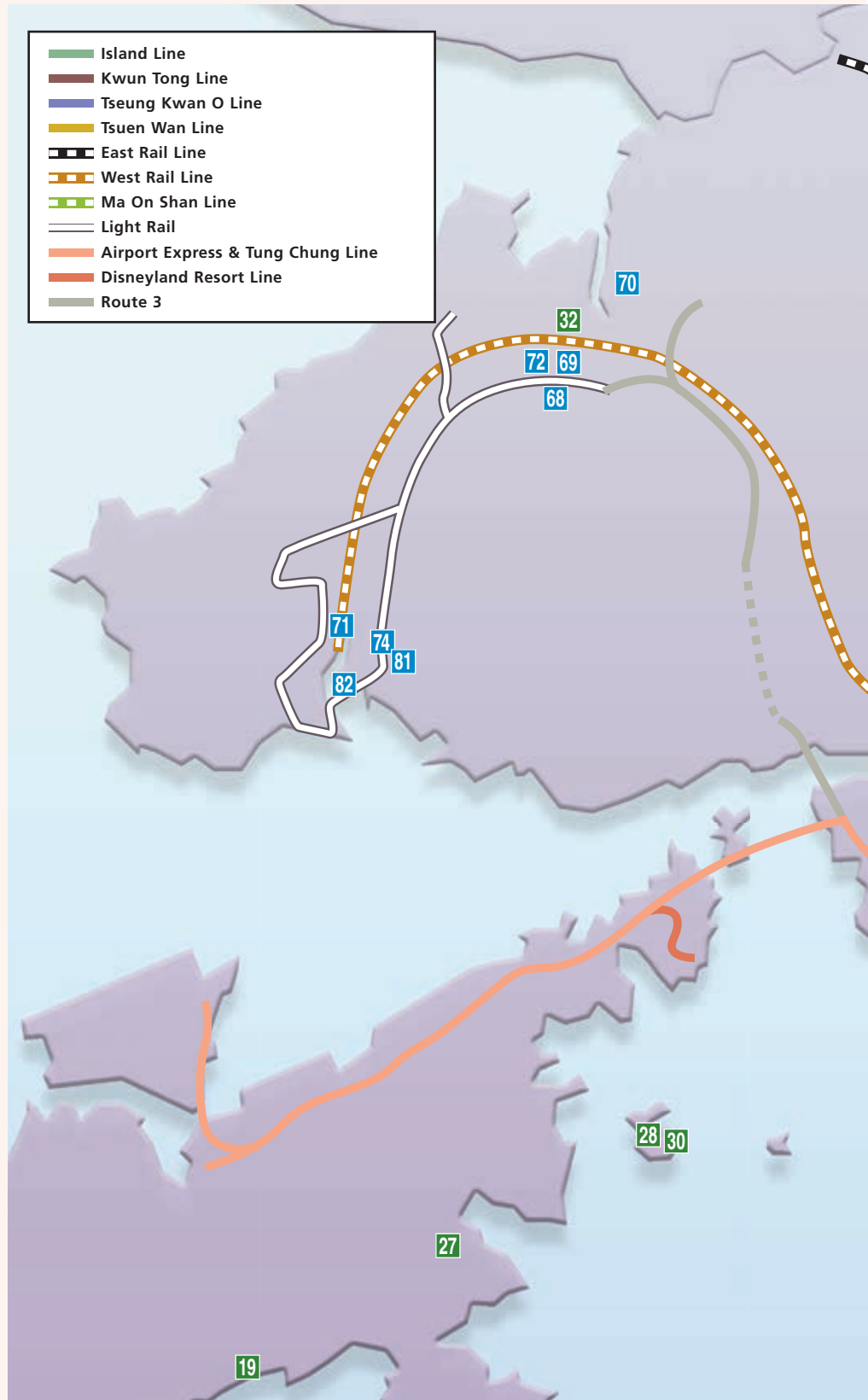
Hong Kong, 28th August, 2013

Completed properties

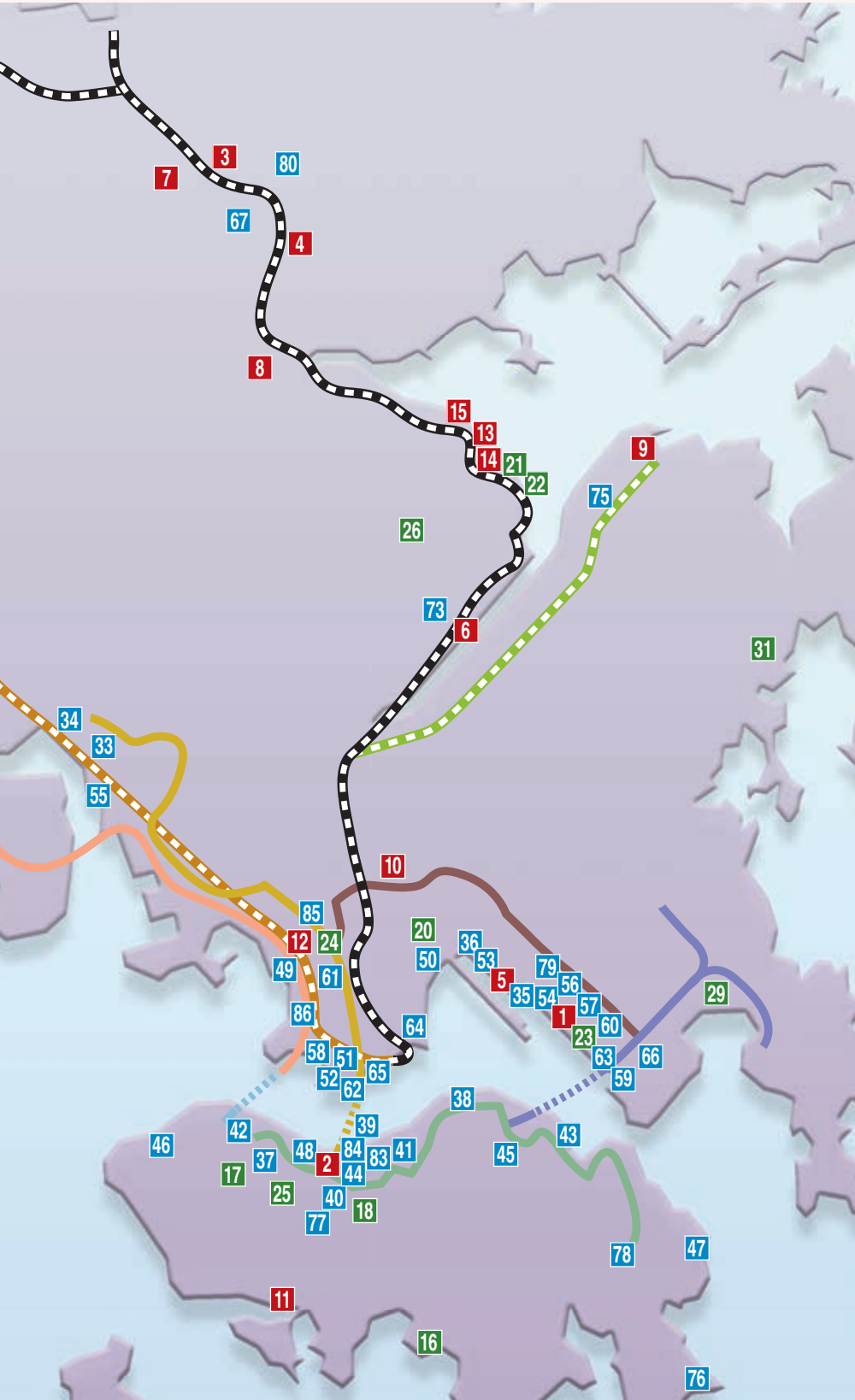
1. Westin Centre
2. Far East Finance Centre
3. Cambridge Plaza
4. Lincoln Centre
5. Pan Asia Centre
6. The Palazzo
7. Goodwood Park
8. The Balmoral
9. Lake Silver
10. One Mayfair
11. Marinella
12. Park Summit
13. Providence Bay
14. Providence Peak
15. The Graces • Providence Bay

Properties under development

16. 38 Repulse Bay Road, Rural Building Lot No. 380
17. 53 Conduit Road, The Remaining Portion of Inland Lot No. 2138 and Inland Lot No. 2613
18. The Avenue, 200 Queen's Road East/ 33 Tai Yuen Street, Wan Chai, Hong Kong Inland Lot No. 9018
19. Cheung Sha, Lantau Island, Lot No. 245 in DD331
20. The Avery, 16 Hau Wong Road
21. Pak Shek Kok, Tai Po Town Lot No. 200
22. Pak Shek Kok, Tai Po Town Lot No. 201
23. Park Metropolitan, 8 Yuet Wah Street, Kwun Tong
24. Park Ivy, 8 Ivy Street
25. 20-26 Staunton Street, Central
26. Kau To (Site A), Shatin Town Lot No. 525
27. Mui Wo, Lot No. 726 in DD4
28. Peng Chau, Lot No. 676 in DD
29. Area 66C2, Tseung Kwan O
30. Peng Chau, Lot No. 674 in DD
31. Sha Kok Mei, Sai Kung, Lot No. 1949 in DD221
32. West Rail Long Ping Station (North) Property Development, Yuen Long Town Lot No. 513



Properties for investment and hotels



- 33. Citywalk
- 34. Citywalk 2
- 35. Exchange Tower
- 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. Parklane Centre
- 72. Ping Wui Centre
- 73. Shatin Galleria
- 74. tmtplaza
- 75. The Waterside Shopping Mall
- 76. 15 Shek O Headland
- 77. No. 1 Chatham Path, Mid-levels
- 78. Bayview Park
- 79. No. 1 Hung To Road
- 80. Grand Regentville Shopping Arcade
- 81. Rosedale Gardens Shopping Arcade
- 82. Oceania Heights Shopping Mall
- 83. The Hennessy
- 84. The Johnston Suites Hong Kong
- 85. Maison Rosé
- 86. Coronation Circle

COMPLETED PROPERTIES



1

1

ONE MAYFAIR

Surrounded by the lush green of Kowloon Tong, One Mayfair occupies a coveted address in the esteemed neighbourhood and redefines luxury living. Comprising 120 exclusive residences crafted to the finest details, it commands a panoramic view of the Kowloon Peninsula.



2

2

THE CORONATION

Occupying a strategic location in West Kowloon, The Coronation enjoys excellent accessibility, being in close proximity to five rail stations, including the upcoming Express Rail Link Terminus, Kowloon Station and Austin Station. Residents can enjoy a panoramic view spanning Victoria Harbour, Stonecutters Island and Lei Yue Mun. West Kowloon Cultural District and the Canton Road shopping and dining belt are within walking distance.

COMPLETED PROPERTIES *(Continued)*

3

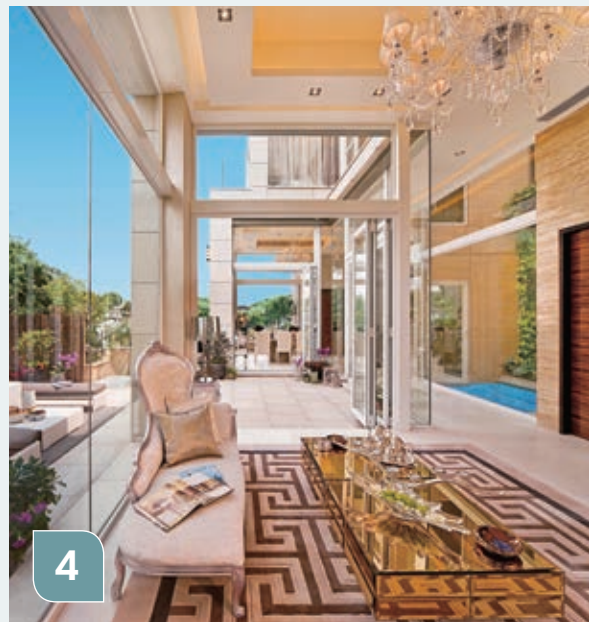
3 THE PALAZZO

The Palazzo is situated 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 panoramic views of the Sha Tin Racecourse as well as Kau To Shan and Tolo Harbour.

4

4 GOODWOOD PARK

Located by Beas River, Goodwood Park provides 13 houses with lush private gardens. The clubhouse features an outdoor swimming pool and a range of 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

5 LAKE SILVER

Located atop Wu Kai Sha Station, Lake Silver comprises over 2,100 elegantly appointed apartments, a world-class resort style clubhouse and enjoys breathtaking scenic mountain and views of Tolo Harbour, Tolo Channel and Pat Sin Leng Ranges.



6

6 THE BALMORAL

Located in Tai Po, The Balmoral is an exclusive residence in a green and peaceful environment. The project consists of 79 apartments across three residential towers. The development features a clubhouse with landscaped gardens and an outdoor swimming pool.

COMPLETED PROPERTIES *(Continued)*

7

7 PROVIDENCE BAY

Located on the waterfront of Pak Shek Kok, Tai Po, Providence Bay enjoys a beautiful view of Pat Sin Leng Ranges and Tolo Harbour. The project also features an exquisite clubhouse with comprehensive leisure facilities. The Project offers 475 apartments and seven houses.



8

8 PROVIDENCE PEAK

Situated on the waterfront of Tolo Harbour and designed by the world renowned architect Foster + Partners, Providence Peak features a grand lagoon water landscape and resort facilities, a rare find in Hong Kong. The low-density waterfront development offers 537 apartments and 11 houses.

COMPLETED PROPERTIES *(Continued)*



9



10

COMPLETED PROPERTIES *(Continued)*

9

MARINELLA

With the background of greenery and mountains in Hong Kong's famous Island South, Marinella enjoys idyllic scenery with panoramic sea views. It is in close proximity to the prestigious Aberdeen Marina Club, the Hong Kong Country Club and the Hong Kong Golf Club.

10

PARK SUMMIT

Situated at a prominent location in West Kowloon, Park Summit embraces an extensive transport network. It is a short stroll from Olympic and Mong Kok Stations, and is in close proximity to the upcoming Express Rail Link Terminus. The Clubhouse in twin towers comes with a sky garden. Park Summit comprises 462 units with a wide range of layouts ranging from studio units to three-bedroom layouts and to special units.

11

LE SOMMET, XIAMEN

Le Sommet is one of Sino's high-end projects in Xiamen. It is located at the junction area of Jiahe Road and Changqing Road with a total gross floor area of approximately 130,000 sq.ft. The development offers 138 apartments and around 16,000 sq.ft. of retail space.

COMPLETED PROPERTIES *(Continued)*



12

12 THE GRACES • PROVIDENCE BAY

Occupying a coveted location on the waterfront of the picturesque Tolo Harbour with the Hong Kong Science and Technology Park precinct on the doorstep, The Graces • Providence Bay is an iconic low-rise residential development providing panoramic sea views. The project is the masterpiece of the eminent architect Foster + Partners. It offers mainly three-bedroom and four-bedroom apartments and detached houses.

PROPERTIES UNDER DEVELOPMENT



Rendering

13

13 THE AVERY

The Avery will provide approximately 10,000 sq. ft. of commercial space and 78 residential units upon completion. It is situated in the heart of Kowloon City (School Net 41), and in close proximity to the upcoming To Kwa Wan Station of the Central-Shatin Link.

14 PARK METROPOLITAN (URA PROJECT)

Conveniently located in the Kwun Tong town centre, Park Metropolitan is in close proximity to Kwun Tong Station and nearby shopping areas. The project will be the first residential development of the Kwun Tong Town Centre project.

15 PARK IVY (URA PROJECT)

Located in the heart of West Kowloon, the project enjoys excellent accessibility and the convenience of shopping with Olympic and Mongkok Stations, shopping malls on its doorstep.



Rendering

15

PROPERTIES UNDER DEVELOPMENT *(Continued)*

16 THE AVENUE (URA PROJECT)

Situated in the centre of Hong Kong's prime financial and commercial belt spanning Central and Causeway Bay, The Avenue occupies a coveted location in Wanchai. Featuring an array of innovative green architecture features, many of which are first in Hong Kong, it has received the HK-BEAM Platinum rating (provisional). The Avenue comprises approximately 1,200 elegantly appointed residential units in four residential towers over two sites as well as a themed retail zone. Blending modern metropolitan lifestyle with heritage while preserving a historic tenement house on site, the project celebrates the unique East-meets-West spirit of the district.



PROPERTIES UNDER DEVELOPMENT *(Continued)*



Rendering

19

17 CENTRAL PARK, XIAMEN

Central Park occupies a prime location in Xiamen, at the intersection of three main roads of the town centre, amid greenery of Lianhua Park and comprehensive facilities. The project has been designated for residential and commercial development, comprising 450 residential units in over 470,000 sq.ft. and over 51,000 sq.ft. of commercial space.

18 DYNASTY PARK, ZHANGZHOU

Located in the city centre of Zhangzhou, Dynasty Park benefits from an extensive transport network and is easily accessible from anywhere in the city. Covering approximately 4.5 million sq.ft., Dynasty Park includes low-rise and high-rise luxury residences, shops and a kindergarten. Phase one of the project provides 602 residential units in over 670,000 sq. ft. of gross floor area.

19 THE PALAZZO, CHENGDU

Situated at the Second Ring district in Chengdu, The Palazzo is adjacent to Shahe River and Tazishan Park. This riverfront and landscaped development comprises a world-class hotel, shopping mall, serviced apartments and residences, covering a total gross floor area of over 13 million sq. ft. Phase one of the project offers 1,115 residential units.

20 THE CORONATION, CHONGQING

Located at the prime precinct in Chongqing, The Coronation enjoys panorama river view and an extensive transport network. Spanning a total gross floor area of over 10 million sq. ft., this project consists of landmark office building, shopping mall, exotic commercial street and exquisite residences.

PROPERTIES FOR INVESTMENT AND HOTELS



21

21 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.

22 THE HENNESSY

The Hennessy is located in the heart of Wanchai, 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.

23 EXCHANGE TOWER

Exchange Tower is a commercial complex located in Hong Kong's latest focal point – Kowloon East, in the vicinity of Kowloon Bay Station. Comprising 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.

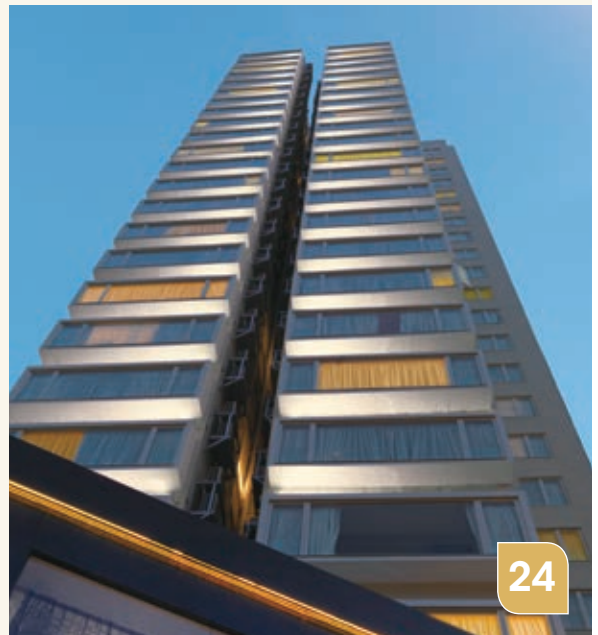
PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



24

THE JOHNSTON SUITES HONG KONG

Occupying a coveted place in the heart of Hong Kong's famous Wanchai business and entertainment district, The Johnston Suites Hong Kong is sought-after for its location as well as its delivery of attentive services. 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 AND HOTELS *(Continued)*



25

25 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 approximately 7,000-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.

26 CITYWALK 2

Citywalk 2 complements Citywalk. This contemporary three-storey mall comprises approximately 200,000 sq.ft. of space, and is home to sought-after brands, cinemas, lifestyle stores, restaurants and a department store. It also features Hong Kong's first 'ArchiSculpture', the iGlobe, a distinctive gigantic electronic building façade with thousands of LED discs.



26

PROPERTIES FOR INVESTMENT AND HOTELS (Continued)



27 OLYMPIAN CITY

Olympian City is located at Olympic Station and connected to Mongkok and the surrounding affluent residential estates by a comprehensive footbridge system. The 800,000-square-foot regional mall offers a wide variety of shops, from international fashions and cosmetics to kids' favourites and lifestyle 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 food court. 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 shopping experience for both local shoppers and tourists.

28 TMTPLAZA

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 jewellery 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 wide spectrum of international cuisines and a four-screen cinema, the mall offers a one-stop shopping experience, attracting shoppers from the Northwest districts and the Pearl River Delta.



PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



29

29 TSIM SHA TSUI CENTRE

Tsim Sha Tsui Centre was the first development at Tsim Sha Tsui East. It is a tribute to 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 have undergone a major renovation, transforming the waterfront units into stylish duplex restaurants, turning the twin buildings into a premier Tsim Sha Tsui East dining destination – Alfresco Lane.



30

30 HONG KONG PACIFIC CENTRE

Hong Kong Pacific Centre is located in the centre of Tsim Sha Tsui's buzzing retail precinct, and is just a stone's throw from Nathan Road. The project comprises an office tower and a retail podium. 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.

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



31

31 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 mixed-use 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 short stroll from the Star Ferry Terminal and Tsim Sha Tsui and Austin Stations.



32

32 SKYLINE TOWER

Skyline Tower is located in the heart of the commercial district of Kowloon Bay and commands a spectacular view of Victoria Harbour. This 39-storey Grade A commercial complex comprises office and F & B offerings.

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



33 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 a marketable floor area of about 300,000 sq.ft. of office space and fine dining offerings.

34 148 ELECTRIC ROAD

Located in close proximity to Fortress Hill Station and being easily accessible to the Island Eastern Corridor and the Cross Harbour Tunnel, 148 Electric Road comprises 26 floors of Grade A office space, two levels of retail accommodation and five floors of parking space. The glass curtain walls enable a panoramic sea view of Victoria Harbour. Split-type air-conditioning units are provided to facilitate flexible working hours for tenants.

35 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 seven buildings, namely The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, The Fullerton Waterboat House, One Fullerton, The Fullerton Pavilion, Clifford Pier and Customs House.

36 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 and 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.



PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*

37 THE FULLERTON BAY HOTEL SINGAPORE

Opened on 8 July 2010, The Fullerton Bay Hotel features breathtaking architecture and stunning interiors that combine modernity and heritage. Sited on a prime waterfront location in the Central Business District and in close proximity to the arts and cultural precinct, the hotel offers five-star hospitality and services with rooms providing spectacular views of Marina Bay and the Singapore skyline. It received the coveted 'Five-Star' rating from Forbes Travel Guide 2013.

38 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 13,731 sq.ft., the pier houses an elegant restaurant and bar, featuring alfresco dining with breathtaking waterfront views.

39 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 514 elegantly appointed rooms and suites that offer business and leisure travellers the optimum in comfort, facilities and service. The Hotel is renowned for spaciousness and breathtaking views of The Peak and Victoria Harbour.

40 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 includes 1.35 million sq.ft. of total gross floor area.



39



40

REVIEW OF OPERATIONS

(1) LAND BANK

As at 30th June, 2013, the Group has 40.1 million square feet of land bank. This land bank consists of a well-diversified portfolio of properties, comprising: residential 64.1%, commercial 23.8%, industrial 5.3%, car parks 3.7% and hotels 3.1%. 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, 2013.

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.

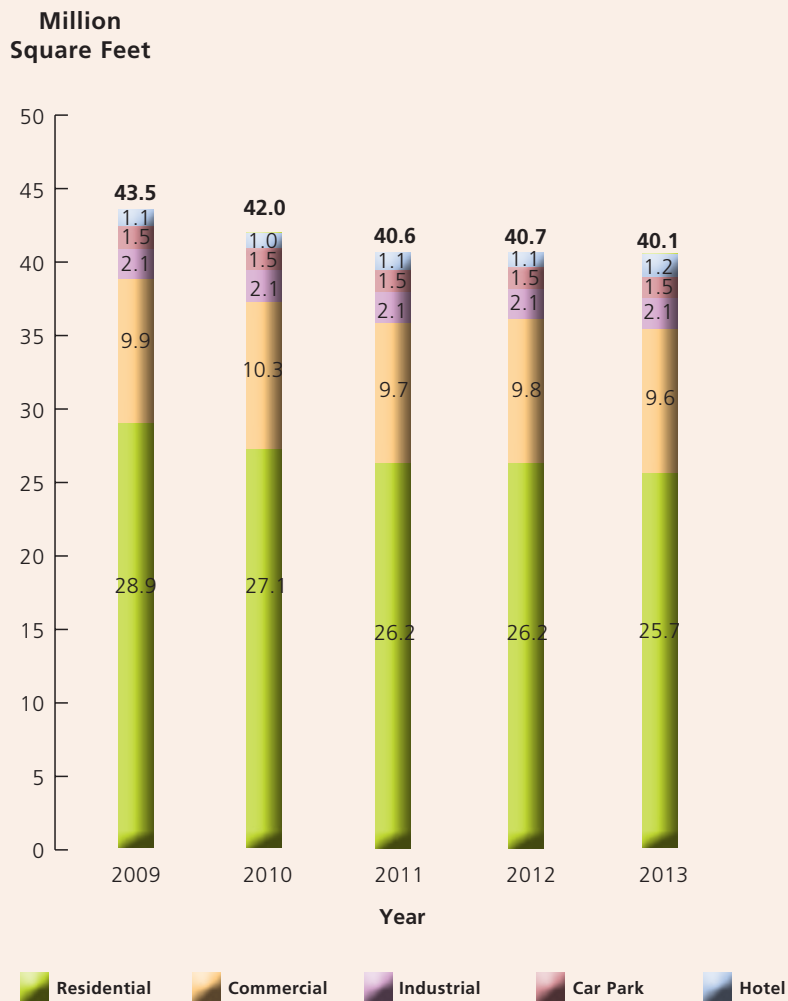
	By Status and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Floor Area in Square Feet)</i>						
Properties under Development	25,179,710	2,121,879	0	0	531,539	27,833,128	69.3%
Investment Properties and Hotels	182,017	7,297,208	1,631,309	1,464,849	711,016	11,286,399	28.1%
Completed Properties for Sale	393,219	142,669	506,480	0	0	1,042,368	2.6%
Total	25,754,946	9,561,756	2,137,789	1,464,849	1,242,555	40,161,895	100.0%
Percentage	64.1%	23.8%	5.3%	3.7%	3.1%	100.0%	

	By Location and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Floor Area in Square Feet)</i>						
New Territories	2,883,034	2,142,385	644,007	1,000,234	0	6,669,660	16.6%
Kowloon	343,596	3,225,079	1,493,782	391,452	0	5,453,909	13.6%
Hong Kong Island	643,295	1,223,344	0	60,302	165,506	2,092,447	5.2%
China	21,885,021	2,840,219	0	12,861	531,539	25,269,640	62.9%
Singapore	0	130,729	0	0	545,510	676,239	1.7%
Total	25,754,946	9,561,756	2,137,789	1,464,849	1,242,555	40,161,895	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)



REVIEW OF OPERATIONS *(Continued)*

(1) LAND BANK *(Continued)*

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



REVIEW OF OPERATIONS *(Continued)*

(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2012/2013

The Coronation (45% owned)

1 Yau Cheung Road, South West Kowloon, Hong Kong

The Group acquired this prime site (KIL 11073) close to Kowloon Station and Austin Station in South West Kowloon at a government land auction in May 2007. A total of approximately 650,685 square feet of plot ratio area encompassing 740 units have been built. Of the total plot ratio area, approximately 563,927 square feet are designated for residential and approximately 86,758 square feet are retail space which has been named Coronation Circle. The residential units in The Coronation were launched for sale in December 2011. Over 99% of the total units have been sold. The Occupation Permit and Certificate of Compliance were obtained in August and December 2012 respectively.

Providence Bay (35% owned)

5 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong

This site (TPTL 186, Site B) was acquired at a government land auction in September 2007. It is located next to site TPTL 187 (Site A) and 188 (Site C). The project has a total of approximately 714,493 square feet of plot ratio area of residential space which provides a total of 482 units. The sale of Providence Bay was started in November 2011. Over 60% of the units have been sold since its first sale launch. The Occupation Permit and Certificate of Compliance were obtained in September 2012 and February 2013 respectively.

Providence Peak (25% owned)

8 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong

The development, in which the Group has 25% interest, consists of approximately 749,788 square feet of residential premises, encompassing 548 units. This site (TPTL 188, Site C) was acquired at a government land auction in March 2007. The project was launched for sales in June 2012 and over 80% of total units have been sold. The Occupation Permit and Certificate of Compliance were obtained in December 2012 and April 2013 respectively.

REVIEW OF OPERATIONS *(Continued)*

(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2012/2013 *(Continued)*

The Graces • Providence Bay (50% owned)

9 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong

This site (TPTL 187 Site A) was acquired at a government land auction in March 2007. The project has a total of approximately 345,406 square feet of plot ratio area. Of the total plot ratio area, approximately 323,824 square feet are residential area and approximately 21,582 square feet are retail space. A total of approximately 193 units have been built. The Occupation Permit and Certificate of Compliance for the project were obtained in September 2012 and July 2013 respectively.

Park Summit (Joint Venture)

88 Beech Street, Mongkok, Hong Kong

In March 2008, the Group was awarded the development rights by the Urban Renewal Authority of Hong Kong to redevelop a site at KIL 11192 at Beech Street / Ivy Street in Mongkok, close to the Olympian City. The project affords a total of approximately 225,527 square feet of plot ratio area comprising 187,939 square feet of residential plot ratio area in 462 units and 37,588 square feet of retail space. The sale of Park Summit was launched in April 2012 and over 99% of the units have been sold. The Occupation Permit and Certificate of Compliance were obtained in September and December 2012 respectively.

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 has been developed into approximately 131,700 square feet of plot ratio area. Of the total plot ratio area, 115,727 square feet are for residential use, comprising 138 units and 15,973 square feet for retail use. Le Sommet was launched for sale in December 2011 and it was well received by market. All units have been sold. The project was completed in the financial year 2012/2013.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG

TPTL 200, Site D1 (100% owned)

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

The site was acquired at a government land auction in December 2009. The site is located in between the sites of TPTL 187 and TPTL 201. Upon completion, which is estimated to be in the financial year 2014/2015, a total of approximately 720,757 square feet of plot ratio area will be built. Of this total plot ratio area, 675,710 square feet will be for residential use comprising 545 units and the remaining area of 45,047 square feet for commercial use.

TPTL 201, Site D2 (85% owned)

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

The site was acquired at a government land auction in December 2009. It is connected to the site of TPTL 200 as well as the other three of the Group's developments in Pak Shek Kok including Providence Bay and Providence Peak. Foundation work has been completed. Upon completion of the development which is expected to be in the financial year 2014/2015, a total of approximately 720,757 square feet of plot ratio area will be provided. Of this total plot ratio area, 675,710 square feet will be for residential use comprising 546 units and the remaining area of 45,047 square feet for commercial use.

STTL 525 (40% owned)

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

The site of STTL 525 was acquired at a government land auction in August 2011. It is located in the mid-level of the Kau To Shan and surrounded by greenery of the mountain. The project is for residential development and it is expected that a total of approximately 970 units will be built. Upon completion, which is expected to be in the financial year 2014/2015, a total of approximately 1,031,471 square feet of residential plot ratio area will be built.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

The Avenue (Joint Venture)

200 Queen's Road East/33 Tai Yuen Street, Wan Chai, Hong Kong

The Urban Renewal Authority of Hong Kong awarded the Group the development rights to develop the site at Lee Tung Street/McGregor Street in June 2009. The site is located in the heart of Wan Chai District, a vibrant and exciting area with a diverse tourist attractions, local landmarks, historical conserved buildings as well as a wide variety of shops and restaurants. 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 to other areas from Wan Chai or from other areas to Wan Chai via various well-established modes of transport, including the MTR, tram and buses.

This project incorporates redevelopment, conservation and revitalisation elements. After its completion estimated to be in the financial year 2014/2015, a total of approximately 731,393 square feet of plot ratio area in approximately 1,300 residential units and a themed shopping mall of approximately 87,720 square feet of plot ratio area will be built. The shopping mall has been named Avenue Walk. Superstructure construction is currently in progress.

TKOTL 117 Area 66C2 (60% owned)

Tseung Kwan O, New Territories, Hong Kong

This site was acquired at a government tender in September 2012 and located at the sea-front of Tseung Kwan O overlooking the Junk Bay. The project is conveniently located in the area where it can easily be commuted by MTR and local buses. It is currently under planning stage. Upon completion, which is estimated to be in the financial year 2015/2016, a total of 417,047 square feet and 69,513 square feet of residential and commercial plot ratio areas will be completed respectively.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

YLTL 513 (40% owned)

Long Ping Station North, Yuen Long, New Territories, Hong Kong

The Group was awarded the development right to develop the site next to Long Ping Station North, Yuen Long, at a tender in October 2012. Upon completion, which is estimated to be in the financial year 2017/2018, the project will provide a total of approximately 523,938 square feet of plot ratio area in no less than 832 residential units.

Lot 1949 in DD221 (100% owned)

Sai Kung, New Territories, Hong Kong

This site was acquired at a government tender in January 2013 and it is located in Sai Kung District which is surrounded by Sai Kung Country Park. This site is also close to the city centre of Sai Kung. The development is estimated to be completed in the financial year 2016/2017 and it is currently under planning stage. Upon completion, a total of approximately 249,133 square feet of plot ratio area in no less than 240 residential units will be built.

Park Metropolitan (Joint Venture)

8 Yuet Wah Street, Kwun Tong, Kowloon, Hong Kong

In December 2009, the Group was awarded the development rights to develop the site at Yuet Wah Street in Kwun Tong, which is situated at the eastern part of Kowloon Peninsula. The site is located in the residential area of Kwun Tong with a wide range of public facilities nearby. The project is also within the vicinity of a bus terminus and Kwun Tong Station, therefore, it is easily accessed by public transport. It is currently under superstructure construction. A total of approximately 232,825 square feet of residential space in 299 units will be built upon its expected completion in the financial year 2013/2014.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

Lot 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 plot ratio area of residential space in approximately 16 houses. The superstructure of the project is currently under construction. Completion is estimated to be in the financial year 2013/2014.

IL 2138 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 2014/2015, it will yield a total of approximately 60,421 square feet of residential plot ratio area. Superstructure works are in progress.

Park Ivy (Joint Venture)

8 Ivy Street, Tai Kok Tsui, Mongkok, Kowloon, Hong Kong

The Group was awarded the development rights from Urban Renewal Authority of Hong Kong to develop the site of KIL 11200 in Mongkok in July 2010. The project comprises 113 residential units and commercial area. Upon completion of the project, which is estimated to be in the financial year 2013/2014, a total of 54,251 square feet of plot ratio area is expected to be built. The project was launched for sale in March 2013 and to date, 11% of the total number of units have been sold.

Lot 726 in Demarcation District No. 4 (100% owned)

Mui Wo, Lantau Island, New Territories, Hong Kong

The Group acquired the site Lot 726 in DD 4 in Mui Wo, Lantau Island, in December 2011. The site has an area of 24,327 square feet. The project is under planning and is expected to be completed in the financial year 2014/2015. Upon completion, a total of approximately 49,407 square feet of plot ratio area comprising 32,400 square feet of residential space in approximately 50 units and 17,007 square feet of retail space are expected to be built.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

I.L. 118 s.A., R.P. & I.L. 119 s.M., s.L. & R.P. (100% owned)

20 – 26 Staunton Street, Central, Hong Kong

The site is situated at the heart of an area rich in heritage establishments, including a section of the Dr. Sun Yat-sen Historical Trail, Central Police Station Compound, Man Mo Temple and Wing Lee Street. It is also next to the Soho entertainment area, featuring a number of upmarket restaurants, boutiques, café and shops. The site was acquired by phases in the period from 2005 to 2006. The project is expected to be completed in the financial year 2015/2016. On completion, a total of approximately 39,839 square feet of plot ratio area comprising approximately 30,154 square feet of residential space and approximately 9,685 square feet of retail space are expected to be built.

Lot 676 in Demarcation District (100% owned)

Peng Chau, New Territories, Hong Kong

The site of Lot 676 in DD in Peng Chau was acquired through a government tender in March 2012. It has a site area of 49,127 square feet and will be used for residential development. The project is currently under planning stage. Upon completion which is expected to be in the financial year 2015/2016, a total 36,845 square feet of plot ratio area of residential space will be built.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

The Avery (100% owned)

16 Hau Wong Road, Kowloon City, Kowloon, Hong Kong

The Avery is located in Kowloon City (originally named Kowloon Walled City) and it is a redevelopment project. The original building was acquired from a private landlord in March 2007. The site is close to certain famous parks, namely Kowloon Walled City Park and the Kowloon Tsai Park where a wide range of recreational facilities such as cycling ground, jogging track, football ground and tennis courts as well as some historical remains such as remnants of colonial construction and fort. It is also in close vicinity of the Kai Tak Development including the cruise terminal, the first berth of which started operations in the second quarter of 2013. The project will be developed into a residential property with a total of approximately 35,751 square feet of plot ratio area in approximately 78 units. The Avery was launched for sale in February 2013 and to date, 80% of total number of units have been sold. The Occupation Permit is expected to be obtained in the financial year 2013/2014.

Lot 674 in DD Peng Chau (100% owned)

Peng Chau, New Territories, Hong Kong

The site of Lot 674 in DD in Peng Chau was acquired at a government tender in September 2012. It has a site area of 19,163 square feet and will be used for residential development. The project is currently under planning stage. Upon completion which is expected to be in the financial year 2015/2016, a total 14,372 square feet of plot ratio area of residential space will be built.

RBL 380 (100% owned)

38 Repulse Bay Road, Hong Kong

Located in one of the most prestigious charming 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 3 houses. All houses can enjoy full sea views. On completion expected to be in the financial year 2013/2014, the development will afford a total of 12,132 square feet of plot ratio area of residential space.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN CHINA

The Palazzo, 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 the site in Cheng Hua District in Chengdu at a land auction in July 2007. 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. It can be accessed by various transport modes including the metro.

Upon completion of the entire project, which is estimated to be in the next three to four years time, the approximately 13.3 million square feet development will include residential area of approximately 11.9 million square feet in 11,300 units, commercial space of approximately 0.9 million square feet and a hotel of approximately 0.5 million square feet. The project will be completed in phases.

The Coronation, 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 the Jiang Bei District overlooking the Jialing River, Jia Ling Jiang Bridge and the People's Square in the Yuzhong district (or Central Chongqing District) in Chongqing. It is also situated in the New District of the Two Rivers (Liangjiang Xinqu), which is the new economic zone in the newly formed New District.

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

On full completion, which is expected to be in four to five years time, the project will yield approximately 10.7 million square feet of total plot ratio area mainly comprising residences of approximately 9.3 million square feet in a total of approximately 6,400 units and commercial of approximately 1.4 million square feet. The project will be completed in phases.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN CHINA *(Continued)*

Dynasty 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 2005. Zhangzhou is a prefecture level city in Fujian Province. The city has close economic ties with Taiwan along with Xiamen.

Dynasty Park will be developed in phases and the entire project is expected to be completed in approximately five years time. Upon completion, a total of 4.5 million square feet of plot ratio area will be built with 4.3 million square feet of residential area in approximately 3,900 units and the remaining commercial space.

Approximately 540 residential units have been launched for sale and approximately 89% of the units launched 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 provide a total of approximately 518,333 square feet of plot ratio area comprising approximately 467,068 square feet of residential area and approximately 51,265 square feet of commercial space. Approximately 450 residential units will be built for this project. The project is expected to be completed in the financial year 2013/2014. Block 1 of Central Park comprising a total of 212 residential units were launched for sale in May 2013 and to date, over 94% have been sold.

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 522,230 square feet of plot ratio area consisting of approximately 503,718 square feet of residential space and approximately 18,512 square feet of retail space. Approximately 547 residential units are expected to be built for this project. The superstructure construction is in progress. The project is expected to be completed in the financial year 2015/2016.

REVIEW OF OPERATIONS *(Continued)*

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

One Mayfair (100% owned)

1 Broadcast Drive, Kowloon Tong, Kowloon, Hong Kong

The Group acquired the site for residential development at a land auction in November 2006. The site has been developed into a low-density residential project with a total of approximately 196,592 square feet of plot ratio area. A total of 120 units have been built and the project commands the panoramic views of the Kowloon Peninsula. The sale of One Mayfair was launched in October 2011. Over 93% of the total number of units have been sold so far. The Occupation Permit for the project was issued by the Building Authority of HKSAR Government ("Building Authority") in December 2011 and the Certificate of Compliance was issued by the Lands Department in August 2012.

Marinella (35% owned)

9 Welfare Road, Aberdeen, Hong Kong

In October 2007, the Group acquired the site of AIL 451 in Aberdeen at a government land auction. The site is on the southern part of Hong Kong Island, historically, one of the earliest landing points for foreigners. It is within walking distance to the Aberdeen Marina Club and a few minutes' drive to Ocean Park, one of Southeast Asia's largest oceanariums and theme parks. The Wong Chuk Hang railway station which is on the South Island Line (East) connecting the MTR network at Admiralty to the Southern District of Hong Kong is currently developed by MTRCL. The station is just a few minutes' walk from Marinella and is expected to be in operations in 2015. The Occupation Permit for the project was issued by the Building Authority in April 2012 and the Certificate of Compliance was issued by the Lands Department in November 2012.

Marinella has a total of 411 residential units. All units enjoy the seaview of Sham Wan and Aberdeen Channel. Total plot ratio area of the residential space is 643,883 square feet. Since Marinella's first sales launch in August 2011, over 95% of the total number of units have been sold.

REVIEW OF OPERATIONS *(Continued)*

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

The Hermitage and Olympian City 3 (50% owned)

1 Hoi Wang Road, South West Kowloon, Hong Kong

The Group acquired two contiguous sites KIL 11167 and KIL 11168 adjacent to the Central Park residence and the Olympian City 2 shopping mall in September, 2005. The two sites have been developed to a residential-cum-retail project. The residential part is named The Hermitage and the retail mall is named Olympian City 3.

The Hermitage comprises six towers, offering a total of 964 residential units. The Hermitage is located in the heart of West Kowloon, a transport and commercial hub. It is well served by various types of transports with Olympic Station on the Tung Chung Line of MTR. The Group launched residential units in The Hermitage for sale in June 2010, and over 99% of the units have been sold.

The project was completed in September 2010 with a total of approximately 1.1 million square feet of total plot ratio area, of which approximately 949,842 square feet of plot ratio 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.

Lake Silver (Joint Venture)

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

Lake Silver is a residential and commercial project located atop the 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. Over 99% of the total units have been sold. The Occupation Permit and Certificate of Compliance for Lake Silver were obtained in July and November 2009 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 affords 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 was launched on the market in May 2008 with over 99% of the total units sold. The Occupation Permit for The Palazzo was obtained in December 2008 and Certificate of Compliance obtained in April 2009.

The Balmoral (100% owned)

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

In November 2004, the Group entered into a sale and purchase agreement for a plot of agricultural land of 63,603 square feet in Ma Wo, Tai Po, New Territories. Modification of the lease has been granted by the HKSAR Government. The site has been developed into a residential property consisting of 79 apartments in three medium-rise tower blocks. Over 84% of the 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)*

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 plot ratio area in 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 10 houses have been sold.

The Fullerton Heritage (100% owned)

Singapore

The Fullerton Heritage in Singapore comprises two hotels, The Fullerton Hotel Singapore and Fullerton Bay Hotel, as well as five properties, namely One Fullerton, The Fullerton Waterboat House, Clifford Pier, Customs House and The Fullerton Pavilion.

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 Singapore, the Group has embarked on a comprehensive development to transform the entire area into a major destination for dining, entertainment and hospitality. This development conserves the distinctive architecture and heritage in the area. 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. Descriptions of One Fullerton, The Fullerton Waterboat House, Clifford Pier, Customs House, and The Fullerton Pavilion can be found in Section (6) of this Review of Operations whilst descriptions of The Fullerton Hotel Singapore and The Fullerton Bay Hotel can be found in Section (7) of this Review of Operations.

REVIEW OF OPERATIONS *(Continued)*

(5) MAJOR INVESTMENT PROPERTIES AND HOTELS

The Group's investment properties and hotels, including attributable share in associated companies, was approximately 11.3 million square feet as at 30th June, 2013. The portfolio comprises properties of diversified usage:

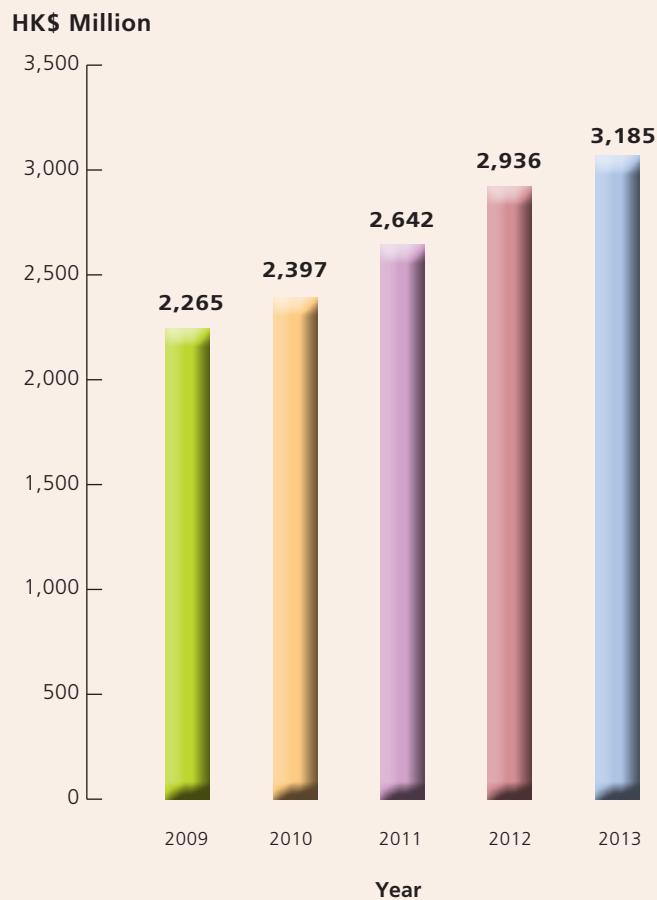
Use	Floor Area <i>(Square feet)</i>	Percentage
Office/Retail	7,297,208	64.7%
Industrial	1,631,309	14.4%
Car parks	1,464,849	13.0%
Hotels	711,016	6.3%
Residential	182,017	1.6%
	<u>11,286,399</u>	

REVIEW OF OPERATIONS *(Continued)*

(5) MAJOR INVESTMENT PROPERTIES AND HOTELS *(Continued)*

The Group's investment property portfolio showed an overall occupancy rate of 96% for the financial year 2012/2013. Including contributions from associated and related companies, the total gross rental revenue was HK\$3,185 million.

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 INVESTMENT PROPERTIES

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 been developed 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 China.

The shopping mall houses over 400 shops and restaurants offering a wide array of merchandises for our customers. Trade mix has regularly been reviewed and reorganised to time to meet the demand of shoppers. Renowned international brand retailers in various business sectors including fashions, cosmetics, health care, jewellery and electrical appliances have their shops in the mall to establish their presence in the region. A balanced trade mix combined with the Group's asset enhancement programme including promotional and marketing events, customers shopping in Tuen Mun Town Plaza Phase I will find the mall inviting and exciting. The Group will continue its effort in providing a pleasant and interesting shopping environment for our customers. The mall enjoyed high occupancy during the year under review.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(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 the Olympic Station in West Kowloon. They are inter-connected and linked to the Olympic Station by footbridges. These two shopping malls combined offer in excess of 650,000 square feet of retail space and they are conveniently accessed by MTR and other public road transports. Given the population growth and infrastructure development of West Kowloon in recent years, the malls have been developed as centre-point in the area. They have also become desirable locations and meeting places for major events during holiday seasons or special occasions such as Christmas and New Year.

Olympian City 1 and 2 with its three levels of shopping, an open piazza, variety of retail and a cinema offer shoppers a variety of choices of entertainment and retail shopping, and the opportunity to dine on a wide selection of cuisine in its restaurants and food court. To sustain shoppers' flow, raise the popularity of the mall and provide an enjoyable shopping environment for our customers, the Group has reviewed the trade mix and carried out renovation for the malls from time to time. The mall was maintained at a high occupancy throughout the year.

Olympian City 3 (50% owned)

1 Hoi Wang Road, South West Kowloon, Hong Kong

Olympian City 3 is the shopping mall at the residences of The Hermitage and it is adjacent to the Olympian City 2 and Central Park residences which are also developed by the Group. The shopping mall has a total of approximately 120,000 square feet of retail space. Combining the existing Olympian City 1 and 2 shopping malls, the total 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 all the shopping malls generating more shoppers' flow. The Group strives to develop its malls as 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 attained high occupancy during the financial year.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

Citywalk (Joint Venture)

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

Open since 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 the Tsuen Wan Station and the 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 eleven 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 a regular basis. The mall was maintained at high occupancy rate and shoppers' flow during the year under review.

Citywalk 2 (Joint Venture)

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

Citywalk 2 is designed to complement and extend 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 façade. 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 was at high level during the financial year.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

Island Resort Mall (45% 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 car parks, 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 recorded good occupancy during the year under review.

Coronation Circle (45% owned)

1 Yau Cheung Road, South West Kowloon, Hong Kong

Coronation Circle is conveniently located in South West Kowloon, close to the West Kowloon terminus of the future Express Rail Link which connects the railway systems in China and Hong Kong as well as Yau Ma Tei Station of the MTR rail line. The mall has a total of 86,758 square feet of plot ratio area. The Certificate of Compliance for the project was obtained in December 2012. Leasing of the mall has progressed well.

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. An enhanced transport and infrastructure network, which includes the 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 brought in more shopper traffic to the area. Tsim Sha Tsui Centre has a total of approximately 514,020 square feet of area. Both office and retail were maintained at high level during the financial year.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

Hong Kong Pacific Centre (100% owned)

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

Located in the centre of Tsim Sha Tsui's vibrant retail neighbourhood, this commercial development comprises a high-rise office tower and shopping centre podium with a total area of 232,606 square feet. Most of the shops enjoy extensive street frontage with a heavy pedestrian flow at Hankow Road and from nearby Nathan Road. 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 property enjoyed high occupancy during the financial year.

China Hong Kong City (25% owned)

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

China Hong Kong City is a development encompassing a retail mall, offices, a 673-room hotel named The Royal Pacific Hotel & Towers, a transport interchange as well as a ferry terminal, located on the waterfront of western Tsim Sha Tsui. The gold curtain wall cladding and China Ferry Terminal passenger facilities have led to its recognition as the 'Golden Gateway to China'. The commissioning of the Kowloon Southern Link railway line and the commencement of passenger service of the new Austin Station have enhanced the accessibility of the area. These factors have made China Hong Kong City a desirable property for businesses, shoppers, business travellers and tourists. Excluding the hotel, China Hong Kong City offers a total of over one million square feet of area of offices and retail, to which the Group has 25% equity interest. The occupancy rates of both offices and retail were maintained at good levels during the financial year.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

Exchange Tower (100% owned)

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

The site was acquired at a land auction in February, 2005. Conveniently located near the Kowloon Bay Station and connected by the East Kowloon Expressway, this commercial building offers a total of 609,027 square feet of 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 with the first berth in operations in mid-2013 will benefit the Kowloon East region. Further, with HKSAR Government's long-term development plan to establish Kowloon East as a new core business district, these will further enhance the economic value of the area and make it more attractive to businesses.

The project has attracted a good mix of tenants with firms from various industries and occupancy was maintained at high level during the financial year. The Occupation Permit and Certificate of Compliance for Exchange Tower were obtained in September 2008 and March 2009 respectively.

Skyline Tower (50% owned)

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

Skyline Tower was completed in November 2003. This office redevelopment project is located next to the East Kowloon Expressway and provides a total attributable area of 413,915 square feet. The building was maintained at high occupancy during the financial year. The HKSAR Government's plan to develop Kowloon East as new core business district with new transport infrastructure to support the development will be positive to the leasing market.

REVIEW OF OPERATIONS *(Continued)***(6) HIGHLIGHTS OF INVESTMENT PROPERTIES** *(Continued)***Futura Plaza (100% owned)**

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

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

Central Plaza (10% owned)

18 Harbour Road, Wan Chai, Hong Kong

Central Plaza was completed in October 1992 and it has been recognised as one of the tallest buildings in Asia. Central Plaza is a 78-storey intelligent Grade-A office tower, with panoramic views of the Victoria Harbour. The building has a total of approximately 1.4 million square feet of area. With Hong Kong Convention & Exhibition Centre opposite to it and the well developed transport network, this office property has attracted many multinational corporate tenants. Occupancy was maintained at high level in the financial year.

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 quarter' known for its cosmopolitan lifestyle, entertainment and dining. It provides 255,911 square feet of commercial space with a retail space that complements the lively atmosphere and popular restaurants nearby. The building was maintained at high occupancy during the year under review.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

The Hennessy (100% owned)

256 Hennessy Road, Wan Chai, Hong Kong

The site was acquired in December 2004. It is conveniently located in a vibrant business area near the Wan Chai Station, is a stone's throw from the Causeway Bay entertainment hub and only minutes from the Central Business District. 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 aptly named Sky Garden reaches a colossal 6 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 the occupancy was maintained at high level during the financial year.

148 Electric Road (100% owned)

Electric Road, North Point, Hong Kong

This is a prime commercial development near the Fortress Hill Station and 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 has an attributable area of 197,400 square feet. The project enjoyed good occupancy during the financial year.

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 22 storey commercial building provides 131,960 square feet area of office space and a 32,500 square feet shopping podium. The occupancy rate was maintained at good level during the year under review.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

One Fullerton (100% owned)

1 Fullerton Road, Singapore

Developed in 2001, the site is situated adjacent to Merlion Park across from The Fullerton Hotel Singapore. It has been developed into a well-designed modern two storey building providing over 80,000 square feet of 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 the Marina Bay. Merlion Park attracts over a million visitors every year who flock to visit the Lion City's Merlion. One Fullerton forms part of The Fullerton Heritage and is connected with The Fullerton Hotel Singapore by an underground traveller. One Fullerton is also a well-placed vantage point for the Formula One Grand Prix circuit in Singapore.

The Fullerton Waterboat House (100% owned)

3 Fullerton Road, Singapore

The Fullerton Waterboat House is a historic landmark that was formerly a dockyard where vessels took on water. Built in 1900 and acquired by the Group in May 2002, the building is a favourite 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 area.

Clifford Pier (100% owned)

80 Collyer Quay, Singapore

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 celebrated historic landmark and was the key landing point for visitors and immigrants arriving by ships in the early days of Singapore. A part of The Fullerton Heritage, it was opened in December 2008. The revitalised pier has kept its original architectural characteristics and charm, and it commands the panorama of the Marina Bay developments. The pier affords over 10,000 square feet of commercial space, and has been leased to a stylish modern Chinese establishment.

REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)*

Customs House (100% owned)

70 Collyer Quay, Singapore

Customs House, also part of The Fullerton Heritage, is a two-storey heritage building with a total floor area of approximately 14,800 square feet. It is located in Marina Bay, Singapore's world class Central Business District, arts, culture, and heritage waterfront area. Built in the '60s, Customs House was formerly home to the Customs Police. The building commands direct waterfront views of Marina Bay, and is now a dining destination with 5 chic restaurants. The project was completed in February 2010.

The Fullerton Pavilion (100% owned)

82 Collyer Quay, Singapore

The newest addition to The Fullerton Heritage and completed in May 2012, The Fullerton Pavilion is a first-of-its-kind floating dome-shaped structure set on waters of Marina Bay between One Fullerton and Clifford Pier. It is designed by a renowned architectural firm, complete with an observation deck on the roof. It features views of the bay, and the internal space of close to 4,500 square feet is leased to a contemporary Spanish restaurant, helmed by an international team of award-winning culinary experts.

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 transportation network, the development is in a desirable location for local and multinational firms. 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 financial year 2010/2011 and was at high occupancy during the year under review.

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 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 area. The building enjoyed high occupancy during the financial year.

REVIEW OF OPERATIONS *(Continued)*

(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 (The Fullerton), it officially opened on 1st January, 2001, featuring a contemporary interior design.

Located at the waterfront with the views of the Marina Bay, the hotel is well situated in the heart of the Singapore's Financial and Business District. The hotel is linked by an underground traveller to adjacent commercial developments, namely One Fullerton, Clifford Pier, The Fullerton Bay Hotel, Customs House, The Fullerton Waterboat House, The Fullerton Pavilion, residences on the waterfront and offices. Due to its good location, comprehensive facilities including a spa, the hotel is ideal for both business and leisure travellers.

The Fullerton received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2012/2013. These awards included the Best Heritage Hotel by Travel + Leisure India & South Asia in 2013, Top 510 World's Best Hotels and Resorts and Top Rated Hotel in Singapore in Condé Nast Traveler USA's 2013 Gold List, and Top 20 Hotels in Asia & the Indian Subcontinent in Condé Nast Traveller UK's Readers' Travel Awards in 2012.

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. These awards included 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 and The Singapore Institute of Architects Architectural Design Award 2001 (Conservation Category).

REVIEW OF OPERATIONS *(Continued)*

(7) HOTELS *(Continued)*

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 and 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 attractive architecture and sophisticated décor that combine contemporary style and Singapore's illustrious seafaring history. Each of its 100 guestrooms further impresses with panoramic views of the vibrant Singapore skyline through full-length windows and private balconies or sun decks. Overlooking the city's landmarks from the privacy of the guestroom, guests are treated to natural light and a sense of destination.

The hotel's trio of culinary experiences includes the signature restaurants of 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 panoramic views of the Marina Bay waterfront and the Singapore skyline.

Set amidst the skyline of the Marina Bay waterfront, Clifford, the modern brasserie is illuminated by 10-metre high floor-to-ceiling windows overlooking the sparkling waters of the bay. Clifford retains the spirit of the seafarers as it embodies waterfront destination dining. Furnished with layers of theatrical salons and with the views of Marina Bay, Clifford sets to redefine destination dining by the bay with personalised service.

The Landing Point is positioned alongside an 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.

The Fullerton Bay Hotel received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2012/2013. These awards included the coveted Five Star Rating by Forbes Travel Guide 2013, Travel + Leisure USA's 100 World's Best Hotels & Top City Hotels in Asia, and Best New Business Hotel Worldwide in Business Traveller UK's 2012 Awards.

REVIEW OF OPERATIONS *(Continued)*

(7) HOTELS *(Continued)*

Conrad Hong Kong (30% owned)

Pacific Place, 88 Queensway, Hong Kong

This five-star, international-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 a number of awards from respected organisations and magazines during the financial year 2012/2013. These awards included Top Presidential Suite in Hong Kong and Top Executive Lounge in Hong Kong by Hurun Rich List, Top 100 Hotels Resort in the World by Condé Nast Traveler, Top 25 Conference Hotels in Asia and Top 25 Business Hotels in Asia by SmartTravelAsia.com.

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 2012/2013, the Group participated in a total of 14 investor conferences and 11 non-deal roadshows.

Date	Type	Region/Country/City	Organiser
Jul-12	Conference	Hong Kong	Citigroup
Jul-12	Conference	Hong Kong	Bank of America Merrill Lynch
Aug-12	Non-deal Roadshow	Hong Kong	Goldman Sachs
Aug-12	Non-deal Roadshow	Hong Kong	JP Morgan
Sep-12	Non-deal Roadshow	Singapore	DBS Vickers
Sep-12	Non-deal Roadshow	Singapore	HSBC
Sep-12	Conference	Hong Kong	CLSA
Sep-12	Non-deal Roadshow	Hong Kong	Goldman Sachs
Oct-12	Conference	Hong Kong	Goldman Sachs
Nov-12	Conference	Macau	Citigroup
Nov-12	Conference	Hong Kong	Morgan Stanley
Nov-12	Conference	Hong Kong	Daiwa Capital Markets
Nov-12	Non-deal Roadshow	Sydney	CLSA
Dec-12	Conference	Hong Kong	Bank of America Merrill Lynch
Jan-13	Conference	Hong Kong	BNP Paribas
Jan-13	Conference	Hong Kong	Credit Suisse
Jan-13	Conference	Hong Kong	Citigroup
Mar-13	Non-deal Roadshow	United States	HSBC
Mar-13	Conference	Hong Kong	Credit Suisse
Apr-13	Non-deal Roadshow	Singapore	HSBC
Apr-13	Non-deal Roadshow	Europe	JP Morgan
May-13	Non-deal Roadshow	Tokyo	Nomura International
May-13	Non-deal Roadshow	Sydney	Macquarie Capital Securities
Jun-13	Conference	London	HSBC
Jun-13	Conference	Hong Kong	Citigroup

During the financial year 2012/2013, the Group received the 'Corporate Governance Asia Annual Recognition Awards 2013' from Corporate Governance Asia magazine.

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

REVIEW OF OPERATIONS *(Continued)*

(8) CORPORATE AFFAIRS *(Continued)*

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 to help save paper.

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

As at 30th June, 2013, the Group employed approximately 8,800 staff, excluding part-time and temporary employees.

In line with the Group's mission of being the 'Preferred Choice for Customers, Investors and Employees', we have established policies and provide programs to ensure that employees are given growth opportunities and provided a rewarding career. The Group also seeks to retain talents through competitive employment packages, incentive schemes and a supportive work environment. Employee development and employee engagement are always placed on top of the Corporate agenda.

Staff Training & Development

The Group fosters a continuous learning culture and provide systematic training and development programmes under a comprehensive curriculum and structured academies to support employees' training and career development needs. The Group also set aside budget and offer education and training sponsorship to support employee's career development.

During the financial year 2012/2013, approximately 40,000 hours of in-house training were provided to employees within the Company, including training on personal effectiveness, leadership development, project management, professional knowledge, corporate governance and language proficiency.

It is the Group's policy that all staff, in particular those in front-line positions, must uphold meticulous standards of customer service. The Group continues to channel efforts into enhancing customer service standards through regular workshops and programs. A culture building program "Wisdom of the Week" has been launched since mid-June 2012 as part of the initiative on top of regular training to reinforce service culture within the Company.

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES *(Continued)*

Staff Training & Development *(Continued)*

The Group's training Academies which aim to help employees grow professionally and serve customers better offer systematic training programs with more than 120 courses covering customer service, property management, leasing operation, building maintenance, security service, clubhouse management, environmental conservation, cleaning services, car park operation and language skills.

The Group's training capability has been recognized by the accreditation awarded by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications to 3 of our in-house training programs, namely, Module Certificate in Star Service (Level 2), Module Certificate in Clubhouse Management (Level 2) and Module Certificate in Supervisory Skills for Property management (Level 3).

In recognition of the Group's continuous commitment in manpower development and promotion of a learning culture, the Employees Retraining Board has conferred to Sino Land Company Limited the logo and title 'Manpower Developer 1st (MD1st)' under the "ERB Manpower Developer Award Scheme" since 2010.

Leadership and Management Development

Executive and leadership development programmes were organised from time to time to managers and senior leaders to strengthen Company's leadership capability.

The Group continues to organize 'The Seven Habits of Highly Effective People Signature Programme' to promote continuous improvement in personal effectiveness and the ability to leading people and also Six Thinking Hats training to cultivate systematic and yet innovative thinking techniques for problem solving and decision making.

In addition to leadership and personal effectiveness training programmes, seminars and talks on different topics, such as that related to "Stress and Conflict Management", "Entrepreneurial Spirit" and "Leading Teams with Positive Psychology" were organised for the Group's middle to senior managers to keep abreast of the latest leadership and management practices.

The Group also conducted 360 Degree Feedback Survey to support the development of our executives.

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES *(Continued)*

Talent Management

The Group has taken steps to strengthen its leadership pipeline to support business development in Hong Kong and mainland 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 mainland China and overseas to join the Group's Corporate Management Trainee Programme. The Group also collaborates with renowned universities in mainland China and overseas, such as Tsinghua University, Yale University and Columbia University as well as local universities and education institutions to sponsor students undertaking internship in our Company. These have 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.

Employee Engagement

It is the Group's belief that employee engagement is critical to organisational success and therefore a high priority is placed in maintaining open two-way communications to strengthen staff engagement.

More than 100 Quality Improvement Team members continued to garner quality improvement ideas and suggestions from staff to help drive quality and excellence in customer service, operational effectiveness and office procedures.

Different forms of communication channels such as Town Hall Meetings, monthly and weekly Staff Communication Meetings, site visits, regular company newsletters and Staff Suggestion Scheme are deployed to promote open communication and listen to the voice of our employees.

Regular recreational and welfare activities, including holiday flats at Hong Kong Gold Coast, holiday house at Cheung Sha, company sponsored local tours, movie nights, Children's Christmas Party and talks on workplace wellness, were arranged for staff from time to time. Activities held during the financial year of 2012/2013 were well-received by more than 1,900 participants.

As a caring employer, the Group also introduced family-friendly policies such as paternity leave, Children Education Scholarship and Bursary Scheme and Book Reading Award Scheme, to extend our care and support to family members of our employees.

REVIEW OF OPERATIONS *(Continued)*

(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 Environmental Services Limited (BRESL) and Sino Parking Services Limited (SPSL). Each of these companies has its own specialized functions. SPS is set up to complement the Group's property development and investment businesses. SPS currently manages 192 projects with an aggregate floor area of over 55.2 million square feet.

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. SPS has launched a Quality Improvement Champion taskforce, focusing on involving staff members from different departments and background and soliciting their ideas to further enhance quality services. Regular and thorough hardware checks are a must for effective property management and maintenance. Monitoring the maintenance process undertaken by contractors and staff, apply 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.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Property Management Service *(Continued)*

Our efforts in quality services are recognised by public. Pacific Palisades was conferred the Gold Award at the 'Residential Clubhouse Management Award 2012' by the Hong Kong Recreation Management Association. In recognition of our continuous improvement and innovation in customer services, Skyline Tower won the Excellence Award (Office Building Management) at the 'Quality Property Facility Management Award 2012' organised by The Hong Kong Institute of Surveyors and The Hong Kong Association of Property Management Companies while Mount Beacon and Corporation Park received the Merit Award (Medium-Scale Residential Property Management and Industrial Building Management respectively). In addition, Bowen's Lookout together with Skyline Tower, Westin Centre, Olympian City, tmtplaza and China Hong Kong City achieved the Excellence in Facility Management Award in various categories at the 'Excellence in Facility Management Award 2012' by the Hong Kong Institute of Facility Management. During the reporting period, SPS received a total of 235 certificates from the Hong Kong Police Force's various Regional Crime Prevention Offices and District Fight Crime Committees.

SPS's continuous involvement in Corporate Social Responsibilities (CSR) has also been recognised by the industry. SEML won the Silver Award (Enterprise Category) at the '3rd Hong Kong Corporate Citizenship Awards' by the Hong Kong Productivity Council. BRESL has been proactively participating in community services and partnered with Sik Sik Yuen to provide household cleaning service for the elderly. With continuous efforts in improving service quality as well as enhancing the efficiency of work process, both SEML and BRESL have integrated their three management systems in respect of Quality (ISO9001), Environmental (ISO14001) and Occupational Health & safety (OHSAS18001) and thus qualified for the Integrated Management System Certificate.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

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 Carpark 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. These academies aim at enhancing knowledge, skill and attitude of the wide range of staff of SPS, ranging from professional property managers to frontline cleaners and security guards. Three Module Certificate Courses of SPS Academies have been recognized by the Government's Qualification Framework: Supervisory Skills for Property Management (Level 3), Star Service (Level 2) and Clubhouse Management (Level 2).

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 2,832 staff members have completed the Mandatory Basic Safety Training Courses (Construction Work) and 476 staff have completed the Confined Spaces Operations Safety Training 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'. Since July 2012, 20 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 119 electric vehicle chargers have been installed at 56 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. SEML was awarded the 1st Runner-up of Smart Biggest Unit Saver Award (Property Management) in the energy saving contest 'Power Smart 2012' by Friends of the Earth (HK). As a long standing supporter of 'Programme on Source Separation of Domestic Waste' and 'Programme on Source Separation of Commercial and Industrial Waste' launched by the Environmental Protection Department, SPS received over 65 awards in the reporting period. To support minimising waste at source, SPS has further extended the food waste management programme from Pacific Palisades to other developments and shopping malls including Hong Kong Gold Coast, Olympian City and tmtplaza.



Sino Estates Management Limited won the first runner-up of Biggest Unit Saver Award (Property Management) at 'Power Smart 2012' organised by Friends of the Earth.

REVIEW OF OPERATIONS *(Continued)*

Sino Land Company Limited has been selected as a constituent member of the Hang Seng Corporate Sustainability Index since September 2012 in recognition of its continuous efforts in promoting sustainability and upholding high standards of performance in environmental, social and corporate governance aspects.

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

SPSL is seeing solid progress in developing their in-house car park control system, jointly with Hong Kong Polytechnic University. The first system was in operation in May 2012. SPSL has successfully applied for the HKSAR Government's Innovative Technology Funding (ITF) amounting to HK\$2 million, which enable SPSL to develop innovative mobile and global technologies that would greatly enhance car park patrons' parking experience. In respect of the software support, a mobile app including basic car park information & GPS routing should be introduced to public in the second half of 2013. On the hardware side, a comprehensive wireless node equipped with various sensors such as ultrasonic sensor, temperature sensor, etc., which forms part of the Environment, Health and Safety System (EHS), is now under research & development.

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, the Group has been actively participating in a wide range of community programmes, voluntary services, green initiatives, art and cultural events, and staff teambuilding activities over the years. In recognition of its continuous efforts in promoting sustainability and upholding high standards of performance in environmental, social and corporate governance aspects, Sino Land Company Limited was selected as a constituent member of the Hang Seng Corporate Sustainability Index in September 2012. The Group has published its second annual Sustainability Report that highlights the Group's corporate sustainability footprint and initiatives to demonstrate its commitment to engaging its stakeholders in building a greener future.

Sino Care

To encourage staff participation in volunteer programmes on a regular basis, the Group has established the 'Sino Caring Friends' volunteer team to spread the message of love and care to those in need. With an objective of further nurturing volunteering culture, the Group encourages and supports staff to join voluntary services during office hours for at least one day in a year. In the financial year 2012/2013, the total number of hours for volunteer service of the Group exceeded 65,100.

REVIEW OF OPERATIONS *(Continued)***(11) CORPORATE SOCIAL RESPONSIBILITY** *(Continued)***Sino Care** *(Continued)*

The Group serves the community with an emphasis on helping the underprivileged. Since the launch of 'Sino Home Visit Programme' in June 2011, the Group has served about 2,000 underprivileged families in Sham Shui Po, Tai Kok Tsui, Kwai Chung, Kwun Tong and Wong Tai Sin. The programme includes festive home visits, monthly home improvement services and elderly home visits. 'Sino Caring Friends' collaborates with various charity organisations, including Hong Kong Young Women's Christian Association Sham Shui Po Integrated Social Service Centre, Society for Community Organization, and Tung Wah Group of Hospitals Jockey Club Tai Kok Tsui Integrated Services Centre, to organise home visits to families at Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival as well as Winter Solstice to give festive gift packs and to bring joy and care to them. To leverage on the professional expertise of our staff, a technical team was formed in December 2011 to offer home improvement services such as circuit checking and basic maintenance for underprivileged families on a monthly basis. This service is rendered with support from the Hong Kong Family Welfare Society, Ho Chui District Community Centre for Senior Citizens (sponsored by Sik Sik Yuen), and Tung Wah Group of Hospitals Yu Mak Yuen Integrated Service Centre. The Group's volunteer team also collaborates with Ho Chui District Community Centre for Senior Citizens (sponsored by Sik Sik Yuen) to pay monthly home visits to the elderly who live alone in Tsz Wan Shan.

The Group places great emphasis on the development of the young generation. The Group organised 'Sino Summer Mentorship Programme' in collaboration with the Tung Wah Group of Hospitals Jockey Club Tai Kok Tsui Integrated Services Centre and Hong Kong Family Welfare Society Women and Family Enhancement Centre in July 2012. Children from underprivileged families in Tai Kok Tsui and Shau Kei Wan and Sino Caring Friends, as mentees, participated in the five-week programme including a wide range of activities. Through workshops and outdoor activities, the mentees learnt to develop a positive attitude, overcome adversity and foster team spirit. In May 2013, the Group commenced the second 'Sino Children Mentorship Programme 2013' in partnership with the Tung Wah Group of Hospitals Jockey Club Tai Kok Tsui Integrated Services Centre; children from 6 to 9 years old will be participating in this year-round learning programme.



Sino Caring Friends and children from underprivileged families explored Hong Kong's wetland ecosystem in the Hong Kong Wetland Park.

REVIEW OF OPERATIONS *(Continued)*

Sino Caring Friends act as mentors to lead children from underprivileged families in a series of green activities. Sino Children Mentorship programme has been designed to help mentees build up positive attitude, confidence and team spirit.

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)***Sino Care** *(Continued)*

The Group is a long-standing supporter of the Community Chest of Hong Kong, the Hong Kong Family Welfare Society, the Hong Kong Young Women's Christian Association, Hong Chi Association and the Agency for Volunteer Service. In 2012/2013, the Group participated in a number of meaningful causes, including 'New Territories Walk', 'Hong Chi Climbathon', 'Charity Walk & Run for Volunteering' and '2012 Santa on the Beach'.

We are delighted that the Group's commitment to community, green and art has been recognised, with the Hong Kong Council of Social Service awarding the Group the '5 Years Plus Caring Company Logo' since 2003 and now entering the tenth consecutive year of CSR participation.

In Singapore, The Fullerton Hotel and The Fullerton Bay Hotel having been working closely with key partners in various social sectors to contribute to their efforts in caring for needy children, youths, patients as well as the environment.

In June 2012, The Fullerton Hotel Singapore dedicated its signature Postmaster Teddy Bear to Mainly I Love Kids (MILK Fund), a charity organisation that seeks to reach out and help disadvantaged children and youths who 'fall through the cracks' of Singapore's social safety net. Dressed in a Postmaster uniform in a tribute to the Hotel's history as the former General Post Office, the teddy bear is priced at S\$22 each, and S\$10 from the sale of each bear is dedicated to MILK Fund in support of their development programmes for disadvantaged children. To date, the hotel has raised more than S\$8,000 from the sale of the Postmaster Teddy Bears. In March 2013, all hotel bears including The Fullerton Bellhop Bear and The Fullerton Bay Hotel Ship Captain Bear were also dedicated to MILK Fund. As part of The Fullerton Hotel's green initiatives, a Postmaster Panda Plush Bear was simultaneously created and dedicated to World Wide Fund for Nature (WWF-Singapore), the world's largest and most respected independent conservation organisation in support of their mission to stop the degradation of the earth's natural environment, and to build a future in which humans live in harmony with the nature.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Care *(Continued)*

In November 2012, The Fullerton Hotel kick started the festive celebrations on a meaningful note, with a splendid Christmas Light Up ceremony and a Charity Buffet Dinner at Town Restaurant. One hundred and eight hotel staff members from various departments came together in a dazzling candle-lit march-in to the charming tunes of 'The Little Drummer Boy' performed by handbell ringers at the hotel atrium as guests gathered and basked in the festive atmosphere. The ceremony culminated in a magnificent Light Up of the hotel's festive decorations which was officiated by Mr Giovanni Viterale and Professor Ang Chong Lye, Chief Executive Officer of Singapore General Hospital, Singapore's flagship hospital. After the Light Up ceremony, a group of needy patients under the care of the Singapore General Hospital's Needy Patients Fund and their caretakers were invited to Town Restaurant for a delectable festive dinner buffet. Mr Viterale donned Chef's Whites for the evening, and personally cooked sumptuous plates of Seafood Pesto Pasta a la minute for all guests at a 'live' pasta station at Town Restaurant in support of the good cause. The Fullerton Hotel pledged 50% of all profits from the evening's dinner to the Singapore General Hospital Needy Patients Fund to provide support to needy patients and their families who require financial assistance for medical consumables (such as wheelchairs and oxygen ventilators).

Also in the spirit of giving in the festive season and as part of the Hotel's continuous efforts to give back to society, The Fullerton Hotel partnered with non-profit-making organisations Project Happy Feet and Know One Teach One (KOTO) Vietnam to host a Christmas lunch for 200 local children from Singapore's MILK Fund in December 2012. Guided by The Fullerton Hotel's chefs, 22 culinary graduates from Koto Vietnam prepared a Christmas spread for 200 children from MILK Fund. Coming from disadvantaged backgrounds in Vietnam, the majority of these culinary graduates were street children before benefiting from Koto's hospitality training programme which is funded by donors in Singapore and around the world. In a bid to 'pay it forward', the culinary graduates travelled to Singapore under the sponsorship of Singapore Airlines to cook for underprivileged children in Singapore. An extensive Christmas buffet comprising over 18 dishes, including a turkey carving station and a delightful selection of Christmas desserts was presented at The Fullerton Hotel's ballroom. Hotel staff from various departments joined in to serve food from the buffet line, as well as interact with the children. The luncheon also included fun-filled activities for the children such as a photo booth, balloon sculpting and magic performances.

REVIEW OF OPERATIONS *(Continued)***Mission Green Top**

*Sino Group and Hong Chi Association have been partnering on **Mission Green Top** since 2008. Through the programme, members of Hong Chi Association grow plants and vegetables with organic methods at the rooftop garden of Skyline Tower. In addition to creating a greener environment, the programme also provides employment opportunities for members of Hong Chi Association and raising tenants' awareness on green living.*

**Mission Green Thumb**

*On the heel of Mission Green Top, the Group collaborates with Hong Chi Association on a seedling adoption programme, **Mission Green Thumb**, at Skyline Tower and Exchange Tower. Tenants can adopt and name a seedling by making a donation with proceeds channelled to Hong Chi Association.*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)***Sino Green**

The Group puts substantial efforts to make its properties more environment friendly through meticulous 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.

The Group encourages its staff and their family members and friends, business partners to participate in campaigns initiated by green groups. In 2012/2013, over 150 staff members, their nearest and dearest, as well as business partners participated in green activities such as Green Power's 'Green Power Hike', Green Sense's annual walkathon, 'Island District Healthy City Tree Planting Festival', WWF's 'Earth Hour' and Hong Kong Clean Up's 'Coastal Cleanup Challenge'. Through their participation, employees have become more aware of green living and conserving the nature.

Sino Property Services, the Group's property services arm, has been actively supporting the development of a sustainable environment in Hong Kong. Efforts and initiatives, which have been adopted in different aspects of the daily operations for promoting environmental protection, are widely recognised from various achievements. During 2012/2013, 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. Sino Estates Management Limited was awarded the first Runner-up of Power Smart Biggest Unit Saver Award (Property Management) in the energy saving contest 'Power Smart 2012' by Friends of the Earth (HK). As a long-standing supporter of 'Programme on Source Separation of Domestic Waste' and 'Programme on Source Separation of Commercial and Industrial Waste' launched by the Environmental Protection Department, the Group received over 65 awards in the reporting period.

REVIEW OF OPERATIONS *(Continued)***(11) CORPORATE SOCIAL RESPONSIBILITY** *(Continued)***Sino Art**

Having a belief that art and culture enrich the quality of life and promote creativity, the Group initiated Sino Art (formerly Sino Group's 'Art in Hong Kong') in 2006 to provide platforms and opportunities for local and international artists to display and promote their works at various properties of the Group, bringing art to people's daily lives and enhancing public appreciation of different types of art. In addition to providing free venues, Sino Art offers professional assistance that spans curatorial support, publicity, exhibition design and installation. Art education is also key to the programme, and Sino Art 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. The Group received the 'Award for Arts Sponsorship' for the years of 2007 and 2008, and the bronze award of the 'Award for Arts Promotion' in 2008 from the Hong Kong Arts Development Council in recognition of its efforts on promoting art and culture in Hong Kong.

Sino Art presented three thematic art exhibitions to the public of Hong Kong in the Group's mall properties tmtplaza and Olympian City. During summer 2012, Miami-based artist duo FriendsWithYou and Sino Art presented 'Happy Rainbow', bringing along their positive energy to Hong Kong with an interactive and family-friendly exhibition. A large-scale inflatable bounce house 'Electric Wizard' and an array of rainbow-coloured sculptures turned the atrium of tmtplaza into a massive playground to wide appeal. In autumn 2012, Goods of Design (G.O.D.) presented 'The Street Market Symphony' exhibition at Olympian City, along with a series of educational workshops, talks and guided tours. With its massive red lamp installations, the exhibition showcased traditional street market culture within a shopping mall context. At Christmas 2012, local illustrator John Ho, in his exhibition 'Xmas Dreamland', converted the shopping mall space of tmtplaza into a fun thematic art space with three-dimensional sculptures of his well-loved cartoon characters Meatie Bear and Fafa Cat.

To carry on our pledge to bring inspiration through art events, in addition to organising art exhibitions, the Group provides sponsorships for the local creative and cultural community. In the year 2012/2013, we have supported large-scale art and culture events including Business of Design Week 2012, Hong Kong Arts Festival 2013, Design Dialogue 2013 and Chai Wan Art and Design Open Studios. We also continue to sponsor the graduation shows of art schools at universities, providing our support to nurture the new breed of artists for the creative community. To provide operational support to art groups for their sustainable growth, we have provided venue sponsorship for Asian Youth Orchestra and Opera Hong Kong; we have also provided the venue for Asia Art Archive, the leading contemporary art archival organisation in Asia, in one of the Group's properties.

**Paris Rétro**

Through Paris Rétro, the Central Atrium of Olympian City became a mini Paris with 11 Parisian store fronts enhanced into 1:1 life-sized installations, a six-metre Eiffel Tower replica, several Parisian sidewalks and a street café.

**Xmas Dreamland**

The shopping mall space of tmtplaza was converted into a fun thematic art space 'Xmas Dreamland' with larger-than-life-sized sculptures of well-loved characters of local illustrator John Ho.

REVIEW OF OPERATIONS *(Continued)***Clifford Pier**

Opened in 1933, Clifford Pier was the first port of call for immigrants in the early days of Singapore. The revitalised Pier has kept its original architectural charm and houses an elegant restaurant and bar. To commemorate the Pier's 80 years of history, a series of events, including the exhibition 'Clifford Pier: A Place in Our Hearts', have been held.

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)***Sino Art** *(Continued)*

In Singapore, in October 2012, as part of our effort to pay tribute to the unique history of The Fullerton Hotel, a complimentary guided tour was launched for hotel guests. Led by our appointed historian, The Fullerton Heritage guided tour takes guests on a journey to discover the rich heritage and interesting anecdotes behind The Fullerton Hotel Singapore.

A second tour was launched in February 2013 to share the colourful history of the conserved Fullerton Heritage buildings – Customs House, Clifford Pier and The Fullerton Waterboat House, which constitute Singapore's historic waterfront.

In September 2012, the Art in the City programme showcased Singapore-based Ukrainian artist Ms Lana Fill's art exhibition 'History of Dreams' and Russian sculptor Mr Vitaly Didenko's sculpture exhibition 'Trees' at The Fullerton Heritage Gallery in The Fullerton Hotel Singapore. Lana and Vitaly pledged 20% of the total proceeds to Singapore General Hospital's (SGH) Needy Patients Fund.

In October 2012, 'A Singapore Journey – an art exhibition by Derek Corke' was launched at The East Garden Foyer. This exhibition records Derek Corke's memories of Singapore's evolution in the last 30 years. A portion of the proceeds from the sale of artworks will be contributed to the Singapore General Hospital's Needy Patients Fund.

In January 2013, The Fullerton Hotel's East Garden Foyer became the stage of a children art school Studio Haroobee's 'My! Oh My!', an art exhibition by four young talented artists. 'My! Oh My!' was the platform for Glen, Teng Han, Elizabeth and Ashton to bring a smile and speech to many underprivileged children.

In an effort to promote Singaporean artists, Arts To U Services presented a group exhibition entitled 'After the Summer of 1890 from April to June 2013'. A total of 33 paintings by six Singaporean artists and clients of Singapore Association for Mental Health (SAMH) were on display. The organiser pledged 20% of the sales proceeds from the artwork to the Singapore Association for Mental Health.

This year's highlight would certainly be Clifford Pier's 80th Anniversary celebration. Named after the former Governor of Singapore, Sir Hugh Charles Clifford, the Pier was opened in June 1933 by his successor, Sir Cecil Clementi, to kick-start celebrations of King George V's birthday. To commemorate the Pier's 80 years of history, The Fullerton Heritage held the exhibition, 'Clifford Pier: A Place in Our Hearts' on 3 June 2013. The exhibition chronicles the different roles the Pier has played in the socio-political landscape of Singapore from 1933 to 2006, through the memories of people.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Staff Engagement

In addition to providing professional development and personal growth opportunities that enable individual staff to realise their full potential, the Group places great emphasis on the well-being of staff and strives to enhance team spirit and work-life balance by encouraging staff to participate in various sports and events. In 2012/2013, our staff participated in several events including the 'New Territories Walk', 'Hong Chi Climbathon', 'Team Challenge 36', 'Charity Walk & Run for Volunteering' and '2012 Santa on the Beach'.

Recognition

Sino Group received four awards at 'The Third Hong Kong Outstanding Corporate Citizenship Awards' by the Hong Kong Productivity Council and the Committee on the Promotion of Civic Education in recognition of its commitment to corporate social responsibility, namely: Bronze Award in Volunteer Team category – Sino Caring Friends, Silver Award in Enterprise category – Sino Estates Management Limited and Gold Award in 'Corporate Citizenship Photo Competition' – Sino Estates Management Limited.

The Group has received the 2012/13 'Ninth Top Donor of the Year Award (Companies, Organisations and Individuals Category)' by The Community Chest of Hong Kong in recognition of the Group's support to various fundraising activities organised by the Chest.



Sino Estates Management Limited won Gold Award at the 'Corporate Citizenship Photo Competition' of 'The Third Hong Kong Outstanding Corporate Citizenship Awards', aiming at recognising companies for their commitment to corporate social responsibility.



The Fullerton Bay Hotel Singapore received the Best New Business Hotel Worldwide Award at the Business Traveller Awards 2012. Widely recognised as the market's benchmark for excellence, the award is a testament to the Hotel's stylish design, attentive services, spectacular views, and unique waterfront dining experience.

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 144 to 248, which comprise the consolidated and the company statements of financial position as at 30th June, 2013, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other 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, 2013, 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

28th August, 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30th June, 2013

	NOTES	2013 HK\$	2012 HK\$ (Restated)
Turnover	7	7,818,585,463	8,395,820,908
Cost of sales		(2,658,285,013)	(2,283,937,012)
Direct expenses		(1,775,575,901)	(1,652,278,167)
Gross profit		3,384,724,549	4,459,605,729
Increase in fair value of investment properties	18	3,918,639,739	4,470,950,610
Other income and other gains or losses		90,863,655	101,863,449
Gain on disposal of available-for-sale investments		–	78,492,734
Gain (loss) arising from change in fair value of trading securities		85,346,045	(109,518,974)
Gain on disposal of a subsidiary	41	–	143,139,005
Gain on disposal of an associate	23	–	389,223,795
Gain on disposal of investment properties		622,377,866	224,369,741
Administrative expenses		(643,588,828)	(630,122,961)
Other operating expenses		(165,899,202)	(163,215,377)
Finance income	9	464,150,795	248,301,281
Finance costs	10	(266,987,781)	(218,746,509)
Less: Interest capitalised	10	40,517,094	87,133,774
Finance income, net		237,680,108	116,688,546
Share of results of associates	11	4,973,268,491	2,348,180,657
Profit before taxation	12	12,503,412,423	11,429,656,954
Income tax expense	15	(660,561,771)	(686,574,813)
Profit for the year		11,842,850,652	10,743,082,141
Attributable to:			
Company's shareholders		11,687,131,302	10,672,548,906
Non-controlling interests		155,719,350	70,533,235
		11,842,850,652	10,743,082,141
Earnings per share (reported earnings per share)			
Basic	17(a)	1.971	1.823

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30th June, 2013

	2013	2012
	HK\$	HK\$
		(Restated)
Profit for the year	<u>11,842,850,652</u>	<u>10,743,082,141</u>
Other comprehensive income (expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Gain (loss) on fair value change of available-for-sale investments	258,865,473	(100,805,393)
Exchange differences arising on translation of foreign operations	<u>428,113,878</u>	<u>540,127,992</u>
	686,979,351	439,322,599
Reclassification adjustments upon disposal of available-for-sale investments	<u>–</u>	<u>(79,275,173)</u>
Other comprehensive income for the year	<u>686,979,351</u>	<u>360,047,426</u>
Total comprehensive income for the year	<u>12,529,830,003</u>	<u>11,103,129,567</u>
Total comprehensive income attributable to:		
Company's shareholders	12,374,110,653	11,032,596,332
Non-controlling interests	<u>155,719,350</u>	<u>70,533,235</u>
	<u>12,529,830,003</u>	<u>11,103,129,567</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2013

		THE GROUP		
	30th June, 2013	30th June, 2012	1st July, 2011	
<i>NOTES</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	
		(Restated)	(Restated)	
Non-current assets				
Investment properties	18	54,610,734,765	51,643,719,403	47,773,861,006
Hotel properties	19	1,744,677,191	1,609,676,576	1,657,579,976
Property, plant and equipment	20	118,274,006	123,271,895	149,834,828
Prepaid lease payments – non-current	21	1,187,175,429	1,197,808,601	1,261,852,876
Interests in associates	23	17,813,387,442	12,763,227,707	12,183,342,058
Interest in a jointly controlled entity	24	92,175,631	101,760,704	89,561,407
Available-for-sale investments	25	1,055,153,634	782,784,479	1,058,259,703
Advances to associates	23	9,549,972,398	8,490,423,817	9,578,579,709
Advance to a jointly controlled entity	24	2,144,398,579	2,014,774,277	1,663,513,308
Advance to non-controlling interests	26	117,965,207	133,210,793	162,149,657
Advance to investee company	27	16,769,403	16,899,509	17,179,670
Long-term loans receivable	28	36,780,795	47,178,510	29,272,858
		88,487,464,480	78,924,736,271	75,624,987,056
Current assets				
Properties under development	46	25,407,957,851	21,869,542,575	22,812,356,603
Stocks of completed properties		965,950,674	1,519,208,274	1,058,542,810
Hotel inventories		17,703,917	27,337,338	27,271,674
Prepaid lease payments – current	21	19,462,924	19,104,164	19,809,674
Trading securities	29	426,518,325	570,874,967	879,730,173
Amounts due from associates	23	936,218,709	3,097,093,173	25,733,746
Accounts and other receivables	30	835,469,674	2,519,927,659	1,283,242,610
Current portion of long-term loans receivable	28	4,976,725	2,236,139	1,237,374
Taxation recoverable		48,213,013	264,546	432,497
Restricted bank deposits	31	323,633,103	679,660,662	273,972,025
Time deposits, bank balances and cash	31	11,619,643,905	5,042,418,096	7,920,479,097
		40,605,748,820	35,347,667,593	34,302,808,283
Assets classified as held for sale	32	170,000,000	–	–
		40,775,748,820	35,347,667,593	34,302,808,283
Current liabilities				
Accounts and other payables	33	3,313,987,059	3,492,162,113	3,470,981,667
Deposits received on sales of properties		977,093,758	590,130,004	–
Amounts due to associates	23	3,455,225,003	706,076,620	1,728,128,683
Taxation payable		687,756,677	677,052,332	682,962,906
Current portion of long-term bank borrowings	34	14,586,873	–	202,212,486
Bank loans – secured	34	4,538,130,944	1,846,972,089	2,062,933,951
Financial guarantee contracts – current	43	–	887	1,645,869
		12,986,780,314	7,312,394,045	8,148,865,562
Net current assets		27,788,968,506	28,035,273,548	26,153,942,721
Total assets less current liabilities		116,276,432,986	106,960,009,819	101,778,929,777

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 30th June, 2013

	NOTES	30th June, 2013 HK\$	THE GROUP 30th June, 2012 HK\$ (Restated)	1st July, 2011 HK\$ (Restated)
Capital and reserves				
Share capital	35	5,947,824,375	5,911,789,367	5,279,040,969
Share premium and reserves		98,858,390,237	88,874,512,102	79,710,680,068
Equity attributable to Company's shareholders		104,806,214,612	94,786,301,469	84,989,721,037
Non-controlling interests		1,178,920,912	821,879,024	790,121,136
Total equity		105,985,135,524	95,608,180,493	85,779,842,173
Non-current liabilities				
Long-term bank and other borrowings				
– due after one year	34	5,640,192,065	7,823,684,649	12,301,197,133
Financial guarantee contracts – non-current	43	–	–	948
Deferred taxation	37	1,509,757,243	1,208,108,678	1,075,782,604
Advances from associates	38	1,695,792,402	1,862,708,895	2,188,632,210
Advances from non-controlling interests	39	1,445,555,752	457,327,104	433,474,709
		10,291,297,462	11,351,829,326	15,999,087,604
		116,276,432,986	106,960,009,819	101,778,929,777

The consolidated financial statements on pages 144 to 248 were approved and authorised for issue by the Board of Directors on 28th August, 2013 and are signed on its behalf by:

Robert NG Chee Siong
Chairman

Daryl NG Win Kong
Director

STATEMENT OF FINANCIAL POSITION

At 30th June, 2013

		THE COMPANY	
	NOTES	2013 HK\$	2012 HK\$
Non-current assets			
Investments in subsidiaries	22	448,569,994	437,560,757
Interests in associates	23	515,829,723	515,880,266
Available-for-sale investments	25	986,370,674	725,387,397
Advance to a subsidiary	22	–	3,459,656,140
		1,950,770,391	5,138,484,560
Current assets			
Trading securities	29	426,518,325	570,874,967
Amounts due from subsidiaries	22	48,610,035,241	43,649,909,037
Amounts due from associates	23	–	235,535
Accounts and other receivables	30	4,391,809	5,507,776
Time deposits, bank balances and cash	31	1,476,690	2,570,257
		49,042,422,065	44,229,097,572
Current liabilities			
Accounts and other payables	33	9,100,129	6,878,737
Amount due to a subsidiary	22	375,244,770	325,265,995
Amounts due to associates	23	67,091,985	67,103,258
Taxation payable		20,227,531	16,042,627
Financial guarantee contracts – current	43	11,000	887
		471,675,415	415,291,504
Net current assets		48,570,746,650	43,813,806,068
Total assets less current liabilities		50,521,517,041	48,952,290,628

STATEMENT OF FINANCIAL POSITION *(Continued)*

At 30th June, 2013

		THE COMPANY	
		2013	2012
	NOTES	HK\$	HK\$
Capital and reserves			
Share capital	35	5,947,824,375	5,911,789,367
Share premium and reserves	36	44,572,903,315	43,039,700,910
Total equity		50,520,727,690	48,951,490,277
Non-current liability			
Financial guarantee contracts – non-current	43	789,351	800,351
		50,521,517,041	48,952,290,628

Robert NG Chee Siong
Chairman

Daryl NG Win Kong
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2013

	Attributable to Company's shareholders						Attributable to Company's shareholders 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, 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
Effect on changes in accounting policies (Note 2)	-	-	-	-	(8,639,458)	4,332,962,331	4,324,322,873	131,473,747	4,455,796,620
As restated	5,279,040,969	28,397,109,700	509,724,000	319,368,606	1,151,666,542	49,332,811,220	84,989,721,037	790,121,136	85,779,842,173
Profit for the year (Restated)	-	-	-	-	-	10,672,548,906	10,672,548,906	70,533,235	10,743,082,141
Other comprehensive (expense) income:									
- loss on fair value change of available-for-sale investments	-	-	-	(100,805,393)	-	-	(100,805,393)	-	(100,805,393)
- exchange differences arising on translation of foreign operations (Restated)	-	-	-	-	540,127,992	-	540,127,992	-	540,127,992
- reclassification adjustments upon disposal of available-for-sale investments	-	-	-	(79,275,173)	-	-	(79,275,173)	-	(79,275,173)
Total comprehensive (expense) income for the year	-	-	-	(180,080,566)	540,127,992	10,672,548,906	11,032,596,332	70,533,235	11,103,129,567
Shares issued in lieu of cash dividends	115,734,302	-	-	-	-	-	115,734,302	-	115,734,302
Bonus issue of shares	527,024,096	(527,024,096)	-	-	-	-	-	-	-
Premium on issue of shares upon scrip dividends	-	1,194,824,423	-	-	-	-	1,194,824,423	-	1,194,824,423
Share issue expenses	-	(90,000)	-	-	-	-	(90,000)	-	(90,000)
Cancellation upon repurchase of own shares	(10,010,000)	-	10,010,000	-	-	(113,010,844)	(113,010,844)	-	(113,010,844)
Deemed capital contribution from non-controlling interests in relation to interest-free advances from non-controlling interests	-	-	-	-	-	-	-	5,804,655	5,804,655
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(44,580,000)	(44,580,000)
Non-controlling interests written off upon deregistration of a subsidiary	-	-	-	-	-	-	-	(2)	(2)
Final dividend – 2011	-	-	-	-	-	(1,844,584,339)	(1,844,584,339)	-	(1,844,584,339)
Interim dividend – 2012	-	-	-	-	-	(588,889,442)	(588,889,442)	-	(588,889,442)
At 30th June, 2012 (Restated)	5,911,789,367	29,064,820,027	519,734,000	139,288,040	1,691,794,534	57,458,875,501	94,786,301,469	821,879,024	95,608,180,493
Profit for the year	-	-	-	-	-	11,687,131,302	11,687,131,302	155,719,350	11,842,850,652
Other comprehensive income:									
- gain on fair value change of available-for-sale investments	-	-	-	258,865,473	-	-	258,865,473	-	258,865,473
- exchange differences arising on translation of foreign operations	-	-	-	-	428,113,878	-	428,113,878	-	428,113,878
Total comprehensive income for the year	-	-	-	258,865,473	428,113,878	11,687,131,302	12,374,110,653	155,719,350	12,529,830,003
Shares issued in lieu of cash dividends	39,885,008	-	-	-	-	-	39,885,008	-	39,885,008
Premium on issue of shares upon scrip dividends	-	493,791,281	-	-	-	-	493,791,281	-	493,791,281
Cancellation upon repurchase of own shares	(3,850,000)	-	3,850,000	-	-	(46,890,040)	(46,890,040)	-	(46,890,040)
Additional interest on non-controlling interests on acquisition of subsidiaries (Note 47)	-	-	-	-	-	-	-	192,579,973	192,579,973
Deemed capital contribution from non-controlling interests in relation to interest-free advances from non-controlling interests	-	-	-	-	-	-	-	42,242,565	42,242,565
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(33,500,000)	(33,500,000)
Final dividend – 2012	-	-	-	-	-	(2,128,157,772)	(2,128,157,772)	-	(2,128,157,772)
Interim dividend – 2013	-	-	-	-	-	(712,825,987)	(712,825,987)	-	(712,825,987)
At 30th June, 2013	5,947,824,375	29,558,611,308	523,584,000	398,153,513	2,119,908,412	66,258,133,004	104,806,214,612	1,178,920,912	105,985,135,524

Note: At 30th June, 2013, retained profits of the Group include a sum of HK\$1,530,308,013 (2012: HK\$1,185,136,405) 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, 2013

	2013 HK\$	2012 HK\$ (Restated)
OPERATING ACTIVITIES		
Profit before taxation	12,503,412,423	11,429,656,954
Adjustments for:		
Finance costs	226,470,687	131,612,735
Depreciation of property, plant and equipment and hotel properties	78,308,406	76,474,152
Release of prepaid lease payments	19,435,965	19,456,920
Gain on disposal of available-for-sale investments	–	(78,492,734)
(Gain) loss on disposal of property, plant and equipment	(73,772)	533,686
Adjustments to construction costs of investment properties	16,955,015	948,723
Cost of property, plant and equipment written off	274,506	1,487,995
Recognition (reversal) of impairment loss on trade receivables	693,549	(505,482)
Share of results of associates	(4,973,268,491)	(2,348,180,657)
Increase in fair value of investment properties	(3,918,639,739)	(4,470,950,610)
Finance income	(464,150,795)	(248,301,281)
(Gain) loss arising from change in fair value of trading securities	(85,346,045)	109,518,974
Gain on disposal of investment properties	(622,377,866)	(224,369,741)
Gain on disposal of a subsidiary	–	(143,139,005)
Gain on disposal of an associate	–	(389,223,795)
Reversal of impairment loss on loans receivable	–	(95,762)
Non-controlling interests written off upon deregistration of a subsidiary	–	(2)
Interest income from loans receivable	(899,728)	(1,143,925)
Dividend income from listed investments	(39,372,025)	(46,195,220)
Dividend income from unlisted investments	(22,410,000)	(19,612,689)
Operating cash flows before movements in working capital	2,719,012,090	3,799,479,236
Decrease (increase) in long-term loans receivable	7,657,129	(18,808,655)
Increase in properties under development	(4,956,644,778)	(1,821,990,968)
Decrease in stocks of completed properties	2,139,873,080	2,307,498,896
Decrease (increase) in hotel inventories	9,633,421	(65,664)
Decrease in trading securities	229,702,687	199,336,232
Decrease (increase) in accounts and other receivables	1,693,648,857	(1,238,539,934)
Increase in accounts and other payables and deposits received on sales of properties	199,789,003	631,551,140
Cash generated from operations	2,042,671,489	3,858,460,283
Hong Kong Profits Tax paid	(453,304,856)	(458,824,591)
Taxation in other jurisdictions paid	(44,000,944)	(38,611,806)
Interest received from loans receivable	899,728	1,143,925
Dividends received from listed investments	39,372,025	46,195,220
Dividends received from unlisted investments	22,410,000	19,612,689
NET CASH FROM OPERATING ACTIVITIES	1,608,047,442	3,427,975,720

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 30th June, 2013

	NOTES	2013 HK\$	2012 HK\$ (Restated)
INVESTING ACTIVITIES			
Repayments from associates		4,597,217,442	1,274,580,610
Dividends received from associates		162,215,175	1,890,981,302
Placement of restricted bank deposits		(230,985,820)	(609,241,437)
Withdrawal of restricted bank deposits		587,013,379	203,552,800
Interest received		177,775,427	160,885,605
Proceeds from disposal of investment properties		2,143,514,358	668,224,812
Proceeds from disposal of property, plant and equipment		679,490	846,606
Proceeds from disposal of available-for-sale investments		–	182,537,900
Repayments from investee company		130,106	280,161
Advances to associates		(3,441,488,836)	(3,123,695,199)
Repayments from non-controlling interests		15,245,586	28,938,864
Advance to a jointly controlled entity		(132,772,685)	(363,563,086)
Additions to investment properties		(120,030,812)	(193,491,231)
Additions to hotel properties		(155,649,528)	(34,303,028)
Additions to property, plant and equipment		(48,547,201)	(32,105,252)
Additions to prepaid lease payments		(5,800,014)	–
Additions to available-for-sale investments		(13,503,682)	(8,650,508)
Acquisition of assets and liabilities through acquisition of subsidiaries	47	(5,113,261)	–
Proceeds from disposal of a subsidiary (net of cash and cash equivalents disposed of)	41	–	579,082,879
Acquisition of additional interests in associates		(281)	(689,596)
Proceeds from disposal of an associate		–	687,484,332
NET CASH FROM INVESTING ACTIVITIES		3,529,898,843	1,311,656,534
FINANCING ACTIVITIES			
New bank and other loans		4,326,250,000	5,850,000,000
Advances from associates		2,801,697,711	421,838,888
Advances from non-controlling interests		973,159,944	29,657,050
Repayments of bank loans		(3,852,872,392)	(10,699,439,845)
Dividends paid		(2,307,307,470)	(1,122,915,056)
Repayments to associates		(247,811,113)	(1,765,323,870)
Interest paid		(196,211,955)	(182,216,746)
Repurchase of own shares		(46,890,040)	(113,010,844)
Dividends paid to non-controlling interests		(33,500,000)	(44,580,000)
Shares issue expenses paid		–	(90,000)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		1,416,514,685	(7,626,080,423)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		6,554,460,970	(2,886,448,169)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		5,042,418,096	7,920,479,097
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		22,764,839	8,387,168
CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing time deposits, bank balances and cash		11,619,643,905	5,042,418,096

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30th June, 2013

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 49.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") 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 Group and the Company have applied the following amendments to standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in 2012
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

Amendments to HKAS 1 "*Presentation of Items of Other Comprehensive Income*"

The amendments to HKAS 1 "*Presentation of Items of Other Comprehensive Income*" introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income' and an 'income statement' is renamed as a 'statement of profit or loss'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

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

Amendments to HKAS 1 “Presentation of Financial Statements” (as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is Annual Improvements to HKFRSs (2009 – 2011 Cycle). The effective date of these amendments is annual periods beginning on or after 1st January, 2013.

In the current year, the Group and the Company have applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1st January, 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a consolidated statement of financial position as at the beginning of the preceding period (third consolidated statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third consolidated statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third consolidated statement of financial position and that related notes are not required to accompany the third consolidated statement of financial position.

In the current year, the Group and the Company have applied the amendments to HKAS 12 “Deferred Tax – Recovery of Underlying Assets” for the first time, which has resulted in a material effect on the information in the consolidated statement of financial position as at 1st July, 2011. In accordance with the amendments to HKAS 1, the Group has not presented the related notes of the third consolidated statement of financial position as at 1st July, 2011.

Amendments to HKAS 12 “Deferred Tax – Recovery of Underlying Assets”

Under the amendments to HKAS 12 “Deferred Tax – Recovery of Underlying Assets”, investment properties that are measured using the fair value model in accordance with HKAS 40 “Investment Property” are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors of the Company (“Directors”) reviewed the investment property portfolios of the subsidiaries and associates of the Group and concluded that investment properties held by the subsidiaries and associates of the Group in Hong Kong and the People’s Republic of China (the “PRC”) are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

As a result of the application of the amendments to HKAS 12, no deferred taxes are recognised on changes in fair value of the investment properties held by the subsidiaries and associates of the Group in Hong Kong as those investment properties in Hong Kong are not subject to any income taxes on changes to the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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

Amendments to HKAS 12 "Deferred Tax – Recovery of Underlying Assets" (Continued)

For those investment properties in the PRC, the deferred taxes on changes in fair value of the investment properties are recognised taking into account the land appreciation tax ("LAT") and enterprise income tax payable upon sales of those investment properties. Previously, the deferred taxes on changes in fair value of investment properties located in the PRC were recognised on the basis that the deferred tax was measured based on the assumption that the carrying amounts of the properties would be recovered through use and no LAT on changes in fair value of investment properties in the PRC was recognised. Amendments to HKAS 12 have been applied retrospectively.

The effects of the change in accounting policy on the results for the current and preceding years described above by line items are as follows:

	2013 HK\$	2012 HK\$ (Restated)
Consolidated statement of profit or loss		
Increase in share of results of associates	133,114,071	135,180,963
Decrease in income tax expense	448,707,229	631,128,344
Increase in profit for the year	581,821,300	766,309,307
Increase in profit for the year attributable to the Company's shareholders	565,901,285	761,904,848
Increase in profit for the year attributable to non-controlling interests	15,920,015	4,404,459
Increase in profit for the year	581,821,300	766,309,307

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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

Amendments to HKAS 12 "Deferred Tax – Recovery of Underlying Assets" (Continued)

	2013 HK\$	2012 HK\$ (Restated)
Consolidated statement of profit or loss and other comprehensive income		
Decrease in exchange differences arising on translation of foreign operations	(9,174,109)	(12,118,585)
Increase in profit for the year	581,821,300	766,309,307
Increase in total comprehensive income for the year	572,647,191	754,190,722
Increase in total comprehensive income for the year attributable to the Company's shareholders	556,727,176	749,786,263
Increase in total comprehensive income for the year attributable to non-controlling interests	15,920,015	4,404,459
Increase in total comprehensive income for the year	572,647,191	754,190,722

	As originally stated HK\$	Adjustments HK\$	As restated HK\$
Consolidated statement of profit or loss for the year ended 30th June, 2012			
Share of results of associates	2,212,999,694	135,180,963	2,348,180,657
Income tax expense	1,317,703,157	(631,128,344)	686,574,813
Profit for the year	9,976,772,834	766,309,307	10,743,082,141
Profit for the year attributable to the Company's shareholders	9,910,644,058	761,904,848	10,672,548,906
Profit for the year attributable to non-controlling interests	66,128,776	4,404,459	70,533,235

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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

Amendments to HKAS 12 "Deferred Tax – Recovery of Underlying Assets" (Continued)

	As originally stated HK\$	Adjustments HK\$	As restated HK\$
Consolidated statement of profit or loss and other comprehensive income for the year ended 30th June, 2012			
Exchange differences arising on translation of foreign operations	552,246,577	(12,118,585)	540,127,992
Profit for the year	9,976,772,834	766,309,307	10,743,082,141
Total comprehensive income for the year	10,348,938,845	754,190,722	11,103,129,567
Total comprehensive income attributable to the Company's shareholders	10,282,810,069	749,786,263	11,032,596,332
Total comprehensive income attributable to non-controlling interests	<u>66,128,776</u>	<u>4,404,459</u>	<u>70,533,235</u>

The effect of the change in accounting policy described above on the financial position of the Group as at the beginning of the comparative period, i.e. 1st July, 2011, is as follows:

	As originally stated HK\$	Adjustments HK\$	As restated HK\$
Consolidated statement of financial position as at 1st July, 2011			
Interests in associates	11,184,181,511	999,160,547	12,183,342,058
Deferred taxation	(4,532,418,677)	<u>3,456,636,073</u>	(1,075,782,604)
Effects on net assets		<u>4,455,796,620</u>	
Retained profits	44,999,848,889	4,332,962,331	49,332,811,220
Exchange reserve	1,160,306,000	(8,639,458)	1,151,666,542
Non-controlling interests	658,647,389	<u>131,473,747</u>	790,121,136
Effects on equity		<u>4,455,796,620</u>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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

Amendments to HKAS 12 "Deferred Tax – Recovery of Underlying Assets" (Continued)

The effect of the change in accounting policy described above on the financial position of the Group as at the end of the immediately preceding financial year, i.e. 30th June, 2012, is as follows:

	As originally stated HK\$	Adjustments HK\$	As restated HK\$
Consolidated statement of financial position as at 30th June, 2012			
Interests in associates	11,628,886,197	1,134,341,510	12,763,227,707
Deferred taxation	(5,283,754,510)	<u>4,075,645,832</u>	(1,208,108,678)
Effects on net assets		<u>5,209,987,342</u>	
Retained profits	52,364,008,322	5,094,867,179	57,458,875,501
Exchange reserve	1,712,552,577	(20,758,043)	1,691,794,534
Non-controlling interests	686,000,818	<u>135,878,206</u>	821,879,024
Effects on equity		<u>5,209,987,342</u>	
Impact on basic earnings per share			
		2013 HK\$	2012 HK\$ (Restated)
Basic earnings per share before adjustments		1.876	1.692
Adjustments arising on the application of the amendments to HKAS 12		<u>0.095</u>	<u>0.131</u>
Basic earnings per share		<u>1.971</u>	<u>1.823</u>

Except as described above, the application of other amendments to standards 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, 2013

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

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle except for the amendments to HKAS 1 ¹
Amendments to HKFRS 1	Government Loans ¹
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ²
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Instruments ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosure of Interests in Other Entities ¹
HKFRS 13	Fair Value Measurement ¹
HKAS 19 (as revised in 2011)	Employee Benefits ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ²
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets ²
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting ²
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹
HK(IFRIC) – Int 21	Levies ²

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

² Effective for annual periods beginning on or after 1st January, 2014

³ Effective for annual periods beginning on or after 1st January, 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

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

HKFRS 9 “Financial Instruments”

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 “*Financial Instruments: Recognition and Measurement*” to be subsequently measured at 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 reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the changes in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The Directors anticipate that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities based on the analysis of the Group’s financial instruments as at 30th June, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

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

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below:

HKFRS 10 replaces the parts of HKAS 27 *“Consolidated and Separate Financial Statements”* that deal with consolidated financial statements and HK(SIC) – Int 12 *“Consolidation – Special Purpose Entities”*. 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) the 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 replaces HKAS 31 *“Interests in Joint Ventures”* and HK(SIC) – Int 13 *“Jointly Controlled Entities – Non-Monetary Contributions by Venturers”*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

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.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1st January, 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The Directors anticipate that these five standards will be adopted in the Group’s consolidated financial statements for the annual period beginning 1st July, 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. However, the Directors are in the process of ascertaining the financial impact on application of these standards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

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

HKFRS 13 “Fair Value Measurement”

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 “*Financial Instruments: Disclosures*” will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The Directors anticipate that HKFRS 13 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1st July, 2013 and that the application of the new standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

The Directors 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 on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the 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 statement of profit or loss from the effective date of acquisition and up to the effective date of disposal, as appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

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 in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the equity of the Company's shareholders.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the Company's shareholders and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance (effective from 1st July, 2009 onwards).

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 the Company's shareholders.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried 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 profits as specified by applicable HKFRSs). 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 and 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 share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *"Share-based Payment"* at the acquisition date; 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.

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.

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, 2013

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 profit or loss and other comprehensive income 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 management accounts made up to 30th June each year.

Interests in associates are included in the Company's statement of financial position at cost less any impairment losses. The results of associates are accounted for by the Company on the basis of dividend received or receivable during the 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, 2013

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 and 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 used 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 and 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 profit or loss and other comprehensive income 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, 2013

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 entity 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 statement of profit or loss when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

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 or redevelopment are measured at fair value at the end of the reporting period. Construction costs incurred for investment properties under construction or redevelopment are capitalised as part of the carrying amount of the investment properties under construction or redevelopment. Any difference between the fair value of the investment properties under construction or redevelopment 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 in the consolidated statement of financial position 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, 2013

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 in the consolidated statement of financial position at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale that are accounted for in accordance with the fair value model in HKAS 40 "Investment Property" are measured at fair value at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

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 released 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

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. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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 company, 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).

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.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment of financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

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 (see the accounting policy in respect of impairment of financial assets below).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

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.

For certain categories of financial asset, such as trade receivables and loans receivable, assets that are assessed not to be impaired individually are, in addition, 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.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's 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.

When an available-for-sale financial asset is considered to be impaired, cumulative losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

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 through 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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 (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 liability, or, where appropriate, a shorter period, to the net carrying amount 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.

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 of obligation under the contract, as 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 the revenue recognition policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, 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 in other comprehensive income is recognised in profit or loss.

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

- (d) Interest income from a financial asset 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 and available-for-sale equity instruments is recognised when the shareholders' rights to receive payment have been established.
- (f) Hotel income is recognised when the hotel services are provided.

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 before taxation as reported in the consolidated statement of profit or loss 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 a jointly controlled entity, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

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.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred taxation are 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 current and deferred taxation are also recognised in other comprehensive income or directly in equity respectively.

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 the respective 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise. 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 under the heading of exchange reserve (attributed to non-controlling interest as appropriate).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

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 Company's shareholders are reclassified to profit or loss.

Retirement benefit costs

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

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios of the subsidiaries and associates of the Group and concluded that the investment properties held by the subsidiaries and associates of the Group in Hong Kong and the PRC are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties held by the subsidiaries and associates of the Group in Hong Kong as those investment properties in Hong Kong are not subject to any income taxes on changes to the fair value of the investment properties. However, for those investment properties in the PRC, the deferred taxes on changes in fair value of investment properties are recognised taking into account LAT and enterprise income tax payable upon sales of those investment properties in the PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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\$25,407,957,851 (2012: HK\$21,869,542,575).

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\$965,950,674 (2012: HK\$1,519,208,274).

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, 2013, the carrying amount of the hotel properties is HK\$1,744,677,191 net of accumulated depreciation of HK\$177,584,332 (2012: HK\$1,609,676,576, net of accumulated depreciation of HK\$151,826,267). Details of the movements of the hotel properties are disclosed in Note 19.

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at 30th June, 2013 at their fair value of HK\$54,610,734,765 (2012: HK\$51,643,719,403). 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 statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

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 and other borrowings, advances from associates/non-controlling interests, amounts due to associates and equity attributable to the Company's shareholders, 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 were no changes on the Group's approach to capital risk management during the year.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	THE COMPANY		THE GROUP	
	2013	2012	2013	2012
	HK\$	HK\$	HK\$	HK\$
Financial assets				
Trading securities (fair value through profit or loss)	426,518,325	570,874,967	426,518,325	570,874,967
Available-for-sale investments	986,370,674	725,387,397	1,055,153,634	782,784,479
Loans and receivables (including cash and cash equivalents)	<u>48,615,713,557</u>	<u>47,117,170,516</u>	<u>25,203,254,606</u>	<u>21,818,961,931</u>
Financial liabilities				
Amortised cost	449,637,411	397,490,664	19,040,546,612	14,636,438,013
Financial guarantee contracts	<u>800,351</u>	<u>801,238</u>	<u>-</u>	<u>887</u>

Financial risk management objectives and policies

The Group's major financial instruments includes accounts and other receivables, advances to associates/ a jointly controlled entity/non-controlling interests/investee company, 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 and other borrowings and advances from associates/non-controlling interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

The Company's major financial instruments includes 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:

Currency risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. 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	
	2013	2012
	HK\$	HK\$
Assets		
Renminbi ("RMB")	1,751,570,935	1,471,983,812
United States Dollars ("USD")	19,675,778	24,485,448
	<hr/>	<hr/>
Liabilities		
RMB	576,829,183	374,269,136
	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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

	THE GROUP	
	2013	2012
	HK\$	HK\$
RMB	38,038,355	37,035,823

Certain available-for-sale investments are denominated in foreign currency of the group entities. For available-for-sale investments amounted to HK\$401,003,772 (2012: HK\$241,440,765) as at 30th June, 2013, an increase/a decrease in 5% of Singaporean dollar against the functional currency of the relevant group entities would result in an increase/a decrease of HK\$20,050,189 (2012: HK\$12,072,038) in the Group's investment revaluation reserve.

Interest rate risk

Long-term loans receivable, bank balances, advances to associates, advance to non-controlling interests, advance to investee company, accounts and other payables, advances from associates and bank borrowings at floating rates expose the Group to cash flow interest rate risk. Advances from non-controlling interests and other borrowing at fixed rates expose the Group to fair value interest rate risk. 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 arise.

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 and prime rate arising from the loans receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

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

The sensitivity analysis below has been determined based on the exposure to interest rates for the floating rate long-term loans receivable, advances to associates, advance to non-controlling interests, advance to investee company, accounts and other payables, advances from associates and bank borrowings. Bank balances are not included in the analysis as the management expects that bank deposit rates do not fluctuate significantly. 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\$15,143,261 (2012: HK\$14,944,748). 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, 2013

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 such reporting period. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in equity price while all other variables were held constant.

	THE COMPANY		THE GROUP	
	2013	2012	2013	2012
	HK\$	HK\$	HK\$	HK\$
Available-for-sale investments				
Increase (decrease) in investment revaluation reserve				
– as a result of increase in equity price	48,306,068	35,256,905	51,197,757	37,579,299
– as a result of decrease in equity price	(48,306,068)	(35,256,905)	(51,197,757)	(37,579,299)
Trading securities				
Increase (decrease) in profit for the year				
– as a result of increase in equity price	17,807,140	23,834,029	17,807,140	23,834,029
– as a result of decrease in equity price	(17,807,140)	(23,834,029)	(17,807,140)	(23,834,029)

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 43. 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 subsidiaries/associates/a jointly controlled entity/non-controlling interests/investee company and amounts due from subsidiaries/associates, 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 subsidiaries/associates/a jointly controlled entity/non-controlling interests/investee company and amounts due from subsidiaries/associates.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Other than concentration of credit risk on advances to subsidiaries/associates/a jointly controlled entity/non-controlling interests/investee company and amounts due from subsidiaries/associates, the Group and the Company do not have any other significant concentration of credit risk. Trade receivables and long-term 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 table details 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 table includes 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\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2013								
Accounts and other payables	N/A	7,300,656	-	-	-	-	7,300,656	7,300,656
Other non-interest bearing liabilities	N/A	442,336,755	-	-	-	-	442,336,755	442,336,755
Financial guarantee contracts	N/A	-	785,350,000	7,040,683,832	2,516,000,000	8,225,480,250	18,567,514,082	800,351
		<u>449,637,411</u>	<u>785,350,000</u>	<u>7,040,683,832</u>	<u>2,516,000,000</u>	<u>8,225,480,250</u>	<u>19,017,151,493</u>	<u>450,437,762</u>
2012								
Accounts and other payables	N/A	5,121,411	-	-	-	-	5,121,411	5,121,411
Other non-interest bearing liabilities	N/A	392,369,253	-	-	-	-	392,369,253	392,369,253
Financial guarantee contracts	N/A	-	628,250,000	3,897,550,000	9,377,450,000	5,627,721,250	19,530,971,250	801,238
		<u>397,490,664</u>	<u>628,250,000</u>	<u>3,897,550,000</u>	<u>9,377,450,000</u>	<u>5,627,721,250</u>	<u>19,928,461,914</u>	<u>398,291,902</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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\$
2013									
Accounts and other payables									
– non-interest bearing	N/A	718,534,632	48,335,502	307,223,906	170,241,350	1,003,804,356	1,119,762	2,249,259,508	2,249,259,508
– variable rate	5.00	1,804,065	-	-	-	-	-	1,804,065	1,804,065
Other liabilities									
– non-interest bearing	N/A	3,455,225,003	-	-	3,007,184,707	-	-	6,462,409,710	6,470,657,249
– variable rate	2.81	-	-	-	98,599,267	-	-	98,599,267	97,439,734
– fixed rate	4.54	97,984	195,968	881,856	28,476,174	-	-	29,651,982	28,476,174
Borrowings									
– variable rate	2.81	1,076,238,208	11,476,418	3,510,320,782	36,505,252	1,817,803,351	-	6,452,344,011	6,349,982,039
– fixed rate	3.25	10,723,827	21,447,655	96,514,446	128,685,928	4,156,069,510	-	4,413,441,366	3,842,927,843
Financial guarantee contracts	N/A	-	-	1,151,183,832	2,500,000,000	2,560,000,000	-	6,211,183,832	-
		<u>5,262,623,719</u>	<u>81,455,543</u>	<u>5,066,124,822</u>	<u>5,969,692,678</u>	<u>9,537,677,217</u>	<u>1,119,762</u>	<u>25,918,693,741</u>	<u>19,040,546,612</u>
2012									
Accounts and other payables									
– non-interest bearing	N/A	566,995,363	59,855,948	200,698,002	273,586,836	820,000,325	-	1,921,136,474	1,921,136,474
– variable rate	7.00	18,532,182	-	-	-	-	-	18,532,182	18,532,182
Other liabilities									
– non-interest bearing	N/A	705,676,293	-	400,327	1,573,727,360	446,712,164	-	2,726,516,144	2,706,418,391
– variable rate	1.30	259,112	518,225	2,332,012	312,591,487	-	-	315,700,836	309,741,250
– fixed rate	1.00	-	-	-	9,952,978	-	-	9,952,978	9,952,978
Borrowings									
– variable rate	1.30	959,468,006	25,929,270	964,153,017	5,266,659,589	2,664,990,528	-	9,881,200,410	9,670,656,738
Financial guarantee contracts	N/A	-	-	3,232,200,000	1,518,700,000	2,500,000,000	-	7,250,900,000	887
		<u>2,250,930,956</u>	<u>86,303,443</u>	<u>4,399,783,358</u>	<u>8,955,218,250</u>	<u>6,431,703,017</u>	<u>-</u>	<u>22,123,939,024</u>	<u>14,636,438,900</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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 end of the reporting period, 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 table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 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.

The Company

	2013		2012	
	Level 1 HK\$	Total HK\$	Level 1 HK\$	Total HK\$
Available-for-sale investments	966,121,369	966,121,369	705,138,092	705,138,092
Trading securities:				
Equity securities listed in Hong Kong	426,212,699	426,212,699	570,617,281	570,617,281
Equity securities listed elsewhere	305,626	305,626	257,686	257,686
Total	<u>1,392,639,694</u>	<u>1,392,639,694</u>	<u>1,276,013,059</u>	<u>1,276,013,059</u>

The Group

	2013		2012	
	Level 1 HK\$	Total HK\$	Level 1 HK\$	Total HK\$
Available-for-sale investments	1,023,955,144	1,023,955,144	751,585,989	751,585,989
Trading securities:				
Equity securities listed in Hong Kong	426,212,699	426,212,699	570,617,281	570,617,281
Equity securities listed elsewhere	305,626	305,626	257,686	257,686
Total	<u>1,450,473,469</u>	<u>1,450,473,469</u>	<u>1,322,460,956</u>	<u>1,322,460,956</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

6. FINANCIAL INSTRUMENTS *(Continued)*

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.

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

7. TURNOVER

	2013 HK\$	2012 HK\$
Sales of properties held for sale	3,359,231,812	4,279,287,892
Gross rental income from properties	2,568,789,128	2,365,587,093
Property management and service fee income	980,364,474	888,061,455
Hotel operations	847,518,296	795,932,634
Interest income from loans receivable	899,728	1,143,925
Dividend income		
listed investments	39,372,025	46,195,220
unlisted investments	22,410,000	19,612,689
	7,818,585,463	8,395,820,908

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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.

Segment Results

For the year ended 30th June, 2013

	The Company and its subsidiaries		Associates		Total	
	External revenue HK\$	Results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property						
Property sales	3,359,231,812	426,456,472	10,768,950,648	4,084,877,788	14,128,182,460	4,511,334,260
Property rental	2,568,789,128	2,209,666,098	635,627,440	580,853,920	3,204,416,568	2,790,520,018
	<u>5,928,020,940</u>	<u>2,636,122,570</u>	<u>11,404,578,088</u>	<u>4,665,731,708</u>	<u>17,332,599,028</u>	<u>7,301,854,278</u>
Property management and other services	980,364,474	207,564,582	76,217,628	14,132,057	1,056,582,102	221,696,639
Hotel operations	847,518,296	359,529,829	230,418,600	131,036,100	1,077,936,896	490,565,929
Investments in securities	61,782,025	61,024,827	453,900	453,900	62,235,925	61,478,727
Financing	899,728	899,728	656,173	656,173	1,555,901	1,555,901
	<u>7,818,585,463</u>	<u>3,265,141,536</u>	<u>11,712,324,389</u>	<u>4,812,009,938</u>	<u>19,530,909,852</u>	<u>8,077,151,474</u>

Segment Assets

As at 30th June, 2013

	The Company and its subsidiaries HK\$	Associates and a jointly controlled entity HK\$	Total HK\$
Property			
Property sales	26,488,772,773	6,578,231,921	33,067,004,694
Property rental	55,330,408,742	10,525,975,584	65,856,384,326
	<u>81,819,181,515</u>	<u>17,104,207,505</u>	<u>98,923,389,020</u>
Property management and other services	229,022,901	7,851,137	236,874,038
Hotel operations	3,100,042,188	747,563,471	3,847,605,659
Investments in securities	1,504,229,931	44,486,148	1,548,716,079
Financing	12,713,683,671	1,454,812	12,715,138,483
	<u>99,366,160,206</u>	<u>17,905,563,073</u>	<u>117,271,723,279</u>
Segment assets			
Restricted bank deposits, time deposits, bank balances and cash			11,943,277,008
Taxation recoverable			48,213,013
			<u>129,263,213,300</u>
Total assets			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

8. OPERATING SEGMENTS (Continued)

Other Information

For the year ended 30th June, 2013

	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	4,254,269	1,016,864	12,546,541	30,729,527	–	–	48,547,201
– Investment properties	–	120,030,812	–	–	–	–	120,030,812
– Hotel properties	–	–	–	155,649,528	–	–	155,649,528
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	–	3,918,639,739	–	–	–	–	3,918,639,739

Segment Results

For the year ended 30th June, 2012

	The Company and its subsidiaries		Associates		Total	
	External revenue HK\$	Results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property						
Property sales	4,279,287,892	1,706,189,451	2,869,505,287	1,311,435,731	7,148,793,179	3,017,625,182
Property rental	2,365,587,093	2,028,889,294	585,754,022	529,344,441	2,951,341,115	2,558,233,735
	6,644,874,985	3,735,078,745	3,455,259,309	1,840,780,172	10,100,134,294	5,575,858,917
Property management and other services	888,061,455	198,567,386	73,233,269	7,200,163	961,294,724	205,767,549
Hotel operations	795,932,634	343,461,080	225,791,400	128,556,000	1,021,724,034	472,017,080
Investments in securities	65,807,909	64,656,621	203,900	203,900	66,011,809	64,860,521
Financing	1,143,925	1,143,925	76,665	72,280	1,220,590	1,216,205
	8,395,820,908	4,342,907,757	3,754,564,543	1,976,812,515	12,150,385,451	6,319,720,272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

8. OPERATING SEGMENTS (Continued)

Segment Assets

As at 30th June, 2012

	The Company and its subsidiaries HK\$	Associates and a jointly controlled entity HK\$ (Restated)	Total HK\$ (Restated)
Property			
Property sales	25,279,131,030	2,562,510,659	27,841,641,689
Property rental	52,116,006,578	9,522,729,754	61,638,736,332
	<u>77,395,137,608</u>	<u>12,085,240,413</u>	<u>89,480,378,021</u>
Property management and other services	171,124,717	5,964,153	177,088,870
Hotel operations	2,994,758,369	708,994,867	3,703,753,236
Investments in securities	1,372,338,395	63,247,148	1,435,585,543
Financing	13,751,713,060	1,541,830	13,753,254,890
	<u>95,685,072,149</u>	<u>12,864,988,411</u>	<u>108,550,060,560</u>
Segment assets			
Restricted bank deposits, time deposits, bank balances and cash			5,722,078,758
Taxation recoverable			<u>264,546</u>
Total assets			<u>114,272,403,864</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

8. OPERATING SEGMENTS (Continued)

Other Information

For the year ended 30th June, 2012

	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	2,589,347	1,334,229	8,364,203	19,817,473	–	–	32,105,252
– Investment properties	–	193,491,231	–	–	–	–	193,491,231
– Hotel properties	–	–	–	34,303,028	–	–	34,303,028
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	–	4,470,950,610	–	–	–	–	4,470,950,610

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 and other gains or losses, certain administrative expenses and other operating expenses, changes in fair value of investment properties and trading securities, gains on disposal of available-for-sale investments, investment properties, a subsidiary and an associate and certain finance income net of finance costs. The profit earned by each segment also includes the share of results from the Group's associates without allocation of the associates' certain other income and other gains or losses, 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, 2013

8. OPERATING SEGMENTS (Continued)

Reconciliation of profit before taxation

	2013 HK\$	2012 HK\$ (Restated)
Segment profit	8,077,151,474	6,319,720,272
Other income and other gains or losses	84,688,824	97,500,123
Increase in fair value of investment properties	3,918,639,739	4,470,950,610
Gain (loss) arising from change in fair value of trading securities	85,346,045	(109,518,974)
Gain on disposal of available-for-sale investments	–	78,492,734
Gain on disposal of investment properties	622,377,866	224,369,741
Gain on disposal of a subsidiary	–	143,139,005
Gain on disposal of an associate	–	389,223,795
Administrative expenses and other operating expenses	(683,464,919)	(672,101,889)
Finance income, net	237,414,841	116,513,395
Results shared from associates		
– Other income and other gains or losses	38,213,973	36,404,992
– Increase in fair value of investment properties	1,448,231,378	1,073,552,768
– Administrative expenses and other operating expenses	(194,511,328)	(262,398,620)
– Finance costs net of finance income	(293,336,871)	(123,203,288)
– Income tax expense	(837,338,599)	(352,987,710)
	<u>161,258,553</u>	<u>371,368,142</u>
Profit before taxation	<u>12,503,412,423</u>	<u>11,429,656,954</u>

During the year, all inter-segment sales of HK\$40,892,101 (2012: HK\$44,934,044) were eliminated within the segment of “property management and other services”. 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 carried out in Hong Kong.

Information about major customers

There was no customer who individually 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, 2013

9. FINANCE INCOME

	2013 HK\$	2012 HK\$
Interest income on:		
advances to associates	78,579,534	71,275,544
advance to investee company	826,144	867,339
bank deposits	98,369,749	88,742,722
Imputed interest income on non-current interest-free advances to associates	286,374,481	85,769,746
Financial guarantee income	887	1,645,930
	<u>464,150,795</u>	<u>248,301,281</u>

10. FINANCE COSTS

	2013 HK\$	2012 HK\$
Interest and other finance costs on:		
bank loans wholly repayable within five years	233,705,540	197,151,118
other loans wholly repayable within five years	4,936,949	5,988,034
Imputed interest expense on non-current interest-free advances from associates	28,345,292	15,607,357
	<u>266,987,781</u>	<u>218,746,509</u>
Less: Amounts capitalised to properties under development	<u>(40,517,094)</u>	<u>(87,133,774)</u>
	<u>226,470,687</u>	<u>131,612,735</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

11. SHARE OF RESULTS OF ASSOCIATES

	2013 HK\$	2012 HK\$ (Restated)
Share of results of associates comprises:		
Share of profits of associates	5,810,607,090	2,701,168,367
Share of taxation of associates	<u>(837,338,599)</u>	<u>(352,987,710)</u>
	<u>4,973,268,491</u>	<u>2,348,180,657</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\$1,374,581,410 (2012: HK\$1,022,631,439) recognised in the statement of profit or loss of the associates.

12. PROFIT BEFORE TAXATION

	2013 HK\$	2012 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Staff costs including Directors' remuneration:		
Staff salaries and other benefits	1,209,132,637	1,126,457,071
Retirement benefit scheme contributions	<u>51,979,151</u>	<u>45,653,214</u>
Total staff costs	<u>1,261,111,788</u>	<u>1,172,110,285</u>
Release of prepaid lease payments (included in other operating expenses)	19,435,965	19,456,920
Auditor's remuneration		
– audit services		
– current year provision	4,346,030	4,219,783
– overprovision of previous years	<u>(489,231)</u>	<u>(13,286)</u>
– non audit services	1,498,500	678,240
Cost of hotel inventories consumed (included in direct expenses)	106,424,464	89,015,976
Cost of properties sold	2,658,285,013	2,283,937,012
Depreciation of property, plant and equipment and hotel properties (included in other operating expenses)	78,308,406	76,474,152
(Gain) loss on disposal of property, plant and equipment	<u>(73,772)</u>	533,686
Cost of property, plant and equipment written off	274,506	1,487,995
Recognition (reversal) of impairment loss on trade receivables	693,549	(505,482)
Reversal of impairment loss on loans receivable	–	(95,762)
Net exchange gain (include in other income and other gains or losses)	<u>(10,619,596)</u>	<u>(26,269,439)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

13. DIRECTORS' AND CHAIRMAN'S EMOLUMENTS

The emoluments paid or payable to each of the eleven (2012: twelve) directors, which include the Chairman, were as follows:

2013

	Mr. Robert Ng Chee Siong HK\$ (Note ii)	Mr. Yu Wai Wai HK\$ (Note iv)	Mr. Daryl Ng Win Kong HK\$	Mr. Ringo Chan Wing Kwong HK\$	Ms. Alice Ip Mo Lin HK\$	Mr. Gordon Lee Ching Keung HK\$ (Note v)	The Honourable Ronald Joseph Arculli HK\$ (Note iii)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Mr. Wong Cho Bau HK\$	Mr. Steven Ong Kay Eng HK\$ (Note vi)	Total HK\$
Fees	40,000	6,670	30,000	25,000	40,000	10,000	60,000	200,000	200,000	180,000	190,000	981,670
Other emoluments												
Salaries and other benefits	1,226,760	1,881,122	793,930	3,415,797	3,723,780	2,087,611	-	-	-	-	-	13,129,000
Retirement benefit scheme contributions	15,000	13,000	15,000	39,000	21,000	10,500	-	-	-	-	-	113,500
Discretionary bonus (Note i)	-	-	171,490	863,960	1,132,800	-	-	-	-	-	-	2,168,250
Total emoluments	1,281,760	1,900,792	1,010,420	4,343,757	4,917,580	2,108,111	60,000	200,000	200,000	180,000	190,000	16,392,420

2012

	Mr. Robert Ng Chee Siong HK\$ (Note ii)	Mr. Thomas Mr. Yu Wai Wai HK\$	Mr. Daryl Tang Wing Yung HK\$ (Note vii)	Mr. Ringo Ng Chan Win Kong Wing Kwong HK\$	Ms. Alice Ip Mo Lin HK\$	The Honourable Ronald Joseph Arculli HK\$ (Note iii)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Dr. Fu Yuning HK\$ (Note viii)	Mr. Wong Cho Bau HK\$	Mr. Steven Ong Kay Eng HK\$ (Note vi)	Total HK\$	
Fees	33,340	20,000	15,000	30,000	21,670	35,850	60,000	193,340	193,340	60,000	150,000	138,340	950,880
Other emoluments													
Salaries and other benefits	1,226,760	5,543,916	5,349,067	750,200	3,160,549	3,042,780	-	-	-	-	-	-	19,073,272
Retirement benefit scheme contributions	12,250	36,250	15,000	12,250	36,250	18,250	-	-	-	-	-	-	130,250
Discretionary bonus (Note i)	-	902,570	500,000	62,360	575,670	939,700	-	-	-	-	-	-	2,980,300
Total emoluments	1,272,350	6,502,736	5,879,067	854,810	3,794,139	4,036,580	60,000	193,340	193,340	60,000	150,000	138,340	23,134,702

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

13. DIRECTORS' AND CHAIRMAN'S EMOLUMENTS *(Continued)*

Note i: Discretionary bonus is determined primarily based on the performance of each director and the profitability of the Group.

Note ii: Mr. Robert Ng Chee Siong is also the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman. Mr. Ng also holds shares in the Company which give him significant influence over the Group.

Note iii: A consultancy fee of HK\$1,666,664 (2012: HK\$1,666,664) was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli is the sole proprietor.

Note iv: Mr. Yu Wai Wai resigned as an Executive Director of the Company on 31st October, 2012.

Note v: Mr. Gordon Lee Ching Keung was appointed as an Executive Director of the Company on 3rd January, 2013.

Note vi: Mr. Steven Ong Kay Eng was appointed as an Independent Non-Executive Director of the Company on 28th October, 2011.

Note vii: Mr. Thomas Tang Wing Yung resigned as an Executive Director of the Company on 26th March, 2012.

Note viii: Dr. Fu Yuning retired as an Independent Non-Executive Director of the Company on 28th October, 2011.

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2012: three) are Directors of the Company whose emoluments are included in Note 13 above. The emoluments of the remaining three (2012: two) individuals disclosed pursuant to the Listing Rules are as follows:

	2013	2012
	HK\$	HK\$
Salaries and other emoluments (including basic salaries, housing allowances, other allowances and benefits in kind)	11,323,488	7,283,252
Retirement benefit scheme contributions	57,000	54,500
Discretionary bonus	2,517,840	1,162,856
	13,898,328	8,500,608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

14. EMPLOYEES' EMOLUMENTS *(Continued)*

The emoluments of the remaining three (2012: two) individuals were within the following bands:

	Number of individuals	
	2013	2012
HK\$		
4,000,001 – 4,500,000	–	2
4,500,001 – 5,000,000	3	–
	<hr/>	<hr/>

For the years ended 30th June, 2013 and 2012, no emoluments were paid by the Group to these five highest paid individuals and the 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.

15. INCOME TAX EXPENSE

	2013	2012
	<i>HK\$</i>	<i>HK\$</i> (Restated)
The charge comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% (2012: 16.5%)	364,111,359	455,725,388
Overprovision in previous years	(1,524,037)	(479,870)
Additional provisions in respect of tax inquiries <i>(Note)</i>	–	308,180
	<hr/>	<hr/>
	362,587,322	455,553,698
Taxation in other jurisdictions		
Provision for the year	97,108,400	48,060,376
Overprovision in previous years	–	(6,423,635)
	<hr/>	<hr/>
	97,108,400	41,636,741
	<hr/>	<hr/>
	459,695,722	497,190,439
Deferred taxation <i>(Note 37)</i>		
Current year	200,866,049	189,384,374
	<hr/>	<hr/>
	660,561,771	686,574,813
	<hr/>	<hr/>

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, 2013

15. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

	2013 HK\$	2012 HK\$ (Restated)
Profit before taxation	12,503,412,423	11,429,656,954
Tax at Hong Kong Profits Tax rate of 16.5% (2012: 16.5%)	2,063,063,050	1,885,893,397
Tax effect of share of results of associates	(820,589,301)	(387,449,808)
Tax effect of expenses not deductible for tax purpose	10,745,703	5,606,377
Tax effect of income not taxable for tax purpose	(773,585,989)	(906,273,911)
Additional provisions in respect of tax inquiries (Note)	–	308,180
Overprovision in previous years	(1,524,037)	(6,903,505)
Tax effect of tax losses not recognised	7,915,636	16,463,430
Tax effect of deferred taxation assets not recognised	123,108,385	20,053,123
Utilisation of tax losses previously not recognised	(35,227,238)	(12,848,904)
Utilisation of deferred taxation assets previously not recognised	(34,158,441)	(10,923,064)
Effect of different tax rates of subsidiaries operating in other jurisdictions	120,814,003	82,649,498
Tax charge for the year	660,561,771	686,574,813

Note:

The Inland Revenue Department ("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. As at 30th June, 2011, provisions for tax payable in respect of the assessments of HK\$208,282,240 and for the estimated interest payable on additional tax of HK\$114,339,551 were made by the Group. During the year ended 30th June, 2012, the Group had reached a settlement agreement with the IRD and the final additional tax and interest on additional tax to be settled were HK\$208,590,420 and HK\$99,436,653 respectively. Based on this settlement agreement, additional provision of tax of HK\$308,180 and overprovision of interest payable in previous years of HK\$14,902,898 had been charged and written back to administrative expenses in the consolidated statement of profit or loss of the Group for the year ended 30th June, 2012, respectively. The provisions for additional tax and interest on additional tax are to be settled by installments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

16. DIVIDENDS

	2013 HK\$	2012 HK\$
Dividends recognised as distribution during the year:		
Final dividend for the year ended 30th June, 2012: HK36 cents (2012: HK35 cents for the year ended 30th June, 2011) per share	2,128,157,772	1,844,584,339
Interim dividend for the year ended 30th June, 2013: HK12 cents (2012: HK10 cents for the year ended 30th June, 2012) per share	712,825,987	588,889,442
	<u>2,840,983,759</u>	<u>2,433,473,781</u>

During the year, scrip dividends were offered in respect of the 2012 final and 2013 interim dividends. These scrip alternatives were accepted by the majority of shareholders, as follows:

	2013 Interim dividend HK\$	2012 Final dividend HK\$
Dividends:		
Cash	566,500,783	1,740,806,687
Scrip alternatives	146,325,204	387,351,085
	<u>712,825,987</u>	<u>2,128,157,772</u>

A final dividend of HK38 cents (2012: HK36 cents) per share for the year ended 30th June, 2013, totalling HK\$2,260,173,263 based on 5,947,824,375 shares (2012: HK\$2,128,244,172 based on 5,911,789,367 number of shares), has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting.

On 10th December, 2012 and 23rd April, 2013, the Company issued and allotted a total of 28,667,191 (2012: 91,629,359) ordinary shares and 11,217,817 (2012: 24,104,943) ordinary shares of HK\$1.00 each at an issue price of HK\$13.512 (2012: HK\$10.784) and HK\$13.044 (2012: HK\$13.376) per share in the Company in lieu of cash for the 2012 final and 2013 interim dividends (2012: 2011 final and 2012 interim dividends) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

17. EARNINGS PER SHARE**(a) Reported earnings per share**

The calculation of the basic earnings per share attributable to the Company's shareholders is based on the following data:

	2013 HK\$	2012 <i>HK\$</i> (Restated)
Earnings for the purpose of basic earnings per share	<u>11,687,131,302</u>	<u>10,672,548,906</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>5,929,327,704</u>	<u>5,854,870,907</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 30th June, 2012 had been adjusted for the bonus issue that took place on 8th December, 2011.

No diluted earnings per share has been presented for the years ended 30th June, 2013 and 2012 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, 2013

17. EARNINGS PER SHARE (Continued)

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK\$6,635,850,519 (2012: HK\$5,310,690,106) is also presented, excluding the net effect of changes in fair value of the Group's and the associates' investment properties. The denominators used are the same as those detailed above for reported earnings per share. A reconciliation of profit is as follows:

	2013 HK\$	2012 HK\$ (Restated)
Earnings for the purpose of basic earnings per share	<u>11,687,131,302</u>	<u>10,672,548,906</u>
Increase in fair value of investment properties	3,918,639,739	4,470,950,610
Effect of corresponding deferred tax charges	(123,220,192)	(96,178,550)
Share of results of associates		
– Increase in fair value of investment properties	1,448,231,378	1,073,552,768
– Effect of corresponding deferred tax charges	(73,649,968)	(50,921,329)
	<u>5,170,000,957</u>	<u>5,397,403,499</u>
Non-controlling interests	(118,720,174)	(35,544,699)
Net effect of changes in fair value of investment properties	<u>5,051,280,783</u>	<u>5,361,858,800</u>
Underlying profit attributable to the Company's shareholders	<u>6,635,850,519</u>	<u>5,310,690,106</u>
Underlying earnings per share	<u>1.119</u>	<u>0.907</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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 PRC held under medium- term lease HK\$	Investment properties under redevelopment in Hong Kong HK\$	Investment properties in Singapore held under a long lease HK\$	Total HK\$
THE GROUP						
FAIR VALUE						
At 1st July, 2011	2,673,000,000	41,967,790,122	1,198,828,809	601,000,000	1,333,242,075	47,773,861,006
Exchange realignment	-	-	25,934,326	-	(48,649,688)	(22,715,362)
Additions	98,897,692	74,889,934	66,102	19,186,477	451,026	193,491,231
Transfer from stocks of completed properties	-	33,888,993	-	-	-	33,888,993
Transfer to investment properties under redevelopment	(362,778,520)	-	-	362,778,520	-	-
Transfer from properties under development upon completion	-	81,129,097	-	-	67,917,622	149,046,719
Disposals	-	(443,855,071)	-	-	-	(443,855,071)
Disposal of a subsidiary (Note 41)	-	(510,000,000)	-	-	-	(510,000,000)
Adjustments to construction costs	-	(948,723)	-	-	-	(948,723)
Increase in fair value	<u>323,880,828</u>	<u>3,931,288,573</u>	<u>98,373,141</u>	<u>53,035,003</u>	<u>64,373,065</u>	<u>4,470,950,610</u>
At 30th June, 2012	2,733,000,000	45,134,182,925	1,323,202,378	1,036,000,000	1,417,334,100	51,643,719,403
Exchange realignment	-	-	30,792,276	-	4,042,600	34,834,876
Additions	-	21,251,936	-	68,686,816	30,092,060	120,030,812
Acquisition of subsidiaries (Note 47)	-	605,100,000	-	-	-	605,100,000
Transfer to properties under development	-	-	-	(217,381,619)	-	(217,381,619)
Transfer to assets classified as held for sale	-	(170,000,000)	-	-	-	(170,000,000)
Transfer from properties under development upon completion	-	205,109,889	8,773,172	-	-	213,883,061
Disposals	-	(1,521,136,492)	-	-	-	(1,521,136,492)
Adjustments to construction costs	-	(8,567,935)	-	-	(8,387,080)	(16,955,015)
Increase in fair value	<u>330,000,000</u>	<u>3,345,327,946</u>	<u>131,174,835</u>	<u>57,851,638</u>	<u>54,285,320</u>	<u>3,918,639,739</u>
At 30th June, 2013	<u>3,063,000,000</u>	<u>47,611,268,269</u>	<u>1,493,942,661</u>	<u>945,156,835</u>	<u>1,497,367,000</u>	<u>54,610,734,765</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

18. INVESTMENT PROPERTIES *(Continued)*

The fair values of the Group's investment properties at 30th June, 2013 and 2012 have been arrived at on the basis of valuations carried out as at that date by Knight Frank Petty Ltd. and Colliers International Consultancy & Valuation (Singapore) Pte Ltd, firms of independent qualified professional property valuers not connected with the Group. The valuations for completed investment properties were arrived at by reference to market evidence of recent transaction prices for similar properties and 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.

For investment properties under construction or redevelopment, the valuations have been arrived at by 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 as of completion, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

19. HOTEL PROPERTIES

**Hotel properties
in Singapore held
under a long lease**
HK\$

THE GROUP

COST

At 1st July, 2011	1,790,984,635
Exchange realignment	(63,784,820)
Additions	<u>34,303,028</u>
At 30th June, 2012	1,761,502,843
Exchange realignment	5,109,152
Additions	<u>155,649,528</u>
At 30th June, 2013	<u>1,922,261,523</u>

DEPRECIATION

At 1st July, 2011	133,404,659
Exchange realignment	(5,179,005)
Provided for the year	<u>23,600,613</u>
At 30th June, 2012	151,826,267
Exchange realignment	456,849
Provided for the year	<u>25,301,216</u>
At 30th June, 2013	<u>177,584,332</u>

CARRYING VALUES

At 30th June, 2013	<u>1,744,677,191</u>
At 30th June, 2012	<u>1,609,676,576</u>

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, 2013

20. PROPERTY, PLANT AND EQUIPMENT

	Computer systems HK\$	Furniture, fixtures, equipment and hotel operating equipment HK\$	Leasehold improvements HK\$	Motor vehicles HK\$	Plant and machinery HK\$	Total HK\$
THE GROUP						
COST						
At 1st July, 2011	73,832,936	268,539,646	41,030,374	24,443,825	6,584,015	414,430,796
Exchange realignment	(922,227)	(7,765,483)	24,482	(273,612)	–	(8,936,840)
Additions	5,447,655	21,608,016	155,524	3,115,587	1,778,470	32,105,252
Write off	(144,634)	(2,413,691)	(25,550)	–	–	(2,583,875)
Disposals	(1,509,618)	(1,150,510)	(98,118)	(1,972,268)	(1,085,697)	(5,816,211)
At 30th June, 2012	76,704,112	278,817,978	41,086,712	25,313,532	7,276,788	429,199,122
Exchange realignment	143,288	818,852	20,967	78,757	249	1,062,113
Additions	6,223,068	34,243,048	3,209,476	2,207,273	2,664,336	48,547,201
Write off	–	(785,690)	–	–	–	(785,690)
Disposals	(1,254,526)	(2,621,035)	(67,843)	(1,929,529)	(574,753)	(6,447,686)
At 30th June, 2013	81,815,942	310,473,153	44,249,312	25,670,033	9,366,620	471,575,060
DEPRECIATION						
At 1st July, 2011	54,654,519	158,429,720	31,248,153	15,317,155	4,946,421	264,595,968
Exchange realignment	(721,304)	(5,132,190)	14,108	(171,095)	–	(6,010,481)
Provided for the year	9,721,319	35,430,808	3,567,202	3,189,338	964,872	52,873,539
Write off	(135,215)	(935,115)	(25,550)	–	–	(1,095,880)
Eliminated on disposals	(1,479,495)	(855,207)	(18,658)	(1,100,559)	(982,000)	(4,435,919)
At 30th June, 2012	62,039,824	186,938,016	34,785,255	17,234,839	4,929,293	305,927,227
Exchange realignment	97,489	545,160	18,206	58,932	2	719,789
Provided for the year	8,850,057	36,875,888	2,795,239	2,667,167	1,818,839	53,007,190
Write off	–	(511,184)	–	–	–	(511,184)
Eliminated on disposals	(1,241,346)	(2,406,709)	(56,689)	(1,572,048)	(565,176)	(5,841,968)
At 30th June, 2013	69,746,024	221,441,171	37,542,011	18,388,890	6,182,958	353,301,054
CARRYING VALUES						
At 30th June, 2013	12,069,918	89,031,982	6,707,301	7,281,143	3,183,662	118,274,006
At 30th June, 2012	14,664,288	91,879,962	6,301,457	8,078,693	2,347,495	123,271,895

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

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, equipment and hotel operating equipment	10% – 33 $\frac{1}{3}$ %
Leasehold improvements	20%
Motor vehicles	20%
Plant and machinery	10% – 30%

Included in furniture, fixtures, equipment and hotel operating equipment, the carrying value of HK\$74,477,411 (2012: HK\$74,819,459) as at 30th June, 2013 represents furniture, fixtures and equipment relating to the hotel operations of the Group.

21. PREPAID LEASE PAYMENTS

	THE GROUP	
	2013	2012
	HK\$	HK\$
The Group's prepaid lease payments comprise:		
Leasehold land for hotel properties outside Hong Kong – long lease	<u>1,206,638,353</u>	<u>1,216,912,765</u>
Analysed for reporting purposes as:		
Current assets	19,462,924	19,104,164
Non-current assets	<u>1,187,175,429</u>	<u>1,197,808,601</u>
	<u>1,206,638,353</u>	<u>1,216,912,765</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

22. INVESTMENTS IN SUBSIDIARIES/ADVANCE TO A SUBSIDIARY/AMOUNTS DUE FROM/TO SUBSIDIARIES

	THE COMPANY	
	2013 HK\$	2012 HK\$
Investments in subsidiaries:		
Unlisted shares, at cost	493,520,816	482,511,579
Less: impairment losses recognised	(44,950,822)	(44,950,822)
	448,569,994	437,560,757
Advance to a subsidiary	–	3,459,656,140

In 2012, the advance to a subsidiary was 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 was classified as a non-current asset in the statement of financial position of the Company as at 30th June, 2012. The amount was wholly repaid in the current year.

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, 2013 and 2012 are set out in Note 49.

23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES

	THE COMPANY		THE GROUP	
	2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$ (Restated)
Interests in associates:				
Unlisted shares, at cost	515,829,723	515,880,266	3,284,880,912	3,149,614,433
Share of post-acquisition profits	–	–	14,528,506,530	9,613,613,274
	515,829,723	515,880,266	17,813,387,442	12,763,227,707
Advances to associates	–	–	10,982,107,874	10,068,233,063
Less: allowance	–	–	(1,432,135,476)	(1,577,809,246)
	–	–	9,549,972,398	8,490,423,817

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES (Continued)**Movements in the allowance**

	THE GROUP	
	2013	2012
	HK\$	HK\$
Balance at the beginning of the year	1,577,809,246	1,504,159,690
(Reversal) recognition of impairment losses	(145,673,770)	73,649,556
	<u>1,432,135,476</u>	<u>1,577,809,246</u>

Included in the cost of investment in associates is goodwill of HK\$142,498,716 (2012: HK\$142,498,716) arising on acquisitions of associates in prior years.

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 30th June, 2013, out of the Group's advances to associates net of allowance, HK\$3,702,909,560 (2012: HK\$4,299,249,963) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$5,847,062,838 (2012: HK\$4,191,173,854) is interest-free. The effective interest rate for imputed interest income for the interest-free loan is determined based on the cost-of-funds of the borrower 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.

As at 30th June, 2013, the Directors reviewed the carrying amounts of the advances to associates. The recoverable amounts of these advances to associates for the year are determined with reference to the Directors' estimate of discounted future cash flows and financial position of these associates as at the end of the reporting period. Accordingly, impairment loss of HK\$145,673,770 (2012: HK\$73,649,556 was recognised) was reversed by considering the improvement in financial position of the respective associates.

The amounts due from associates of the Group grouped under current assets are unsecured, interest-free and are expected to be repaid within one year. 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.

Particulars of the principal associates at 30th June, 2013 and 2012 are set out in Note 50.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES *(Continued)*

During the year ended 30th June, 2012, the Group sold its effective interest in a commercial building by way of selling its entire 50% equity interest in Better Chief Limited ("Better Chief"), an associate of the Group, and assigned advance to Better Chief of the Group to the purchaser, for a consideration of approximately HK\$1,255 million to an independent third party. Included in the consideration of approximately HK\$687 million was net proceed received from the purchaser net of professional fee incurred and construction cost to be borne by the Group. A gain on disposal of an associate of approximately HK\$389 million had been recognised in profit or loss in prior year.

The summarised financial information in respect of the Group's associates is set out below:

	2013 HK\$	2012 HK\$ (Restated)
Total assets	108,065,907,071	119,415,604,397
Total liabilities	(56,433,221,101)	(82,580,175,477)
Net assets	<u>51,632,685,970</u>	<u>36,835,428,920</u>
Group's share of net assets of associates	<u>17,670,888,726</u>	<u>12,620,728,991</u>
Turnover	<u>27,203,996,879</u>	<u>11,098,467,743</u>
Profit for the year	<u>15,496,507,348</u>	<u>7,722,507,673</u>
Group's share of results of associates for the year	<u>4,973,268,491</u>	<u>2,348,180,657</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES (Continued)

As at 30th June, 2011, provisions for tax payables in respect of the above assessments of HK\$28,736,151 and for the estimated interest payable on additional tax of HK\$15,567,102 were made by MII. As at 30th June, 2011, the effective share of tax and the estimated interest payable attributable to the Group were HK\$12,931,268 and HK\$7,005,196 respectively. During the year ended 30th June, 2012, MII had reached a settlement agreement with the IRD and the final amounts of additional tax and interest payable to be settled were HK\$28,757,280 and HK\$6,600,000 respectively. Based on this settlement agreement, the effective share of final amounts of additional tax and interest payable attributable to the Group were HK\$12,940,776 and HK\$2,970,000 respectively. Accordingly, the effective share of additional provision of tax attributable to the Group of HK\$9,508 and the effective share of overprovision of interest payable in previous years attributable to the Group of HK\$4,035,196 had been charged and written back to the consolidated statement of profit or loss of the Group for the year ended 30th June, 2012, respectively. MII will settle the provisions for additional tax and interest on additional tax by instalments.

24. INTEREST IN A JOINTLY CONTROLLED ENTITY/ADVANCE TO A JOINTLY CONTROLLED ENTITY

	THE GROUP	
	2013	2012
	HK\$	HK\$
Interest in a jointly controlled entity:		
Unlisted shares	92,175,631	101,760,704
Advance to a jointly controlled entity	2,144,398,579	2,014,774,277

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 of the borrower. 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, 2013 and 2012 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
				2013	2012	
				%	%	
<i>Indirect:</i>						
Grand Site Development Limited	Hong Kong	Ordinary	HK\$2	50	50	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

24. INTEREST IN A JOINTLY CONTROLLED ENTITY/ADVANCE TO A JOINTLY CONTROLLED ENTITY (Continued)

The Group's effective interest in the assets and liabilities of its jointly controlled entity is summarised below:

	2013	2012
	HK\$	HK\$
Non-current assets	258,466,711	239,391,336
Current assets	3,600,178,389	3,333,331,576
Current liabilities	(2,305,631,659)	(2,128,476,015)
Non-current liability	(1,566,000,000)	(1,444,500,000)
	(12,986,559)	(253,103)

25. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	THE COMPANY		THE GROUP	
	2013	2012	2013	2012
	HK\$	HK\$	HK\$	HK\$
Listed investments:				
Equity securities listed in				
Hong Kong	559,938,649	459,558,178	593,000,047	485,301,986
Singapore	406,182,720	245,579,914	430,955,097	266,284,003
	966,121,369	705,138,092	1,023,955,144	751,585,989
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	986,370,674	725,387,397	1,055,153,634	782,784,479

At the end of the reporting period, all available-for-sale investments are stated at fair value, except for those unlisted securities of which their fair values cannot be measured reliably.

The above unlisted equity securities 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

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 advance is therefore shown as non-current.

27. ADVANCE TO INVESTEE COMPANY

The advance to investee company of the Group is unsecured, has no fixed repayment terms and bears interest at effective rate determined based on the cost-of-fund of the borrower 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.

28. LONG-TERM LOANS RECEIVABLE

	THE GROUP	
	2013	2012
	HK\$	HK\$
Total long-term variable-rate loans receivable	41,757,520	49,414,649
Less: Current portion shown under current assets	(4,976,725)	(2,236,139)
	<u>36,780,795</u>	<u>47,178,510</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, 2013 is HK\$41,757,520 net of accumulated impairment loss of HK\$12,646,510 (2012: carrying amount of HK\$49,414,649 net of accumulated impairment loss of HK\$12,646,510).

The exposure of the Group's variable-rate loans receivable to interest rate risks and their contracted maturity dates are as follows:

	2013	2012
	HK\$	HK\$
Variable-rate loans receivable:		
Within one year	4,976,725	2,236,139
In more than one year but not more than five years	14,965,944	9,930,710
In more than five years	21,814,851	37,247,800
	<u>41,757,520</u>	<u>49,414,649</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

28. LONG-TERM LOANS RECEIVABLE (Continued)

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 3 to 19 years (2012: ranging from 4 to 20 years).

Movements in the allowance for doubtful debts

	THE GROUP	
	2013	2012
	HK\$	HK\$
Balance at the beginning of the year	12,646,510	12,742,272
Reversal of impairment losses	—	(95,762)
	<u>12,646,510</u>	<u>12,646,510</u>
Balance at the end of the year	12,646,510	12,646,510

At 30th June, 2013 and 2012, no balance has been past due but not impaired. The Group has assessed the creditworthiness, past payment history and subsequent settlement, 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. The allowance for doubtful debts made for loans receivable are individually impaired in accordance with the credit policy of the Group.

29. TRADING SECURITIES

Trading securities comprise:

	THE COMPANY		THE GROUP	
	2013	2012	2013	2012
	HK\$	HK\$	HK\$	HK\$
Listed investments:				
Equity securities listed in Hong Kong	426,212,699	570,617,281	426,212,699	570,617,281
Equity securities listed elsewhere	305,626	257,686	305,626	257,686
	<u>426,518,325</u>	<u>570,874,967</u>	<u>426,518,325</u>	<u>570,874,967</u>
Total	426,518,325	570,874,967	426,518,325	570,874,967

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

30. ACCOUNTS AND OTHER RECEIVABLES

At 30th June, 2013, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$362,424,466 (2012: HK\$2,007,633,655), of which HK\$164,298,159 (2012: HK\$1,819,308,060) are to be settled based on the terms of sales and purchase agreements of property. Rental receivables are billed and payable in advance by tenants. Trade receivables mainly comprise rental receivables and properties sales receivables.

	THE GROUP	
	2013	2012
	HK\$	HK\$
Trade receivables	387,734,691	2,032,250,331
Less: Allowance for doubtful debts	(25,310,225)	(24,616,676)
	362,424,466	2,007,633,655
Other receivables	473,045,208	512,294,004
	835,469,674	2,519,927,659

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) at the end of the reporting period:

	2013	2012
	HK\$	HK\$
Not yet due	164,298,159	1,819,308,060
Overdue:		
1 – 30 days	105,466,415	119,479,097
31 – 60 days	39,401,129	23,379,237
61 – 90 days	9,229,212	6,362,944
Over 90 days	44,029,551	39,104,317
	362,424,466	2,007,633,655

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

30. ACCOUNTS AND OTHER RECEIVABLES (Continued)

Movements in the allowance for doubtful debts

	THE GROUP	
	2013	2012
	HK\$	HK\$
Balance at the beginning of the year	24,616,676	25,122,158
Recognition (reversal) of impairment loss on trade receivables	693,549	(505,482)
	<hr/>	<hr/>
Balance at the end of the year	25,310,225	24,616,676
	<hr/>	<hr/>

The allowance for doubtful debts made for trade receivables are individually impaired in accordance with the credit policy of the Group.

Ageing of trade receivables which are past due but not impaired

	2013	2012
	HK\$	HK\$
Overdue within 30 days	105,466,415	119,479,097
Overdue between 31 days to 60 days	39,401,129	23,379,237
Overdue between 61 days to 90 days	9,229,212	6,362,944
Overdue more than 90 days	44,029,551	39,104,317
	<hr/>	<hr/>
	198,126,307	188,325,595
	<hr/>	<hr/>

For those past due but not impaired receivables, although no collateral is held, the Group has assessed the creditworthiness, past payment history and subsequent settlement, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Trade receivables overdue more than 90 days amounting to HK\$44,029,551 (2012: HK\$39,104,317) 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, 2013 and 2012 which are neither overdue nor impaired are in good quality.

Other receivables mainly comprise receivables in relation to rental, utility and other deposits paid of approximately HK\$107,000,000 (2012: HK\$89,000,000), prepayments for operating expenses of approximately HK\$61,000,000 (2012: HK\$73,000,000) and interest receivables of approximately HK\$20,000,000 (2012: HK\$6,000,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

31. RESTRICTED BANK DEPOSITS/TIME DEPOSITS, BANK BALANCES AND CASH

Included in restricted bank deposits amounted to HK\$242,583,335 (2012: HK\$609,224,028) in total were the proceeds received from sale of properties of certain property projects deposited into designated bank accounts of the Group which were limited to be used for settlement of construction costs of these property projects, interest payment and principal repayment of the corresponding secured bank loans. The remaining balances represent rental income received from certain properties and the usage of which are restricted for settlement of property expenses, interest payment and principal repayment of the corresponding secured bank loans.

The restricted bank deposits, bank balances and time deposits carry floating interest rates, ranging from 0.001% to 1.6% (2012: 0.005% to 1.4%) per annum.

32. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale represented the investment properties located on 25th Floor of Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon (the "Disposal Properties") which would be disposed of within twelve months subsequent to 30th June, 2013.

On 24th May, 2013, the Group entered into the provisional sale and purchase agreement with an independent third party (the "Purchaser") in relation to the Disposal Properties at a cash consideration of approximately HK\$290,700,000. The Group and the Purchaser entered into a formal agreement for sale and purchase with respect to the disposal of the Disposal Properties on 7th June, 2013 and the disposal is expected to be completed on or before 30th September, 2013. The assets classified as held for sale are measured at fair value by reference to market evidence of recent transaction prices for similar properties and 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 at the end of the reporting period.

33. ACCOUNTS AND OTHER PAYABLES

At 30th June, 2013, included in accounts and other payables of the Group are trade payables of HK\$274,851,308 (2012: HK\$184,175,001).

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

	THE GROUP	
	2013	2012
	HK\$	HK\$
0 – 30 days	98,507,733	149,636,142
31 – 60 days	158,219,704	20,288,226
61 – 90 days	1,468,457	1,732,937
Over 90 days	16,655,414	12,517,696
	274,851,308	184,175,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

33. ACCOUNTS AND OTHER PAYABLES (Continued)

At 30th June, 2013, out of the other payables, HK\$1,804,065 (2012: HK\$18,532,182) are unsecured, repayable on demand and bear interest at prime rate plus a margin per annum which represent the amount due to a related company, in which Mr. Robert Ng Chee Siong, Director and the controlling shareholder of the Company, holds controlling interest and directorship of the related company. The remaining other payables comprise mainly construction cost payable of approximately HK\$1,058,000,000 (2012: HK\$1,315,000,000), rental and utilities deposits received of approximately HK\$655,000,000 (2012: HK\$611,000,000) and rental receipt in advance of approximately HK\$133,000,000 (2012: HK\$130,000,000).

34. BANK AND OTHER BORROWINGS

	THE GROUP	
	2013	2012
	HK\$	HK\$
Short-term bank loans – secured	4,538,130,944	1,846,972,089
Long-term unsecured other borrowing		
More than four years but not exceeding five years	3,842,927,843	–
Long-term secured bank borrowings		
Within one year	14,586,873	–
More than one year but not exceeding two years	14,587,946	5,202,000,000
More than two years but not exceeding three years	1,782,676,276	700,000,000
More than three years but not exceeding four years	–	1,921,684,649
	1,811,851,095	7,823,684,649
Less: Current portion shown under current liabilities	(14,586,873)	–
	1,797,264,222	7,823,684,649
Total bank and other borrowings – due after one year	5,640,192,065	7,823,684,649
Total bank and other borrowings	10,192,909,882	9,670,656,738

The Company does not have any borrowings at the end of the reporting period.

All of the Group's bank borrowings carry contracted interest rates (which are also the effective interest rates) at HIBOR/SIBOR plus a margin per annum.

On 21st September, 2012, the Company through a wholly-owned subsidiary, Sino (MTN) Limited issued guarantee notes with an aggregate principal amount of US\$500,000,000 (equivalent to approximately HK\$3,877,250,000) under the US\$1,000,000,000 Medium Term Note Programme (the Programme was increased to US\$2,000,000,000 in April 2013). The notes bear fixed interest rate at 3.25% per annum payable semi-annually in arrears. The notes are guaranteed by the Company and will mature on 21st September, 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

35. SHARE CAPITAL

	2013		2012	
	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	8,000,000,000	8,000,000,000	6,000,000,000	6,000,000,000
Increase during the year	–	–	2,000,000,000	2,000,000,000
At 30th June	<u>8,000,000,000</u>	<u>8,000,000,000</u>	<u>8,000,000,000</u>	<u>8,000,000,000</u>
Issued and fully paid:				
At 1st July	5,911,789,367	5,911,789,367	5,279,040,969	5,279,040,969
Issue of shares in lieu of cash dividends	39,885,008	39,885,008	115,734,302	115,734,302
Bonus issue of shares	–	–	527,024,096	527,024,096
Cancellation upon repurchase of own shares	(3,850,000)	(3,850,000)	(10,010,000)	(10,010,000)
At 30th June	<u>5,947,824,375</u>	<u>5,947,824,375</u>	<u>5,911,789,367</u>	<u>5,911,789,367</u>

On 8th December, 2011, the Company issued and allotted a total of 527,024,096 ordinary shares of HK\$1.00 each as a bonus issue of shares ("Bonus Shares") by capitalising 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 ("Record Date"), and applying 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 shareholders whose names appeared on the register of members of the Company at the close of business on the Record Date 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.

On 10th December, 2012 and 23rd April, 2013, the Company issued and allotted a total of 28,667,191 (2012: 91,629,359) ordinary shares and 11,217,817 (2012: 24,104,943) ordinary shares of HK\$1.00 each at an issue price of HK\$13.512 (2012: HK\$10.784) and HK\$13.044 (2012: HK\$13.376) per ordinary share, to the shareholders in lieu of cash for the 2012 final and 2013 interim dividends (2012: 2011 final and 2012 interim dividends) respectively.

During the year, 3,850,000 (2012: 10,010,000) ordinary shares repurchased on the Stock Exchange were cancelled. The nominal value of HK\$3,850,000 (2012: HK\$10,010,000) of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$46,890,040 (2012: HK\$113,010,844) was paid out from the Company's retained profits.

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, 2013

36. 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, 2011	28,397,109,700	275,190,787	509,724,000	14,121,892,527	43,303,917,014
Profit for the year	-	-	-	1,767,274,078	1,767,274,078
Loss on fair value change of available-for-sale investments	-	(156,821,527)	-	-	(156,821,527)
Reclassification adjustments upon disposal of available-for-sale investments	-	(5,904,357)	-	-	(5,904,357)
Total comprehensive (expense) income for the year	-	(162,725,884)	-	1,767,274,078	1,604,548,194
Bonus issue of shares	(527,024,096)	-	-	-	(527,024,096)
Premium on issue of shares upon scrip dividends	1,194,824,423	-	-	-	1,194,824,423
Share issue expenses	(90,000)	-	-	-	(90,000)
Cancellation upon repurchase of own shares	-	-	10,010,000	(113,010,844)	(103,000,844)
Final dividend – 2011	-	-	-	(1,844,584,339)	(1,844,584,339)
Interim dividend – 2012	-	-	-	(588,889,442)	(588,889,442)
At 30th June, 2012	29,064,820,027	112,464,903	519,734,000	13,342,681,980	43,039,700,910
Profit for the year	-	-	-	3,675,955,327	3,675,955,327
Gain on fair value change of available-for-sale investments	-	247,479,596	-	-	247,479,596
Total comprehensive income for the year	-	247,479,596	-	3,675,955,327	3,923,434,923
Premium on issue of shares upon scrip dividends	493,791,281	-	-	-	493,791,281
Cancellation upon repurchase of own shares	-	-	3,850,000	(46,890,040)	(43,040,040)
Final dividend – 2012	-	-	-	(2,128,157,772)	(2,128,157,772)
Interim dividend – 2013	-	-	-	(712,825,987)	(712,825,987)
At 30th June, 2013	29,558,611,308	359,944,499	523,584,000	14,130,763,508	44,572,903,315

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

37. 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, 2011	589,162,548	4,052,532,933	22,141,186	(129,077,725)	(2,340,265)	4,532,418,677
Effect on changes in accounting policies (Note 2)	25,084,194	(3,504,100,242)	–	6,389,160	15,990,815	(3,456,636,073)
As restated	614,246,742	548,432,691	22,141,186	(122,688,565)	13,650,550	1,075,782,604
Exchange realignment (Restated)	–	–	584,912	–	7,095,794	7,680,706
Disposal of a subsidiary (Note 41) (Credited) charged to profit or loss for the year (Restated)	(1,062,195)	(63,676,811)	–	–	–	(64,739,006)
	(23,738,245)	165,061,974	9,788,732	42,095,540	(3,823,627)	189,384,374
At 30th June, 2012 (Restated)	589,446,302	649,817,854	32,514,830	(80,593,025)	16,922,717	1,208,108,678
Exchange realignment	–	–	830,584	–	22,636,922	23,467,506
Acquisition of subsidiaries (Note 47)	274,594	77,096,628	–	(56,212)	–	77,315,010
Charged (credited) to profit or loss for the year	43,401,682	122,980,992	10,872,935	28,242,441	(4,632,001)	200,866,049
At 30th June, 2013	633,122,578	849,895,474	44,218,349	(52,406,796)	34,927,638	1,509,757,243

For the purpose of presentation in the consolidated statement of financial position, the deferred taxation assets and liabilities have been offset.

At 30th June, 2013, the Group had unused tax losses of HK\$609,712,121 (2012: HK\$946,062,612) available for offset against future profits. A deferred taxation asset has been recognised in respect of HK\$317,616,945 (2012: HK\$488,442,576) of such losses. No deferred taxation asset has been recognised in respect of the remaining HK\$292,095,176 (2012: HK\$457,620,036) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 30th June, 2013, the Group had deductible temporary differences of HK\$753,276,977 (2012: HK\$214,186,405). 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\$505,466,569 (2012: HK\$381,953,392). 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, 2013

38. 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, 2013, HK\$97,439,734 (2012: HK\$309,741,250) of the advances bear interest at effective rate determined based on the cost-of-funds of the Group plus a margin per annum and the remaining balance of HK\$1,598,352,668 (2012: HK\$1,552,967,645) is interest-free. The effective interest rate for imputed interest expense for the interest-free loan is determined based on the cost-of-funds of the Group per annum.

39. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounted to HK\$28,476,174 (2012: HK\$9,952,978) are unsecured, bear interest ranging from 1% to 6.25% (2012: 1%) per annum and have no fixed repayment terms. The remaining balance of HK\$1,417,079,578 (2012: HK\$447,374,126) 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\$1,422,248,825 (2012: HK\$452,518,781) had been initially reduced to its present value of HK\$1,380,006,260 (2012: HK\$446,714,126) based on management's estimates of future cash payments with a corresponding adjustment of HK\$42,242,565 (2012: HK\$5,804,655) which was regarded as a deemed contribution from the non-controlling interests during the year ended 30th June, 2013. 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 of the Group per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2013

40. JOINTLY CONTROLLED OPERATIONS

The Group has entered into joint venture agreements (“Agreements”) in the form of jointly controlled operations to engage in residential/commercial property development, sales and investment in Hong Kong. Under the Agreements, the Group is mainly responsible for the development of the projects.

At 30th June, 2013 and 2012, 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:

	2013 HK\$	2012 <i>HK\$</i> (Restated)
Investment properties	10,046,521,764	9,260,130,933
Other non-current assets	269,495	528,744
Current assets	2,908,356,284	3,030,603,800
	<u>12,955,147,543</u>	<u>12,291,263,477</u>
Non-current liabilities	141,082,212	387,222,961
Current liabilities	1,700,312,123	1,882,981,268
	<u>1,841,394,335</u>	<u>2,270,204,229</u>
Income	3,371,309,531	1,322,864,595
Expenses	2,015,915,423	477,147,299

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

41. DISPOSAL OF A SUBSIDIARY

During the year ended 30th June, 2012, the Group sold a shopping mall in Maritime Bay by way of selling the entire shares of Great Land (HK) Limited ("Great Land"), a wholly-owned subsidiary of the Group, for a cash consideration of approximately HK\$579 million to an independent third party. The net assets of Great Land at the date of disposal were as follows:

	<i>HK\$</i>
Net assets disposed of:	
Investment property	510,000,000
Accounts and other receivables	3,010,176
Bank balances and cash	168,986
Accounts and other payables	(10,118,084)
Provision for taxation	(2,209,212)
Deferred taxation	(64,739,006)
Amount due to a subsidiary of the Group	<u>(24,396,755)</u>
	411,716,105
Assignment of amount due to a subsidiary of the Group to the purchaser	<u>24,396,755</u>
	436,112,860
Gain on disposal of a subsidiary	<u>143,139,005</u>
	<u><u>579,251,865</u></u>
Satisfied by:	
Cash consideration received	<u>579,251,865</u>
Net cash inflow arising on disposal:	
Cash consideration	579,251,865
Bank balances and cash disposed of	<u>(168,986)</u>
	<u><u>579,082,879</u></u>

The subsidiary disposed of during the year ended 30th June, 2012 did not contribute significantly to the turnover, operating results or cash flows to the Group for the year ended 30th June, 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

42. PLEDGE OF ASSETS

- (a) At 30th June, 2013, the aggregate facilities of bank loans granted to the Group amounting to approximately HK\$9,977,239,000 (2012: HK\$13,475,721,000) were secured by certain of the Group's properties, accounts and other receivables, restricted bank deposits and floating charges on bank balances amounting to a total of HK\$18,265,075,513 (2012: HK\$21,320,287,385). At that date, the facilities were utilised by the Group to the extent of approximately HK\$6,360,230,000 (2012: HK\$9,677,721,000).

Assets with the following carrying amounts have been pledged to secure borrowings of the Group:

	2013	2012
	HK\$	HK\$
Investment properties	4,782,640,875	5,320,238,475
Hotel properties	787,686,873	1,609,676,576
Prepaid lease payments	734,947,435	1,216,912,765
Property, plant and equipment	43,681	33,135
Properties under development	11,732,275,424	12,947,671,942
Accounts and other receivables	6,963,268	5,997,966
Bank balances	89,718,099	78,249,006
Others	130,799,858	141,507,520
	<u>18,265,075,513</u>	<u>21,320,287,385</u>

- (b) At 30th June, 2013, investments in certain associates and a jointly controlled entity in aggregate amounting to approximately HK\$2,000 (2012: HK\$502,000) and advances to certain associates and a jointly controlled entity in aggregate amounting to approximately HK\$4,178,871,000 (2012: HK\$8,452,659,000) and certain assets of the associates and a jointly controlled entity were pledged to or assigned to secure loan facilities made available by banks to such associates and jointly controlled entity. The Group's attributable portion of these facilities amounted to HK\$6,211,183,832 (2012: HK\$7,250,900,000), of which HK\$3,883,383,832 (2012: HK\$5,435,900,000) was utilised by the associates and a jointly controlled entity and guaranteed by the Company. Details of the relevant guarantees granted are set out in Note 43.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

43. CONTINGENT LIABILITIES

At the end of the reporting period, the Company and the Group had contingent liabilities as follows:

	THE COMPANY		THE GROUP	
	2013 HK\$	2012 HK\$	2013 HK\$	2012 HK\$
Guarantees in respect of banking facilities of:				
Subsidiaries				
– Utilised	9,305,680,250	8,729,421,250	–	–
– Unutilised	3,050,650,000	3,550,650,000	–	–
	<u>12,356,330,250</u>	<u>12,280,071,250</u>	<u>–</u>	<u>–</u>
Associates and a jointly controlled entity				
– Utilised	3,883,383,832	5,435,900,000	3,883,383,832	5,435,900,000
– Unutilised	2,327,800,000	1,815,000,000	2,327,800,000	1,815,000,000
	<u>6,211,183,832</u>	<u>7,250,900,000</u>	<u>6,211,183,832</u>	<u>7,250,900,000</u>

As at 30th June, 2013, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates and a jointly controlled entity. At the end of the reporting period, the amount of Nil (2012: HK\$887) has been recognised in the consolidated statement of financial position as liabilities.

As at 30th June, 2013, the Company issued corporate financial guarantees to banks in respect of banking facilities granted to subsidiaries, associates and a jointly controlled entity. At the end of the reporting period, the amounts of HK\$800,351 (2012: HK\$800,351), Nil (2012: HK\$887) and Nil (2012: Nil), respectively, have been recognised in the Company's statement of financial position as liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

44. OPERATING LEASE ARRANGEMENTS**The Group as lessor**

Property rental income earned during the year, net of outgoings of HK\$359,123,031 (2012: HK\$336,697,799), was HK\$2,209,666,097 (2012: HK\$2,028,889,294). 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:

	2013	2012
	<i>HK\$</i>	<i>HK\$</i>
Within one year	1,901,654,425	1,881,035,866
In the second to fifth year inclusive	2,455,395,522	2,387,077,183
After five years	167,902,097	324,758,625
	<u>4,524,952,044</u>	<u>4,592,871,674</u>

The Group as lessee

Minimum lease payments paid under operating leases during the year was HK\$52,883,527 (2012: HK\$33,938,453).

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:

	2013	2012
	<i>HK\$</i>	<i>HK\$</i>
Within one year	41,483,723	19,868,758
In the second to fifth year inclusive	18,307,049	3,274,389
	<u>59,790,772</u>	<u>23,143,147</u>

Operating lease payments represent rentals payable by the Group for certain of its office properties to its related companies. 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, 2013

45. 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 Schemes Authority under the Mandatory Provident Fund Schemes 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.

46. PROPERTIES UNDER DEVELOPMENT

At the end of the reporting period, properties under development amounting to approximately HK\$22,251,963,000 (2012: HK\$20,315,744,000) were not expected to be realised within twelve months from the end of the reporting period.

47. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

During the year, the Group acquired additional 2.63% and 0.48% equity interest of Cavalcade Holdings Limited (“Cavalcade”) and Win Chanford Enterprises Limited (“Win Chanford”), respectively, for a total consideration of HK\$11,797,967. Prior to the acquisition, Win Chanford is a non-wholly owned subsidiary of Cavalcade and the Group held 50% interest in Cavalcade and Win Chanford and these companies have been accounted for as interests in associates. These companies then became subsidiaries subsequent to the acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

47. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

The net assets acquired in the transaction are as follows:

	<u>Win Chanford</u>	<u>Cavalcade</u>	
	Acquiree's carrying amount before combination and fair value	Acquiree's carrying amount before combination and fair value	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Net assets acquired:			
Investment properties	605,100,000	–	605,100,000
Accounts and other receivables	9,884,421	–	9,884,421
Bank balances	6,684,706	–	6,684,706
Accounts and other payables	(8,181,162)	(1,925,306)	(10,106,468)
Amounts due to shareholders	–	(392,628)	(392,628)
Taxation payable	(862,325)	–	(862,325)
Advance from a related company	(59,827,776)	–	(59,827,776)
Advance from a shareholder	(54,280,399)	–	(54,280,399)
Unsecured loan	(6,016,810)	–	(6,016,810)
Deferred taxation	(77,315,010)	–	(77,315,010)
	<u>415,185,645</u>	<u>(2,317,934)</u>	<u>412,867,711</u>
Interests in associates held prior to the acquisition	(208,298,405)	(191,366)	(208,489,771)
	<u>206,887,240</u>	<u>(2,509,300)</u>	<u>204,377,940</u>
Total cash consideration paid for acquisition of assets and liabilities through acquisition of subsidiaries			11,797,967
Plus: non-controlling interests			<u>192,579,973</u>
			<u>204,377,940</u>
Net cash outflow arising on acquisition:			
Cash consideration paid			(11,797,967)
Bank balances acquired			<u>6,684,706</u>
			<u>(5,113,261)</u>

The acquired companies contributed HK\$5,938,940 to the Group's profit for the period between the date of acquisition and the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

48. RELATED PARTY DISCLOSURES

The Group had the following transactions with related parties:

(a) Related companies

	2013 HK\$	2012 HK\$
Service fees received therefrom (Note i)	155,544,805	161,560,810
Rental paid thereto (Notes i & iii)	35,409,364	33,938,453
Consultancy fee paid thereto (Note ii)	1,666,664	1,666,664
	<u>155,544,805</u>	<u>161,560,810</u>

Note i: Mr. Robert Ng Chee Siong, Director and the controlling shareholder of the Company, was interested in these transactions as he holds controlling 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, Non-Executive Director of the Company, was interested in this transaction as a sole proprietor.

Note iii: The Group had commitments for future minimum lease payments under non-cancellable operating leases to its related companies. The details of such commitments are set out in Note 44.

(b) Associates

	2013 HK\$	2012 HK\$
Service fees paid thereto	23,230,073	21,756,237
Administrative fees received therefrom	28,057,997	24,033,019
Interest income received therefrom	78,579,534	71,275,544
Interest expenses paid thereto	2,740,842	4,041,479
Imputed interest income on non-current interest-free advances to associates	286,374,481	85,769,746
Imputed interest expense on non-current interest-free advances from associates	28,345,292	15,607,357
	<u>286,374,481</u>	<u>85,769,746</u>

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 62 to 69 in the Directors' report.

Included in the advances to associates, amounts due to associates and advances from associates, HK\$5,599,395,920 (2012: HK\$4,482,583,953), HK\$4,037,831 (2012: HK\$4,201,317) and HK\$1,669,204,924 (2012: HK\$1,828,922,352) represent the balances respectively with the associates in which Mr. Robert Ng Chee Siong, Director and the controlling shareholder of the Company, has controlling interests and directorships. Other than the aforesaid, details of the outstanding balances with subsidiaries, associates, a jointly controlled entity, non-controlling interests and a related company 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, 33, 38 and 39.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

48. RELATED PARTY DISCLOSURES (Continued)

In addition, as set out in Notes 42 and 43, the Company and the Group have granted guarantees and pledged certain assets to banks for facilities granted to the group entities, associates and a jointly controlled entity.

Compensation of key management personnel

The remuneration of Directors during the year was as follows:

	2013	2012
	HK\$	HK\$
Short-term benefits	16,278,920	23,004,452
Retirement benefit scheme contributions	113,500	130,250
	16,392,420	23,134,702

The remuneration of the Directors is determined by Remuneration Committee having regard to the performance of individuals and market trends.

49. 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, 2013 and 2012 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
				2013	2012	
				%	%	
Direct:						
Best Result Environmental 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Direct: (Continued)</i>						
King Chance Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Prime Reward Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
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 (MTN) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Notes issuer
Sino Administration Services Limited	Hong Kong	Ordinary	HK\$3	100	100	Administration services
Sino Estates Management Limited	Hong Kong	Ordinary	HK\$6,500,000	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
Direct: (Continued)						
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
Indirect:						
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 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 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
Brighton Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
Capital Faith (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	52.63	–	Property investment
Central Wisdom Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Century Link (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	52.63	50	Property investment
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
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
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
Falcon City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Falcon Land Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
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
Fortune Glory Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Free Champion Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
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
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
Good Champion Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Grace Rays Limited	Hong Kong	Ordinary	HK\$2	100	100	Property 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 Rise Investments Limited	Hong Kong	Ordinary	HK\$1	52.63	50	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
Grand Start Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Grandeal Limited	Hong Kong/PRC	Ordinary	HK\$2	100	100	Property trading
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
Jade Line Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Mate Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
Jade Pine Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Jet Fame (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	52.63	50	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
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
Nice Scene International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
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
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 Field Holdings Limited	Hong Kong	Ordinary	HK\$1	52.63	50	Property investment
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
Pacific Talent Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Financing
Perfect Sun Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
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
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
Rainbow City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
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 investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
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
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 trading and investment
Sidak Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Silver Palm Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Silver Target Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Sincere Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
Sino (Xiamen) Realty Development Co., Ltd. (Note i)	PRC	Registered	HK\$350,000,000	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\$374,150,000	100	100	Property development
Sino Land Investment (Holdings) Ltd.	Cayman Islands/ Hong Kong	Ordinary	US\$6,000,000	100	100	Investment holding
Sky Target (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
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, 2013

49. 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
				2013 %	2012 %	
<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
Union Rich Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
Union Top Properties Limited	Hong Kong	Ordinary	HK\$1	52.63	50	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	100	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
Victory Top Properties Limited	Hong Kong	Ordinary	HK\$1	52.63	50	Property investment
Vista Commercial Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Property management
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	100	Property investment
Wellord Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	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, 2013

49. 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
				2013 %	2012 %	
<i>Indirect: (Continued)</i>						
Will Glory Company (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Win Chanford Enterprises Limited	Hong Kong	Ordinary	HK\$1,000,000	52.63	50	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\$5,118,000,000	100	100	Property development

Notes:

- (i) Wholly foreign owned enterprises established in the PRC.
- (ii) Other than the guarantee notes issued by Sino (MTN) Limited as disclosed in Note 34, none of the subsidiaries had issued any debt securities at 30th June, 2013 and 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

50. 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, 2013 and 2012 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				Principal activities
			2013		2012	Total	
			Directly %	Indirectly %	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
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 Sino Land Company Limited	PRC	Registered	–	50	50	50	Property development
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

50. 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				Principal activities
			2013		2012 Total %		
			Directly %	Indirectly %		Total %	
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
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2013

50. 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				Principal activities
			2013		2012	Total	
			Directly %	Indirectly %			
Island Resort Estate Management Company Limited	Hong Kong	Ordinary	–	45	45	45	Building management
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
Pacific Bond Limited	Hong Kong	Ordinary	–	35	35	35	Property development
Pembroke Development Investments Limited	British Virgin Islands/ Hong Kong	Ordinary and non-voting deferred	–	40	40	40	Property development
Prime Force Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Providence Bay Finance Company Limited	Hong Kong	Ordinary	–	35	35	35	Mortgage loan financing
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, 2013

50. 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				Principal activities
			2013		2012	Total %	
			Directly %	Indirectly %	Total %		
Silver Link Investment Limited	Hong Kong	Ordinary	–	45	45	45	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
The Hermitage Estates Management Limited	Hong Kong	Ordinary	–	50	50	50	Building management
Union King (Hong Kong) Limited	Hong Kong	Ordinary	–	45	45	45	Property development
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
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, 2013 HK\$	At 30th June, 2012 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	4,084,675,788	5,647,885,080
Advances from the Group	14,627,903,577	15,560,620,979
	<u>18,712,579,365</u>	<u>21,208,506,059</u>
The Group's share of capital commitments and contingent liabilities of its affiliated companies	<u>–</u>	<u>–</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, 2013

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 and hotels							
HONG KONG							
1. No. 1 Chatham Path Mid-levels, Hong Kong	2072	100.0%	–	7,800	R	Completed	Existing
2. 148 Electric Road North Point, Hong Kong	2047	100.0%	13,160	197,400	C	Completed	Existing
3. Central Plaza 18 Harbour Road, Wan Chai, Hong Kong	2047	10.0%	77,824	140,000	C	Completed	Existing
4. The Centrium 60 Wyndham Street, Central, Hong Kong	2047	70.0%	17,061	179,138	C	Completed	Existing
5. Conrad Hong Kong Pacific Place, 88 Queensway, Hong Kong	2047	30.0%	–	165,506	H	Completed	Existing
6. Harbour Centre Harbour Road & Fleming Road, Hong Kong	2128	16.7%	32,626	40,167	C	Completed	Existing
7. The Hennessy 256 Hennessy Road, Wan Chai, Hong Kong	2127	100.0%	4,791	71,862	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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 for investment and hotels							
HONG KONG							
8. Hollywood Centre 233 Hollywood Road, Hong Kong	2128	52.6%	6,706	49,527	C	Completed	Existing
9. Island Resort Mall 28 Siu Sai Wan Road, Chai Wan, Hong Kong	2047	45.0%	275,470	85,136 <u>60,302*</u> <u>145,438</u>	C P	Completed	Existing
* 540 carparks							
10. The Johnson 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
11. Marina House 68 Hing Man Street, Shau Kei Wan, Hong Kong	2047	100.0%	7,818	119,298	C	Completed	Existing
12. One Capital Place 18 Luard Road, Wan Chai, Hong Kong	2127	100.0%	5,315	73,443	C	Completed	Existing
13. Pacific Palisades 1 Braemar Hill Road, Hong Kong	2047	20.0%	165,550	93,550	R	Completed	Existing
14. Pacific Plaza 418 Des Voeux Road West, Hong Kong	2860	100.0%	9,450	164,460	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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 and hotels							
HONG KONG							
15. 25/F United Centre Queensway, Hong Kong	2128	50.0%	–	10,225	C	Completed	Existing
KOWLOON							
16. No. 1 Hung To Road Kwun Tong, Kowloon	2047	33.3%	60,970	177,337	I	Completed	Existing
17. The Astrid 180 Argyle Street, Kowloon	2047	100.0%	61,118	9,852	R	Completed	Existing
18. Cameron Plaza 23 Cameron Road, Tsim Sha Tsui, Kowloon	2038	100.0%	5,413	65,550	C	Completed	Existing
19. China Hong Kong City 33 Canton Road, Tsim Sha Tsui, Kowloon	2135	25.0%	165,334	359,433	C	Completed	Existing
20. Coronation Circle 1 Yau Cheung Road, South West Kowloon, Kowloon	2057	45.0%	86,758	39,041	C	Completed	Existing
21. Corporation Square 8 Lam Lok Street, Kowloon Bay, Kowloon	2047	100.0%	21,745	155,910	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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 for investment and hotels							
KOWLOON							
22. Exchange Tower 33 Wang Chiu Road, Kowloon Bay, Kowloon	2055	100.0%	50,752	420,183	C	Completed	Existing
23. Fullerton Centre 19 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,394	114,334	I	Completed	Existing
24. Futura Plaza 111-113 How Ming Street, Kwun Tong, Kowloon	2047	100.0%	18,783	225,396	C	Completed	Existing
25. Hong Kong Pacific Centre 28 Hankow Road, Tsim Sha Tsui, Kowloon	2039	100.0%	18,028	232,606	C	Completed	Existing
26. Kwun Tong Harbour Plaza 182 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	31,018	130,728 <u>198,758*</u> <u>329,486</u>	C P	Completed	Existing
* 474 carparks							
27. Kwun Tong Plaza 68 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	25,995	192,694*	P	Completed	Existing
* 366 carparks							

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2013

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 and hotels							
KOWLOON							
28. Maison Rosé 270 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon	2047	100.0%	4,490	6,873	C	Completed	Existing
29. Olympian City 1 11 Hoi Fai Road, MTR Olympic Station, Kowloon	2047	Joint Venture	712,614	139,931 [†]	C	Completed	Existing
30. Olympian City 2 18 Hoi Ting Road, MTR Olympic Station, Kowloon	2047	Joint Venture	708,577	511,287 [†]	C	Completed	Existing
31. Olympian City 3 1 Hoi Wang Road, South West Kowloon, Kowloon	2055	50.0%	146,131	59,423	C	Completed	Existing
32. Omega Plaza 32 Dundas Street, Kowloon	2047	100.0%	5,385	80,775	C	Completed	Existing
33. One Madison 305 Castle Peak Road, Kowloon	2047	100.0%	7,200	12,800	C	Completed	Existing
34. One New York 468 Castle Peak Road, Kowloon	2047	100.0%	6,448	9,621	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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 for investment and hotels							
KOWLOON							
35. One SilverSea 18 Hoi Fai Road, Kowloon	2052	100.0%	112,484	112,483	C	Completed	Existing
36. Park Summit Shopping Arcade, 88 Beech Street, Kowloon	2058	Joint Venture	25,058	37,588 [†]	C	Completed	Existing
37. Parmanand House 51-52 Haiphong Road, Kowloon	2863	100.0%	1,800	18,043	C	Completed	Existing
38. Remington Centre 23 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,370	114,103	I	Completed	Existing
39. Skyline Tower 39 Wang Kwong Road, Kowloon Bay, Kowloon	2047	50.0%	68,986	413,915	C	Completed	Existing
40. Sunshine Plaza Shopping Arcade, 17 Sung On Street, Hung Hom, Kowloon	2047	100.0%	26,598	58,887	C	Completed	Existing
41. Tsim Sha Tsui Centre Salisbury Road, Tsim Sha Tsui, Kowloon	2127	45.0%	42,835	231,309	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2013

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 and hotels							
KOWLOON							
42. Vista Shopping Arcade, 188 Fuk Wa Street, Sham Shui Po, Kowloon	2054	Joint Venture	14,895	22,335 [†]	C	Completed	Existing
43. Westley Square 48 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	21,110	238,187	I/O	Completed	Existing
44. Yau Tong Industrial City 17 Ko Fai Road, Yau Tong, Kowloon	2047	90.0%	100,580	464,627	I	Completed	Existing
NEW TERRITORIES							
45. Avon Park Shopping Mall, 15 Yat Ming Street, Fanling, New Territories	2047	100.0%	145,649	101,980	C	Completed	Existing
46. Citywalk 1 Yeung Uk Road, Tsuen Wan, New Territories	2052	Joint Venture	207,659	245,419 [†]	C	Completed	Existing
47. Citywalk 2 18 Yeung Uk Road, Tsuen Wan, New Territories	2054	Joint Venture	77,823	191,568 [†]	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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 for investment and hotels							
NEW TERRITORIES							
48. 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							
49. 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							
50. Lake Silver Shopping Arcade, 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	43,056 [†]	C	Completed	Existing
51. Mansfield Industrial Centre 19 Hong Yip Street, Tung Tau, Yuen Long, New Territories	2047	100.0%	52,582	111,253	I	Completed	Existing
52. Oceania Heights Shopping Mall, 2 Hoi Chu Road, Tuen Mun, New Territories	2052	100.0%	65,552	29,082	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2013

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 and hotels							
NEW TERRITORIES							
53. The Palazzo Shopping Arcade, 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	21,528 [†]	C	Completed	Existing
54. 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							
55. 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							
56. Rosedale Gardens Shopping Arcade, 133 Castle Peak Road, Tuen Mun, New Territories	2047	100.0%	29,956	35,213	C	Completed	Existing
57. 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							

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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 for investment and hotels							
NEW TERRITORIES							
58. 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							
59. Sunley Centre 9 Wing Yin Street, Tsuen Wan, New Territories	2047	100.0%	17,362	170,570	I	Completed	Existing
60. 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							
61. The Waterside Shopping Mall, 15 On Chun Street, Ma On Shan, Shatin, New Territories	2047	40.0%	69,428	22,772	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2013

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 and hotels							
MAINLAND CHINA							
62. 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
63. Park Place 130 Jia He Lu, Xiamen	2039	100.0%	44,118	10,689	C	Completed	Existing
64. 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
65. Sino International Plaza 137 Wu Xi Lu, Fuzhou	2059	100.0%	58,126	499,158	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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 for investment and hotels							
OVERSEAS – SINGAPORE							
66. Clifford Pier 80 Collyer Quay, Singapore	2067	100.0%	70,397	13,731	C	Completed	Existing
67. Customs House 70 Collyer Quay, Singapore	2067	100.0%	44,348	14,822	C	Completed	Existing
68. The Fullerton Hotel Singapore 1 Fullerton Square, Singapore	2096	100.0%	139,469	466,423	H	Completed	Existing
69. The Fullerton Bay Hotel 80 Collyer Quay, Singapore	2067	100.0%	38,965	79,087	H	Completed	Existing
70. The Fullerton Waterboat House 3 Fullerton Road, Singapore	2032	100.0%	16,921	21,743	C	Completed	Existing
71. One Fullerton 1 Fullerton Road, Singapore	2096	100.0%	92,646	80,433	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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
Completed properties for sale							
HONG KONG							
1. Far East Finance Centre 16 Harcourt Road, Hong Kong	2130	19.1%	34,595	9,869	C	Completed	Existing
2. Marinella 9 Welfare Road, Aberdeen, Hong Kong	2057	35.0%	68,922	18,098#	R	Completed	Existing
KOWLOON							
3. Chevalier Commercial Centre Wang Hoi Road, Kowloon Bay, Kowloon	2047	33.3%	44,350	11,484	C	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
6. Metro Centre 32 Lam Hing Street, Kowloon Bay, Kowloon	2047	100.0%	27,125	18,395	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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
Completed properties for sale							
KOWLOON							
7. One Mayfair 1 Broadcast Drive, Kowloon Tong, Kowloon	2056	100.0%	65,531	13,876 [#]	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	15,178 [#]	R	Completed	Existing
11. Cambridge Plaza 188 San Wan Road, Sheung Shui, New Territories	2047	100.0%	–	174,358	I	Completed	Existing
12. Lincoln Centre 20 Yip Fung Street, Fanling, New Territories	2047	100.0%	21,163	61,144	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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
Completed properties for sale							
NEW TERRITORIES							
13. Poly Centre 15 Yip Fung Street, Fanling, New Territories	2047	100.0%	18,191	10,430	I	Completed	Existing
14. Providence Bay 5 Fo Chun Road, Tai Po, New Territories	2057	35.0%	238,164	97,284 [#]	R	Completed	Existing
15. Providence Peak 8 Fo Chun Road, Tai Po, New Territories	2057	25.0%	214,225	43,852 [#]	R	Completed	Existing
16. The Graces • Providence Bay 9 Fo Chun Road, Tai Po, New Territories	2057	50.0%	107,941	148,789 [#]	R	Completed	Existing
17. Raleigh Centre 9 Yip Cheong Street, Fanling, New Territories	2047	100.0%	10,194	8,386	I	Completed	Existing
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

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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
Completed properties for sale							
NEW TERRITORIES							
19. Technology Plaza 29-35 Sha Tsui Road, Tsuen Wan, New Territories	2047	100.0%	20,000	15,468	I	Completed	Existing
MAINLAND CHINA							
20. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074	20.0%	14,253,628	1,589 <u>104,525</u> <u>106,114</u>	R C	Completed	Existing
Properties under development							
HONG KONG							
1. 38 Repulse Bay Road, Hong Kong Rural Building Lot No. 380 (*)	2084	100.0%	16,176	12,132	R	Superstructure works in progress	September 2013
2. 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	September 2014
3. The Avenue, 200 Queen's Road East/ 33 Tai Yuen Street, Wan Chai, Hong Kong Inland Lot No. 9018	2060	Joint Venture	88,652	731,393 <u>87,720</u> <u>819,113[†]</u>	R C	Superstructure works in progress	October 2014

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2013

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							
4. 20-26 Staunton Street, Hong Kong Inland Lot No. 118 Section A Remaining Portion and Inland Lot No. 119 Section M, Section L and Remaining Portion (*)	2844	100.0%	4,485	30,154	R	Foundation	March 2016
				<u>9,685</u>	C	works in	
				<u>39,839</u>		progress	
KOWLOON							
5. The Avery 16 Hau Wong Road, Kowloon (*)	2047	100.0%	3,967	25,296	R	Superstructure	October 2013
				<u>10,455</u>	C	works in	
				<u>35,751</u>		progress	
6. Park Metropolitan 8 Yuet Wah Street, Kwun Tong, Kowloon New Kowloon Inland Lot No. 6499	2059	Joint Venture	46,565	232,825 [†]	R	Superstructure works in progress	April 2014
7. Park Ivy 8 Ivy Street, Mong Kok District, Kowloon Kowloon Inland Lot No. 11200	2061	Joint Venture	6,032	45,209	R	Superstructure	May 2014
				<u>9,042</u>	C	works in	
				<u>54,251[†]</u>		progress	

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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							
8. Cheung Sha Lantau Island Lot No. 245 in Demarcation District No. 331	2057	100.0%	178,542	71,417	R	Superstructure works in progress	September 2013
9. 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	Superstructure works in progress	October 2014
10. 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	Superstructure works in progress	October 2014
11. Mui Wo, New Territories Lot No. 726 in Demarcation District No. 4	2062	100.0%	24,327	32,400 <u>17,007</u> <u>49,407</u>	R C	Foundation works in progress	December 2014
12. Kau To (Site A) Shatin Area 56A, New Territories Shatin Town Lot No. 525	2061	40.0%	248,175	412,588	R	Foundation works in progress	April 2015
13. Peng Lei Road, Peng Chau, New Territories Lot No. 676 in Demarcation District	2062	100.0%	49,127	36,845	R	Planning stage	July 2015

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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							
14. Area 66 C2, Tseung Kwan O, New Territories Tseung Kwan O Town Lot No. 117	2062	60.0%	139,016	250,228	R	Foundation	January
				<u>41,708</u>	C	works in	2016
				<u>291,936</u>		progress	
15. Peng Lei Road, Peng Chau, New Territories Lot No. 674 in Demarcation District	2062	100.0%	19,163	14,372	R	Planning stage	June 2016
16. Sha Kok Mei Sai Kung, New Territories Lot No. 1949 in Demarcation District No. 221	2063	100.0%	166,089	249,133	R	Planning stage	August 2016
17. West Rail Long Ping Station (North) Property Development, Yuen Long, New Territories Yuen Long Town Lot No. 513	2063	40.0%	106,564	209,575	R	Planning stage	March 2018

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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	2044	20.0%	14,253,628	39,317	C	Superstructure works in progress	December 2013
19. Central Park Jia He Lu, South-East Side of Lu Ling Lu, Xiamen Lot No. 90-C5, C6	2068 2046	100.0%	113,904	467,068 <u>51,265</u> <u>518,333</u>	R C	Superstructure works in progress	December 2013
20. Regency Park Hu Bin Bei Lu, Xiamen Lot No. 88-C5	2066 2046	100.0%	64,904	503,718 <u>18,512</u> <u>522,230</u>	R C	Foundation works in progress	December 2015
21. The Palazzo West of Cheng Kun Railway, East of Sha He, South of Cheng Luo Road, North of Ying Hui Road, Cheng Hua District, Chengdu	2078 2048	100.0%	2,630,284	11,937,014 898,368 <u>531,539</u> <u>13,366,921</u>	R C H	Foundation works in progress	March 2018
22. Dynasty 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	4,344,000 <u>192,737</u> <u>4,536,737</u>	R C	Foundation works in progress	September 2018

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2013

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. The Coronation	2058	50.0%	1,993,549	4,629,554	R	Foundation	October
1 Zhong Xing Duan, Qiao Bei Cun, Hua Xin Street, Jiang Bei District, Chongqing	2048			<u>706,587</u>	C	works in progress	2019
				<u>5,336,141</u>			

Note: C: Commercial

R: Residential

I: Industrial

I/O: Industrial/Office

H: Hotel

P: Multi-storey carpark

(*): Property under redevelopment

†: it represents the total approximate floor area of the property.

#: it represents the saleable floor area.

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 Wednesday, the 23rd day of October, 2013 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, 2013.		
2. To declare a final dividend of HK\$0.38 per ordinary share with an option for scrip dividend.		
3. (i) To re-elect Mr. Daryl Ng Win Kong as Director.		
(ii) To re-elect Mr. Ringo Chan Wing Kwong as Director.		
(iii) To re-elect Mr. Gordon Lee Ching Keung as Director.		
(iv) To authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2014.		
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 share repurchase mandate (Ordinary Resolution on item 5(i) of the Notice of Annual General Meeting).		
(ii) To approve share issue mandate (Ordinary Resolution on item 5(ii) of the Notice of Annual General Meeting).		
(iii) To approve extension of share issue mandate (Ordinary Resolution on item 5(iii) 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 INITIALLED 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.



