



信和置業有限公司
Sino Land Company Limited

2014-2015 INTERIM REPORT

二零一四至二零一五年度
中期報告書



MAYFAIR BY THE SEA
逸瓏灣

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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 Level 22, Hopewell Centre, 183 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^{*}
Steven Ong Kay Eng^{*}
Wong Cho Bau, JP^{*} (appointed on 20th January, 2015)
Daryl Ng Win Kong
Ringo Chan Wing Kwong
Alice Ip Mo Lin
Gordon Lee Ching Keung

([#] Non-Executive Director)

(^{*} Independent Non-Executive Directors)

Audit Committee

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

Chief Financial Officer and 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 dividend entitlement	2nd to 4th March, 2015 (both dates inclusive)
Record Date for interim dividend entitlement	4th March, 2015
Last Date for lodging form of election for scrip dividend	25th March, 2015 4:30 p.m.
Interim Dividend Payable	HK12 cents per share 9th April, 2015

Principal Bankers

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

Investor Relations Contact

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

Registered Office

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Fax : (852) 2723 5901
Website : www.sino.com
Email : info@sino.com

Share Registrars

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Level 22, Hopewell Centre,
183 Queen's Road East,
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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.

CHAIRMAN'S STATEMENT

I am pleased to present my interim report to shareholders.

INTERIM RESULTS

The Group's unaudited underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the six months ended 31st December, 2014 ("Interim Period") was HK\$1,713.7 million (2013: HK\$2,481.4 million). Underlying earnings per share was HK\$0.284 (2013: HK\$0.417).

The Group's net profit attributable to shareholders for the Interim Period was HK\$3,733.3 million (2013: HK\$5,001.1 million). Earnings per share was HK\$0.619 (2013: HK\$0.840). The reported profit for the period included a revaluation surplus (net of deferred taxation) on investment properties of HK\$2,019.6 million compared with a revaluation surplus (net of deferred taxation) of HK\$2,519.7 million for the last period.

The unaudited results for the Interim Period have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu and they reflect the adoption of all Hong Kong Financial Reporting Standards applicable to the Group that are effective for the accounting period.

DIVIDENDS

The Directors have declared an interim dividend of 12 cents per share payable on 9th April, 2015 to those shareholders whose names appear on the Register of Members of the Company on 4th March, 2015.

The interim dividend will be payable in cash but shareholders will be given the option of electing to receive the interim dividend in the form of new shares in lieu of cash in respect of part or all of such dividend. The new shares to be issued pursuant to the scrip dividend scheme are subject to their listing being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited.

A circular containing details of the scrip dividend scheme will be despatched to shareholders together with the form of election for scrip dividend on or about 10th March, 2015. It is expected that the interim dividend warrants and share certificates will be despatched to shareholders on or about 9th April, 2015.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW

(1) Sales Activities

Total revenue from property sales recognised for the Interim Period, including property sales of associates and joint ventures recognised by the Group, was HK\$4,090.4 million (2013: HK\$1,225.4 million).

Total revenue from property sales comprises mainly the sales of residential units in Park Metropolitan in Kwun Tong and Park Ivy in Tai Kok Tsui completed during the Interim Period as well as projects completed in previous financial years. To date, approximately 99% of the units in Park Metropolitan and 99% of the units in Park Ivy have been sold. In respect of sales derived from projects completed in previous financial years, these mainly included The Avenue (Site B) in Wan Chai, The Graces • Providence Bay and Providence Peak in Pak Shek Kok and to date, approximately 99%, 89% and 81% of the units in the respective projects have been sold.

The Group continues to seek good opportunities to sell its projects to enhance shareholders' value. During the Interim Period, the Group launched Dragons Range located in Kau To, Shatin for sale and to date, approximately 62% of the units in the project have been sold. In China, 252 residential units in Phase II of Dynasty Park were launched for sale during the Interim Period. Together with Phase I of Dynasty Park, a total of 854 residential units have been launched for sale and to date, 95% of these residential units have been sold.

(2) Land Bank

As at 31st December, 2014, the Group has a land bank of approximately 40.2 million square feet of attributable floor area in Hong Kong, China and Singapore which comprises a balanced portfolio of properties of which 64.7% is residential; 22.8% commercial; 5.6% industrial; 3.7% car parks and 3.2% hotels. In terms of breakdown of the land bank by status, 27.9 million square feet were properties under development, 11.4 million square feet of properties for investment and hotels, together with 0.9 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)

During the Interim Period, the Group was awarded the development rights of Kwun Tong Town Centre Development Areas 2 and 3 from Urban Renewal Authority of Hong Kong and acquired a site in Fanling from the HKSAR Government with a total attributable floor area of approximately 1.5 million square feet. Details of the projects are as follows:

	<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
1.	Kwun Tong Town Centre Development Areas 2 and 3, Kwun Tong, Kowloon, Hong Kong	Residential	Joint Venture	1,346,383
2.	FSSTL 255 Junction of Luen Hing St., Wo Fung St. and Luen Shing St., Luen Wo Hui, Fanling, New Territories, Hong Kong	Residential/ Commercial/ Car Park	100%	209,907
				<hr/>
				1,556,290

(3) Property Development

During the Interim Period, the Group obtained Occupation Permits for the following projects in Hong Kong with a total attributable floor area of approximately 287,076 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.	Park Metropolitan 8 Yuet Wah Street, Kwun Tong, Kowloon, Hong Kong	Residential	Joint Venture	232,825
2.	Park Ivy 8 Ivy Street, Tai Kok Tsui, Kowloon, Hong Kong	Residential/ Commercial	Joint Venture	54,251
				<hr/>
				287,076

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

(4) Rental Activities

For the Interim Period, the Group's gross rental revenue, including attributable share from associates and joint ventures, increased 6.8% to HK\$1,814.9 million (2013: HK\$1,699.7 million) and net rental income increased 7.6% to HK\$1,595.5 million (2013: HK\$1,482.7 million). The increase in rental revenue was mainly due to higher rental rates on renewals and improvement in occupancy rates in both retail and office properties. Overall occupancy of the Group's investment property portfolio was at approximately 98% (2013: 97%) for the Interim Period.

The Group's retail portfolio in Hong Kong recorded rental growth with overall occupancy rate increasing to approximately 99% for the Interim Period from 98% for the corresponding period last year as the Group's flagship shopping malls, namely Tuen Mun Town Plaza Phase I, Olympian City 1, 2 and 3 showed steady leasing performance.

The leasing performance of the Group's office portfolio saw stable rental growth while overall occupancy rate was at approximately 98% (2013: 95%) for the Interim Period. The leasing performance of the Group's industrial portfolio continued to perform well with overall occupancy rate remaining the same at approximately 98% (2013: 98%).

The Group's investment property portfolio primarily serves the need of its customers which include tenants, shoppers and the communities around the properties. The design and conditions of the properties together with the quality of service provided to customers are of paramount importance. To ensure that the properties are in good condition with the proper layout and design, the Group would perform regular review of the properties and collect customers' feedback to decide if asset enhancement work is required. To assess the effectiveness of capital expenditure, benefits to customers, payback and return on investment will be analysed. On service quality, the Group places a strong emphasis on regular training particularly for all front-line staff to ensure that the services provided to customers meet their expectations. Comments from customers, reports by silent shoppers and recognitions from professional institutions all play a role in assessing the quality of service delivered by the staff. These indicators are vital for management to review what additional work needs to be done as part of the Group's efforts for continuous improvement.

As at 31st December, 2014, the Group has approximately 11.4 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 63.4%, industrial 15.4%, car parks 12.9%, hotels 6.6%, and residential 1.7%.

(5) Hotels

Overall business performance of the Group's hotels, namely The Fullerton Hotel, The Fullerton Bay Hotel and Conrad Hong Kong was steady during the Interim Period. 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.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

(6) China Business

The 4th Plenary Session of 18th CPC Central Committee held in October 2014 focused on the rule of law and the role of the constitution which play an important part in directing party governance and in the ongoing reforms of the country. The changes announced in the Plenum have significant implications and cover a wide spectrum of areas including improvement in the legislative system and law enforcement and a monitoring system to deal with injustices as well as the protection of citizens and property rights. These reforms and policy direction will further improve not only the efficiency and effectiveness of policy implementation, but also social aspects of the country.

The People's Bank of China lowered its lending rates in November 2014 and gave banks more flexibility on the requirement of loan-to-deposit ratio representing a new round of expansionary monetary policy to increase the liquidity in the banking system. These easing measures have the effect of stimulating the economy and together with the relaxation of the home purchase restrictions in many cities across China, the residential property market is expected to be more active with a pick-up in sales volume.

Throughout the years, the Group has completed a number of projects in Xiamen, Fuzhou and the first phase of its residential project in Zhangzhou. 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, namely The Palazzo in Chengdu, The Coronation in Chongqing and Dynasty Park in Zhangzhou will be sold and completed in phases over the next few years.

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, 2014.

FINANCE

As at 31st December, 2014, the Group had cash and bank deposits of HK\$15,266.1 million. After netting off total borrowings of HK\$5,950.1 million, the Group had net cash of HK\$9,316.0 million as at 31st December, 2014. Of the total borrowings, 16.7% was repayable between one and two years and 83.3% 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\$141,160.4 million and HK\$113,467.8 million respectively.

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 Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars with a portion of Renminbi deposits. The Group has maintained a sound financial management policy and foreign exchange exposure has been prudently kept at a minimal level.

CHAIRMAN'S STATEMENT *(Continued)*

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.

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, heritage conservation, and staff team-building activities. In recognition of the Group's continuous efforts in promoting sustainability and upholding high standards in environmental, social and corporate governance aspects, the Company has been selected as a constituent member of the Hang Seng Corporate Sustainability Index since September 2012.

During the Interim Period, the Group published its 2014 Sustainability Review which has been prepared with reference to Hong Kong Exchanges and Clearing Limited's 'Environmental, Social and Governance Reporting Guide' under Appendix 27 to the Main Board Listing Rules. The Group also published its fourth annual Sustainability Report that highlighted its corporate sustainability footprints and initiatives to demonstrate its commitment to engaging its stakeholders in building a greener future.

The Group encourages staff of all levels to serve the community and care for those in need; this commitment is extended to supporting staff in joining voluntary service for at least one day a year during office hours. The Group is dedicated to playing a part in building a better community through participating in voluntary services and charity events, with a strong emphasis on children and youth development. The Group appreciates the importance of providing guidance to the young generation in their learning stage, and joined hands with various community partners to provide learning opportunities for children and teenagers from underprivileged families through different programmes.

Continuous efforts have been made by the Group to make its properties more environmental-friendly through architectural planning, landscaping, energy saving and green management initiatives. Sino Property Services, the Group's property management arm provides fully integrated property management service, stretches and demonstrates the Group's dedication to environmental protection.

CHAIRMAN'S STATEMENT *(Continued)*

CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Dedicated to promoting local art and culture, the Group initiated 'Sino Art' project in 2006, under which Sino Art provides local and international artists with opportunities to showcase their works through exhibitions and public art installations at the Group's properties. The Group has initiated 'Sino Art in Community' to extend our reach and charitable efforts to local communities with art. During the Interim Period, the Group launched its third project of 'Sino Art in Community' in partnership with Precious Blood Children's Village ("Village") in Fanling. The project involved organising art workshops and creation of mural paintings at the houses in the Village.

Sino Heritage was established in 2011 with the belief that conservation of cultural heritage helps the community build a sense of identity and strengthen relationships in the city. Sino Heritage identifies and showcases the heritage significance of historical projects in both Hong Kong and Singapore. In March 2008, the Ng Teng Fong Family, the major shareholder of the Group, set up a non-profit-making organisation, Hong Kong Heritage Conservation Foundation Limited ("HCF"). HCF revitalised and converted the Old Tai O Police Station, a Grade II historic building, into a boutique hotel. Named Tai O Heritage Hotel ("Hotel"), it is home to nine colonial-style rooms and suites and commenced operation in March 2012. The Hotel, operated by HCF as a non-profit-making social enterprise, is part of the HKSAR Government's 'Revitalising Historic Buildings Through Partnership Scheme'. HCF is an award winner at UNESCO Asia-Pacific 2013 Awards for Cultural Heritage Conservation. In November 2014, HCF has been honoured by the American Institute of Architects Hong Kong Chapter with a Citation Award, in recognition of its contributions to heritage conservation in Hong Kong.

PROSPECTS

The world's economic situation has been sensitive to policy changes. Whilst the US economy continued its recovery trend, economic growth in both Euro zone and Japan has fallen below the desired levels. In Euro zone, bank lending activity to businesses remains low and structural reforms in the areas of labour markets, banking and public finance are still in progress. The European Central Bank's decision to announce its quantitative easing programme in January 2015 would provide more monetary stimulus to support the economic recovery of the Euro zone. In Japan, its government continued with its quantitative easing programme to revive the economy. With the strengthening of the US dollar, other currencies have seen volatility in the market. The discontinuation of the minimum exchange rate system between Swiss Franc and Euro by the Swiss National Bank announced in January 2015 has led to more uncertainty in the financial markets. The divergence in world economic conditions would add more obstacles for policymakers in managing their economies.

The economic integration between China and Hong Kong continued to strengthen with the establishment of Shanghai-Hong Kong Stock Connect scheme in November 2014 and further liberalisation of the service industry between Guangdong and Hong Kong under the Closer Economic Partnership Arrangement in December 2014. Together with the regulatory change by the Hong Kong Monetary Authority to remove the Renminbi daily conversion limit of RMB20,000 with effect from 17th November, 2014 for Hong Kong residents should help cement Hong Kong's lead as an offshore yuan centre, which should be supportive to the city's business environment.

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS *(Continued)*

The Hong Kong property market has been going through a period of change as a result of economic and property-related policies. In the second half of 2014, buying sentiment improved and primary transaction volume saw favourable growth. The growth was predominantly driven by good demand and availability of new project launches. The Long-term Housing Strategy Committee released on 15th December, 2014 a comprehensive plan for housing supply in the next ten years to balance housing demand and supply and is conducive to maintaining stability of the Hong Kong property market. The Group, with a good mix of residential projects to be launched for sale in the next 12 months, will benefit from the prevailing market conditions. Further, the Group's resilient recurrent businesses, which comprise property leasing, hospitality and property management services, continue to contribute stable stream of income. With a good financial position, the Group is well-positioned to respond to challenges ahead.

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.

STAFF AND MANAGEMENT

I would like to extend a warm welcome to Mr. Wong Cho Bau, JP, who was appointed on the Board as Independent Non-Executive Director with effect from 20th January, 2015. Mr. Wong's extensive knowledge and experience will be of great benefit to the Group.

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, 11th February, 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31st December, 2014

		Six months ended	
		31st December, 2014	31st December, 2013
		<i>HK\$</i>	<i>HK\$</i>
<i>Notes</i>		(Unaudited)	(Unaudited)
Turnover	3	5,268,803,953	2,324,557,576
Cost of sales		(2,244,577,637)	–
Direct expenses		(1,069,198,863)	(853,726,684)
Gross profit		1,955,027,453	1,470,830,892
Other income and other gains or losses		56,545,309	119,572,610
Change in fair value of investment properties	12	1,675,864,294	2,046,142,531
Gain on disposal of investment properties		7,217,307	946,462,977
(Loss) gain arising from change in fair value of trading securities		(40,012,616)	79,884,469
Administrative expenses		(373,428,680)	(354,098,543)
Other operating expenses		(88,777,453)	(83,346,387)
Finance income	4	233,595,617	193,072,612
Finance costs	5	(116,503,359)	(134,491,826)
Less: Interest capitalised	5	8,208,135	16,062,250
Finance income, net		125,300,393	74,643,036
Share of results of associates	6	553,776,934	912,595,259
Share of results of joint ventures	7	185,913,686	130,132,957
Profit before taxation	8	4,057,426,627	5,342,819,801
Income tax expense	9	(318,697,040)	(248,425,477)
Profit for the period		3,738,729,587	5,094,394,324
Profit for the period attributable to:			
The Company's shareholders		3,733,367,835	5,001,178,880
Non-controlling interests		5,361,752	93,215,444
		3,738,729,587	5,094,394,324
Earnings per share (reported earnings per share)			
Basic	11(a)	0.619	0.840

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31st December, 2014

	Six months ended	
	31st December, 2014 HK\$ (Unaudited)	31st December, 2013 HK\$ (Unaudited)
Profit for the period	3,738,729,587	5,094,394,324
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
(Loss) gain on fair value change of available-for-sale investments	(99,523,278)	619,340
Exchange differences arising on translation of foreign operations	(143,126,773)	303,152,665
Other comprehensive (expense) income for the period	(242,650,051)	303,772,005
Total comprehensive income for the period	3,496,079,536	5,398,166,329
Total comprehensive income attributable to:		
The Company's shareholders	3,490,717,784	5,304,950,885
Non-controlling interests	5,361,752	93,215,444
	3,496,079,536	5,398,166,329

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2014

		31st December, 2014 HK\$ (Unaudited)	30th June, 2014 HK\$ (Audited)
Non-current assets			
Investment properties	12	56,740,460,885	56,281,352,385
Hotel properties		1,763,505,106	1,891,263,436
Property, plant and equipment	13	138,948,260	129,209,993
Prepaid lease payments – non-current		1,210,289,336	1,303,292,089
Interests in associates	14	17,983,807,498	17,475,905,471
Interests in joint ventures	15	2,442,847,626	2,242,353,923
Available-for-sale investments	22	925,367,401	1,008,794,665
Advances to associates	14	7,780,728,976	8,132,002,059
Advances to joint ventures	15	1,007,474,042	1,553,726,462
Advance to non-controlling interests		–	96,082,492
Advance to an investee company		14,956,822	17,617,226
Long-term loans receivable		184,550,931	49,834,713
		90,192,936,883	90,181,434,914
Current assets			
Properties under development		30,553,511,932	27,884,031,411
Stocks of completed properties		1,995,234,885	1,617,543,658
Hotel inventories		18,590,887	18,708,821
Prepaid lease payments – current		23,696,759	20,390,423
Trading securities	22	514,786,586	554,800,591
Amounts due from associates		950,931,505	970,529,537
Amounts due from joint ventures		2,210,210	–
Account and other receivables	16	1,477,405,264	1,117,280,334
Current portion of long-term loans receivable		3,781,786	3,794,836
Taxation recoverable		161,167,929	147,713,722
Restricted bank deposits		371,910,999	412,983,955
Time deposits, bank balances and cash		14,894,262,825	13,999,422,509
		50,967,491,567	46,747,199,797
Current liabilities			
Account and other payables	17	4,038,187,117	3,483,872,299
Deposits received on sales of properties		7,886,730,470	2,613,997,918
Amounts due to associates		3,953,279,713	3,836,204,380
Amounts due to joint ventures		159,820	–
Taxation payable		863,571,273	1,043,811,670
Current portion of long-term bank borrowings	18	–	28,548,714
Bank loans – secured	18	–	92,000,000
		16,741,928,393	11,098,434,981
Net current assets		34,225,563,174	35,648,764,816
Total assets less current liabilities		124,418,500,057	125,830,199,730

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 31st December, 2014

	<i>Notes</i>	31st December, 2014 HK\$ (Unaudited)	30th June, 2014 HK\$ (Audited)
Capital and reserves			
Share capital	<i>19</i>	37,381,665,733	36,767,987,593
Reserves		76,086,149,946	74,897,385,874
		<hr/>	<hr/>
Equity attributable to the Company's shareholders		113,467,815,679	111,665,373,467
Non-controlling interests		351,005,850	1,284,068,613
		<hr/>	<hr/>
Total equity		113,818,821,529	112,949,442,080
		<hr/>	<hr/>
Non-current liabilities			
Long-term bank and other borrowings			
– due after one year	<i>18</i>	5,950,080,459	7,919,616,786
Deferred taxation		1,718,749,291	1,713,619,521
Advances from associates	<i>20</i>	1,694,434,786	1,652,248,300
Advances from non-controlling interests	<i>21</i>	1,236,413,992	1,595,273,043
		<hr/>	<hr/>
		10,599,678,528	12,880,757,650
		<hr/>	<hr/>
		124,418,500,057	125,830,199,730
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st December, 2014

	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Investment revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Attributable to the Company's shareholders HK\$	Non- controlling interests HK\$	Total HK\$
As 1st July, 2013 (audited)	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
Profit for the period	-	-	-	-	-	5,001,178,880	5,001,178,880	93,215,444	5,094,394,324
Other comprehensive income for the period	-	-	-	619,340	303,152,665	-	303,772,005	-	303,772,005
Total comprehensive income for the period	-	-	-	619,340	303,152,665	5,001,178,880	5,304,950,885	93,215,444	5,398,166,329
Shares issued in lieu of cash dividend	33,781,452	-	-	-	-	-	33,781,452	-	33,781,452
Premium on issue of shares upon scrip dividend	-	327,950,337	-	-	-	-	327,950,337	-	327,950,337
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(20,842,190)	(20,842,190)
Final dividend declared and paid – 2013	-	-	-	-	-	(2,260,173,263)	(2,260,173,263)	-	(2,260,173,263)
At 31st December, 2013 (unaudited)	5,981,605,827	29,886,561,645	523,584,000	398,772,853	2,423,061,077	68,999,138,621	108,212,724,023	1,251,294,166	109,464,018,189
At 1st July, 2014 (audited)	36,767,987,593	-	-	333,007,808	2,366,899,338	72,197,478,728	111,665,373,467	1,284,068,613	112,949,442,080
Profit for the period	-	-	-	-	-	3,733,367,835	3,733,367,835	5,361,752	3,738,729,587
Other comprehensive expense for the period	-	-	-	(99,523,278)	(143,126,773)	-	(242,650,051)	-	(242,650,051)
Total comprehensive (expense) income for the period	-	-	-	(99,523,278)	(143,126,773)	3,733,367,835	3,490,717,784	5,361,752	3,496,079,536
Shares issued in lieu of cash dividend	613,678,140	-	-	-	-	-	613,678,140	-	613,678,140
Cancellation upon repurchase of own shares	-	-	-	-	-	(16,008,600)	(16,008,600)	-	(16,008,600)
Released upon liquidation of a subsidiary (Note 25)	-	-	-	-	-	-	-	(933,213,815)	(933,213,815)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(5,210,700)	(5,210,700)
Final dividend declared and paid – 2014	-	-	-	-	-	(2,285,945,112)	(2,285,945,112)	-	(2,285,945,112)
At 31st December, 2014 (unaudited)	37,381,665,733	-	-	233,484,530	2,223,772,565	73,628,892,851	113,467,815,679	351,005,850	113,818,821,529

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st December, 2014

	Six months ended	
	31st December, 2014 HK\$ (Unaudited)	31st December, 2013 HK\$ (Unaudited)
Net cash from (used in) operating activities	3,398,201,395	(797,409,399)
Net cash from investing activities		
Advances to associates	(121,664,140)	(250,620,063)
Advances to joint ventures	(2,499,401)	(133,601,251)
Additions to investment properties	(107,175,249)	(131,880,338)
Additions to property, plant and equipment	(44,395,331)	(19,181,794)
Dividend received from associates	16,763,660	27,170,000
Withdrawal of restricted bank deposits	64,166,366	80,432,165
Placement of restricted bank deposits	(23,093,410)	(490,851,597)
Proceeds from disposal of investment properties	39,018,147	2,426,554,047
Repayments from associates	571,921,495	261,418,081
Repayments from joint ventures	547,124,528	37,533,490
Repayments from non-controlling interests	96,082,492	11,794,503
Other investing activities	38,784,106	99,677,687
	1,075,033,263	1,918,444,930
Net cash used in financing activities		
New bank loans raised	–	1,800,000,000
Advances from associates	142,672,716	198,069,855
Repayments of bank loans	(1,596,985,492)	(2,229,543,750)
Repayments to associates	(641,292)	(109,965,106)
Dividend paid to non-controlling interests	(5,210,700)	(20,842,190)
Dividend paid	(1,672,266,972)	(1,898,441,474)
Payment of repurchase of own shares	(16,008,600)	–
Interest paid	(85,396,872)	(107,609,383)
(Repayments to) advances from non-controlling interests	(358,859,051)	84,429,348
Other financing activities	159,820	(11,402,648)
	(3,592,536,443)	(2,295,305,348)
Net increase (decrease) in cash and cash equivalents	880,698,215	(1,174,269,817)
Cash and cash equivalents at the beginning of the period	13,999,422,509	11,619,643,905
Effect of foreign exchange rate changes	14,142,101	24,200,522
Cash and cash equivalents at the end of the period	14,894,262,825	10,469,574,610
Analysis of the balances of cash and cash equivalents:		
Time deposits, bank balances and cash	14,894,262,825	10,469,574,610

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st December, 2014

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed 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 appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2014 except as described below.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of new interpretation and amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 31st December, 2014

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue <i>HK\$</i>	Results <i>HK\$</i>	Share of revenue <i>HK\$</i>	Share of results <i>HK\$</i>	Segment revenue <i>HK\$</i>	Segment results <i>HK\$</i>
Property						
Property sales	2,821,663,364	331,139,767	1,268,803,402	153,885,480	4,090,466,766	485,025,247
Property rental	1,416,616,548	1,223,319,356	395,870,922	367,750,287	1,812,487,470	1,591,069,643
	4,238,279,912	1,554,459,123	1,664,674,324	521,635,767	5,902,954,236	2,076,094,890
Property management and other services	530,592,003	114,188,163	46,780,800	9,844,501	577,372,803	124,032,664
Hotel operations	468,335,990	193,532,208	119,176,200	64,061,100	587,512,190	257,593,308
Investments in securities	30,975,990	30,975,936	1,950	1,950	30,977,940	30,977,886
Financing	620,058	620,058	571,572	571,572	1,191,630	1,191,630
	5,268,803,953	1,893,775,488	1,831,204,846	596,114,890	7,100,008,799	2,489,890,378

Six months ended 31st December, 2013

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue <i>HK\$</i>	Results <i>HK\$</i>	Share of revenue <i>HK\$</i>	Share of results <i>HK\$</i>	Segment revenue <i>HK\$</i>	Segment results <i>HK\$</i>
Property						
Property sales	–	(93,462,746)	1,225,383,360	294,342,693	1,225,383,360	200,879,947
Property rental	1,365,176,154	1,176,669,338	346,382,494	318,663,000	1,711,558,648	1,495,332,338
	1,365,176,154	1,083,206,592	1,571,765,854	613,005,693	2,936,942,008	1,696,212,285
Property management and other services	488,721,869	105,267,989	41,458,831	6,777,167	530,180,700	112,045,156
Hotel operations	439,040,050	190,372,045	119,646,000	49,245,900	558,686,050	239,617,945
Investments in securities	30,629,098	30,629,098	1,950	1,950	30,631,048	30,631,048
Financing	990,405	990,405	476,084	476,084	1,466,489	1,466,489
	2,324,557,576	1,410,466,129	1,733,348,719	669,506,794	4,057,906,295	2,079,972,923

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, gain on disposal of investment properties 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 and joint ventures without allocation of the associates' and joint ventures' 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 resource allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

3. SEGMENT INFORMATION (Continued)

Reconciliation of profit before taxation

	Six months ended	
	31st December, 2014 HK\$	31st December, 2013 HK\$
Segment profit	2,489,890,378	2,079,972,923
Other income and other gains or losses	53,559,116	116,745,327
Change in fair value of investment properties	1,675,864,294	2,046,142,531
Gain on disposal of investment properties	7,217,307	946,462,977
(Loss) gain arising from change in fair value of trading securities	(40,012,616)	79,884,469
Administrative expenses and other operating expenses	(397,765,540)	(374,138,198)
Finance income, net	125,097,958	74,528,350
Results shared from associates and joint ventures		
– Other income and other gains or losses	45,982,186	9,782,444
– Change in fair value of investment properties	401,956,085	630,489,819
– Administrative expenses and other operating expenses	(144,262,974)	(81,692,487)
– Finance costs, net	(82,805,039)	(69,732,806)
– Income tax expense	(77,294,528)	(115,625,548)
	143,575,730	373,221,422
Profit before taxation	4,057,426,627	5,342,819,801

During the six months ended 31st December, 2014, inter-segment sales of HK\$39,198,556 (*six months ended 31st December, 2013: HK\$38,877,946*) were not included in 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2014

4. FINANCE INCOME

	Six months ended	
	31st December, 2014 HK\$	31st December, 2013 HK\$
Interest income on:		
advances to associates and joint ventures	33,053,318	31,424,893
advance to an investee company	399,596	398,133
bank deposits	101,924,364	82,700,787
Imputed interest income on non-current interest-free advances to associates and joint ventures	98,218,339	78,548,799
	233,595,617	193,072,612

5. FINANCE COSTS

	Six months ended	
	31st December, 2014 HK\$	31st December, 2013 HK\$
Interest on bank and other borrowings wholly repayable within five years	85,372,616	108,987,656
Imputed interest expense on non-current interest-free advances from associates	17,230,395	16,626,205
Loan facility arrangement fees and finance charges	13,900,348	8,877,965
	116,503,359	134,491,826
Less: Amounts capitalised to properties under development	(8,208,135)	(16,062,250)
	108,295,224	118,429,576

6. SHARE OF RESULTS OF ASSOCIATES

Share of results of associates included the Group's share of change in fair value of investment properties of the associates of HK\$271,241,719 (six months ended 31st December, 2013: HK\$530,863,218).

7. SHARE OF RESULTS OF JOINT VENTURES

Share of results of joint ventures included the Group's share of change in fair value of investment properties of the joint ventures of HK\$130,714,366 (six months ended 31st December, 2013: HK\$99,626,601).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

8. PROFIT BEFORE TAXATION

	Six months ended	
	31st December, 2014 HK\$	31st December, 2013 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	12,218,562	9,625,252
Cost of properties sold recognised as cost of sales	2,244,577,637	–
Cost of hotel inventories recognised as direct expenses	59,990,972	53,478,869
Depreciation of owner-operated hotel properties	14,129,238	13,015,655
Depreciation of property, plant and equipment	29,308,802	24,956,089
(Reversal) recognition of impairment loss on trade receivables	(698,247)	1,756,402
(Gain) loss on disposal of property, plant and equipment	(160,091)	750,566
	12,218,562	9,625,252

9. INCOME TAX EXPENSE

	Six months ended	
	31st December, 2014 HK\$	31st December, 2013 HK\$
The charge comprises:		
Current taxation		
Hong Kong Profits Tax	140,316,223	107,093,656
Other jurisdictions	54,035,607	38,822,798
Land Appreciation Tax (“LAT”) in the People’s Republic of China (the “PRC”)	56,207,247	–
	250,559,077	145,916,454
Deferred taxation	68,137,963	102,509,023
	318,697,040	248,425,477

Hong Kong Profits Tax is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 16.5% (six months ended 31st December, 2013: 16.5%).

Taxes on profits assessable in Singapore and the PRC are recognised based on management’s best estimate of the weighted average annual income tax rates prevailing in the countries and the regions in which the Group operates. The estimated weighted average annual tax rates used are 17% in Singapore and 25% in the PRC (six months ended 31st December, 2013: 17% in Singapore and 25% in the PRC).

The provision of the LAT is calculated according to the requirements set forth in the relevant tax laws and regulations. The LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Deferred taxation has been provided in relation to the change in fair value of certain investment properties and other temporary differences.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2014

10. DIVIDEND PAID

	Six months ended	
	31st December, 2014 HK\$	31st December, 2013 HK\$
Final dividend paid for the year ended 30th June, 2014 of HK38 cents per share (six months ended 31st December, 2013: HK38 cents per share for the year ended 30th June, 2013), with a scrip dividend option	<u>2,285,945,112</u>	<u>2,260,173,263</u>

Subsequent to the end of the reporting period, the Directors determined that an interim dividend for the six months ended 31st December, 2014 of HK12 cents (six months ended 31st December, 2013: HK12 cents) per share amounting to HK\$727,687,094 (six months ended 31st December, 2013: HK\$717,743,259) would be paid to the Company's shareholders whose names appear on the Register of Members on 4th March, 2015.

11. 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:

	Six months ended	
	31st December, 2014 HK\$	31st December, 2013 HK\$
Earnings for the purpose of basic earnings per share	<u>3,733,367,835</u>	<u>5,001,178,880</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>6,023,971,154</u>	<u>5,953,332,220</u>

No diluted earnings per share has been presented for the periods ended 31st December, 2014 and 2013 as there were no potential ordinary shares outstanding during the current and prior periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

11. 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\$1,713,765,270 (six months ended 31st December, 2013: HK\$2,481,484,183) is also presented, excluding the net effect of changes in fair value of the Group's and the associates' and joint ventures' investment properties. The denominators used are the same as those detailed above for reported earnings per share. A reconciliation of profit is as follows:

	Six months ended	
	31st December, 2014	31st December, 2013
	HK\$	HK\$
Earnings for the purpose of basic earnings per share	3,733,367,835	5,001,178,880
Change in fair value of investment properties	(1,675,864,294)	(2,046,142,531)
Effect of corresponding deferred taxation charges	52,731,938	81,896,373
Share of results of associates		
– Change in fair value of investment properties	(271,241,719)	(530,863,218)
– Effect of corresponding deferred taxation charges	–	3,300,000
Share of results of joint ventures		
– Change in fair value of investment properties	(130,714,366)	(99,626,601)
	(2,025,088,441)	(2,591,435,977)
Non-controlling interests	5,485,876	71,741,280
Net effect of changes in fair value of investment properties	(2,019,602,565)	(2,519,694,697)
Underlying profit attributable to the Company's shareholders	1,713,765,270	2,481,484,183
Underlying earnings per share	0.284	0.417

12. INVESTMENT PROPERTIES

The Group's investment properties at 31st December, 2014 and 30th June, 2014 were fair-valued by Knight Frank Petty Limited and Colliers International Consultancy & Valuation (Singapore) Pte Ltd., independent valuers not connected with the Group. The valuations 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. During the six months ended 31st December, 2014, the Group acquired investment properties of HK\$60,320,000 (six months ended 31st December, 2013: nil) and incurred construction cost in investment properties under redevelopment of HK\$21,061,417 (six months ended 31st December, 2013: HK\$103,223,253) and renovation cost on investment properties of HK\$25,793,832 (six months ended 31st December, 2013: HK\$28,657,085).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31st December, 2014, additions to property, plant and equipment amounted to HK\$44,395,331 (six months ended 31st December, 2013: HK\$19,181,794).

14. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES

	31st December, 2014 HK\$	30th June, 2014 HK\$
Interests in associates:		
Unlisted shares, at cost	3,643,839,624	3,495,961,679
Share of post-acquisition profits, net of dividends received	<u>14,339,967,874</u>	<u>13,979,943,792</u>
	<u>17,983,807,498</u>	<u>17,475,905,471</u>
Advances to associates	9,212,864,452	9,564,137,535
Less: allowance	<u>(1,432,135,476)</u>	<u>(1,432,135,476)</u>
	<u>7,780,728,976</u>	<u>8,132,002,059</u>

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 31st December, 2014, out of the Group's advances to associates net of allowances, HK\$3,437,821,037 (30th June, 2014: HK\$3,432,536,081) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$4,342,907,939 (30th June, 2014: HK\$4,699,465,978) 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 borrowers 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

15. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES

	31st December, 2014 HK\$	30th June, 2014 HK\$
Interests in joint ventures:		
Unlisted shares	128,866,493	129,409,450
Share of post-acquisition profits, net of dividends received	2,313,981,133	2,112,944,473
	2,442,847,626	2,242,353,923
Advances to joint ventures	1,007,474,042	1,553,726,462

The joint ventures are engaged in property investment and development during the reporting period.

The advances to joint ventures of the Group are unsecured, interest-free and have no fixed repayment terms. The effective interest rate for imputed interest income is determined based on the cost-of-funds of the borrowers. 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.

16. ACCOUNT AND OTHER RECEIVABLES

At 31st December, 2014, included in account and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$368,290,576 (30th June, 2014: HK\$375,864,549), of which HK\$148,477,141 (30th June, 2014: HK\$60,295,975) 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 following is an aged analysis of trade receivables presented based on invoice date (net of allowance for doubtful debts) at the end of the reporting period:

	31st December, 2014 HK\$	30th June, 2014 HK\$
Not yet due	148,477,141	60,295,975
Overdue:		
1 – 30 days	131,405,676	233,209,186
31 – 60 days	44,842,788	30,476,437
61 – 90 days	11,743,906	8,811,895
Over 90 days	31,821,065	43,071,056
	368,290,576	375,864,549

Other receivables mainly comprise receivables in relation to rental, utility and other deposits paid of approximately HK\$119,000,000 (30th June, 2014: HK\$116,000,000), prepayments for operating expenses of approximately HK\$30,000,000 (30th June, 2014: HK\$32,000,000) and interest receivables of approximately HK\$27,000,000 (30th June, 2014: HK\$30,000,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

17. ACCOUNT AND OTHER PAYABLES

At 31st December, 2014, included in account and other payables of the Group are trade payables of HK\$104,543,305 (30th June, 2014: HK\$192,731,526).

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

	31st December, 2014 HK\$	30th June, 2014 HK\$
0 – 30 days	79,206,065	166,847,013
31 – 60 days	14,978,499	15,228,033
61 – 90 days	1,726,184	1,058,678
Over 90 days	8,632,557	9,597,802
	<u>104,543,305</u>	<u>192,731,526</u>

At 31st December, 2014, out of payables, HK\$6,135,300 (30th June, 2014: nil) 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. Other payables mainly comprise construction cost payable of approximately HK\$1,133,000,000 (30th June, 2014: HK\$1,099,000,000), rental and utility deposits received of approximately HK\$699,000,000 (30th June, 2014: HK\$694,000,000) and rental receipt in advance of approximately HK\$148,000,000 (30th June, 2014: HK\$145,000,000).

18. BANK AND OTHER BORROWINGS

During the six months ended 31st December, 2014, the Group did not obtain any new bank loans (six months ended 31st December, 2013: HK\$1,800,000,000). For the six months ended 31st December, 2013, certain assets of the Group were pledged for the entire new bank loans as set out in note 23 and the proceeds were mainly used to repay the existing bank loans. All of the 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2014

19. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$
Authorised:		
At 1st July, 2013 and 31st December, 2013		
– ordinary shares of HK\$1.00 each	8,000,000,000	8,000,000,000
	<u>8,000,000,000</u>	<u>8,000,000,000</u>
At 1st July, 2014 and 31st December, 2014 (Note)	N/A	N/A
	<u>N/A</u>	<u>N/A</u>
Issued and fully paid:		
At 1st July, 2014	6,016,661,033	36,767,987,593
Issued in lieu of cash dividend	48,720,081	613,678,140
Cancellation upon repurchase of own shares	(1,322,000)	–
	<u>6,064,059,114</u>	<u>37,381,665,733</u>
At 31st December, 2014	6,064,059,114	37,381,665,733

Note: Under the Companies Ordinance (Cap. 622), with effect from 3rd March, 2014, the concept of authorised share capital no longer exists and the Company's share no longer have a par value. There is no impact on the number of shares in issue or the relative entitlement of any of the shareholders as a result of this transition.

On 2nd December, 2014, the Company issued and allotted a total of 48,720,081 ordinary shares at an issue price of HK\$12.596 per ordinary share in lieu of cash for the 2014 final dividend.

During the six months ended 31st December, 2014, 1,322,000 (six months ended 31st December, 2013: nil) ordinary shares repurchased on the Stock Exchange were cancelled. The relevant aggregate consideration of HK\$16,008,600 (six months ended 31st December, 2013: nil) was paid out from the Company's retained profits.

The shares issued during the period rank pari passu with the then existing shares in all respects.

20. ADVANCES FROM ASSOCIATES

The advances from associates of the Group are unsecured, interest-free and have no fixed repayment terms. The associates agreed not to demand repayment within the next twelve months from the end of the reporting period. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

21. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounted to HK\$27,694,572 (30th June, 2014: HK\$28,955,238) are unsecured, bear interest ranging from 1% to 6.25% (30th June, 2014: 1% to 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$1,208,719,420 (30th June, 2014: HK\$1,566,317,805) 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.

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Certain of the financial assets of the Group are measured at fair value at the end of each reporting period. The following table provides an analysis of these financial assets that are measured subsequent to initial recognition at fair value at recurring basis, by reference to quoted market bid price in active liquid markets and grouped into Level 1 based on the degree to which the inputs to the fair value measurements is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

	31st December, 2014		30th June, 2014	
	Level 1 HK\$	Total HK\$	Level 1 HK\$	Total HK\$
Available-for-sale investments:				
Equity securities listed in Hong Kong	614,634,353	614,634,353	616,946,160	616,946,160
Equity securities listed outside Hong Kong	279,534,558	279,534,558	360,650,015	360,650,015
Trading securities:				
Equity securities listed in Hong Kong	514,502,452	514,502,452	554,501,407	554,501,407
Equity securities listed outside Hong Kong	284,134	284,134	299,184	299,184
Total	<u>1,408,955,497</u>	<u>1,408,955,497</u>	<u>1,532,396,766</u>	<u>1,532,396,766</u>

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

23. PLEDGE OF ASSETS

- (a) At 31st December, 2014, the aggregate facilities of bank loans granted to the Group amounting to approximately HK\$3,495,733,000 (30th June, 2014: HK\$5,627,204,000) were secured by certain of the Group's properties, account and other receivables, restricted bank deposits and floating charges on bank balances amounting to a total carrying amount of HK\$4,593,655,430 (30th June, 2014: HK\$9,387,816,802). At that date, the facilities were utilised by the Group to the extent of approximately HK\$2,096,733,000 (30th June, 2014: HK\$4,200,204,000).

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

	31st December, 2014 HK\$	30th June, 2014 HK\$
Investment properties	219,646,875	4,793,371,875
Hotel properties	858,470,037	920,261,326
Prepaid lease payments	791,866,046	851,071,544
Property, plant and equipment	–	44,594
Properties under development	2,716,424,422	2,570,599,556
Account and other receivables	–	3,873,674
Bank balances	5,488,558	142,513,077
Others	1,759,492	106,081,156
	<u>4,593,655,430</u>	<u>9,387,816,802</u>

- (b) At 31st December, 2014, investments in certain associates in aggregate amounting to approximately HK\$10,000 (30th June, 2014: HK\$10,000) and advances to certain associates in aggregate amounting to approximately HK\$3,987,585,000 (30th June, 2014: HK\$3,916,628,000) and certain assets of the associates were pledged to or assigned to secure loan facilities made available by banks to such associates. The Group's attributable portion of these facilities amounted to approximately HK\$4,719,384,000 (30th June, 2014: HK\$4,719,384,000), of which approximately HK\$2,919,784,000 (30th June, 2014: HK\$2,716,184,000) was utilised by the associates and guaranteed by the Company. Details of the relevant guarantees granted are set out in note 24.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2014

24. CONTINGENT LIABILITIES

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

	31st December, 2014 HK\$	30th June, 2014 HK\$
Guarantees given to banks in respect of:		
Banking facilities of associates:		
– Utilised	2,919,783,832	2,716,183,832
– Unutilised	1,799,600,000	2,003,200,000
	<u>4,719,383,832</u>	<u>4,719,383,832</u>
 Mortgage loans granted to property purchasers	 <u>367,706,772</u>	 <u>402,205,650</u>

At 31st December, 2014 and 30th June, 2014, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates. At the end of both reporting periods, the Group did not recognise any liabilities in respect of such corporate financial guarantees in the condensed consolidated statement of financial position.

Guarantees are given to banks with respect to loans procured by the purchasers of the Group's properties. Such guarantees will be released by banks upon completion of the relevant mortgage properties registration. In the opinion of the Directors, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the Directors consider that the possibility of default of the parties involved is remote; accordingly, no value has been recognised at the inception of these guarantee contracts and at the end of the each reporting period.

25. LIQUIDATION OF A SUBSIDIARY

On 15th September, 2014, the shareholders of Firm Wise Investment Limited ("Firm Wise"), which is a company held as to 70% by King Chance Development Limited ("King Chance", a wholly-owned subsidiary of the Company) and as to 30% by Eastand Investments Limited ("Eastand", a non-controlling shareholder), resolved to voluntarily liquidate Firm Wise. Firm Wise is the developer and direct owner of certain properties located in Hong Kong (the "Properties"), which represented the major assets owned before liquidation. In connection with such voluntary liquidation, Firm Wise would distribute the Properties in the proportion of 70% to King Chance and 30% to Eastand (the "Distribution"). The Distribution was completed during the current period. No gain or loss arose in this transaction. As at 31st December, 2014, the liquidation of Firm Wise is still in process.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 2nd March, 2015 to Wednesday, 4th March, 2015, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Wednesday, 4th March, 2015.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share Registrars, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 27th February, 2015.

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

During the interim period, the Company repurchased 1,322,000 shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") at an aggregate consideration of HK\$16,008,600. The repurchases were effected by the Directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	Total number of the ordinary shares repurchased	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate consideration <i>HK\$</i>
July 2014	186,000	12.60	12.46	2,331,270
September 2014	830,000	11.98	11.84	9,936,322
December 2014	306,000	12.42	11.98	3,741,008
	<u>1,322,000</u>			<u>16,008,600</u>

All 1,322,000 shares repurchased were cancelled on delivery of the share certificates during the interim period. The aggregate consideration of HK\$16,008,600 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 interim period.

DIRECTORS' INTERESTS

As at 31st December, 2014, 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the Rules Governing the Listing of Securities on the Stock Exchange (“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 Shares
Mr. Robert Ng Chee Siong	3,222,363,368 <i>(Note)</i>	Beneficial owner of 180,608 shares, spouse interest in 3,864,476 shares and trustee interest in 3,218,318,284 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%
The Honourable Ronald Joseph Arculli	1,191,997	Beneficial owner	0.01%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Daryl Ng Win Kong	103,526	Beneficial owner	≈0%
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–
Mr. Gordon Lee Ching Keung	–	–	–

Note:

The trustee interest in 3,218,318,284 shares comprises:

- (a) *1,385,604,334 shares which were held by Tsim Sha Tsui Properties Limited, which was 71.98% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;*
- (b) (i) *46,191,109 shares which 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) *1,648,548,388 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;*

DIRECTORS' INTERESTS (Continued)

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

Note: (Continued)

- (c) 101,672,792 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 166,686 shares by Fanlight Investment Limited, 162,570 shares by Garford Nominees Limited, 36,584,434 shares by Karaganda Investments Inc., 15,778,710 shares by Orient Creation Limited, 7,668,837 shares by Strathallan Investment Limited, 23,114,015 shares by Strong Investments Limited, 17,712,315 shares by Tamworth Investment Limited and 485,225 shares by Transpire Investment Limited; and
- (d) 36,301,661 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

(B) Long Positions in Shares of Associated Corporations

(i) Holding Company

Tsim Sha Tsui Properties Limited

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Robert Ng Chee Siong	1,193,808,342 (Note)	Beneficial owner of 641,111 shares and trustee interest in 1,193,167,231 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.02%
The Honourable Ronald Joseph Arculli	60,000	Beneficial owner	≈0%
Dr. Allan Zeman	—	—	—
Mr. Adrian David Li Man-kiu	—	—	—
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	—	—	—

DIRECTORS' INTERESTS (Continued)

(B) Long Positions in Shares of Associated Corporations (Continued)

(i) Holding Company (Continued)

Tsim Sha Tsui Properties Limited (Continued)

Note:

The trustee interest in 1,193,167,231 shares comprises:

- (a) 1,098,999,427 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 113,911,270 shares by Fanlight Investment Limited, 154,366,387 shares by Nippomo Limited, 3,547,178 shares by Orient Creation Limited, 303,606,196 shares by Strathallan Investment Limited, 453,062,894 shares by Tamworth Investment Limited and 70,505,502 shares by Transpire Investment Limited; and
- (b) 94,167,804 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

(ii) Associates and joint ventures

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

Name of Company	Number of Ordinary Shares	% of Issued Shares
Brighton Land Investment Limited	1,000,002 (Notes 1 and 2)	100%
Dramstar Company Limited	440 (Notes 1 and 3)	44%
Empire Funds Limited	1 (Notes 1 and 4)	50%
Erleigh Investment Limited	110 (Notes 1 and 4)	55%
Eternal Honest Finance Company Limited	1 (Notes 1 and 4)	50%
Famous Empire Finance Limited	5 (Notes 1 and 5)	50%
Famous Empire Properties Limited	5,000 (Notes 1 and 5)	50%
FHR International Limited	1 (Note 6)	33.33%
Island Resort Estate Management Company Limited	10 (Notes 1 and 4)	50%
Jade Result Limited	500,000 (Notes 1 and 4)	50%
Murdoch Investments Inc.	2 (Notes 1 and 2)	100%
Real Maker Development Limited	20,000 (Notes 1 and 7)	10%
Rich Century Investment Limited	500,000 (Notes 1 and 4)	50%
Sea Dragon Limited	70 (Notes 1 and 4)	70%
Silver Link Investment Limited	10 (Notes 1 and 4)	50%
Sino Club Limited	2 (Note 8)	100%
Sino Parking Services Limited	450,000 (Note 9)	50%
Sino Real Estate Agency Limited	50,000 (Note 9)	50%

DIRECTORS' INTERESTS *(Continued)*

(B) Long Positions in Shares of Associated Corporations *(Continued)*

(ii) Associates and joint ventures *(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 shares were held by Goegan Godown Limited, a wholly-owned subsidiary of Osborne.*
8. *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.*
9. *The shares were held by Deansky Investments Limited.*

Save as disclosed above, as at 31st December, 2014, 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 31st December, 2014, 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 Shares
Mr. Philip Ng Chee Tat	3,230,693,748 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 12,375,464 shares and trustee interest in 3,218,318,284 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.27%
Mr. Robert Ng Chee Siong	3,222,363,368 <i>(Notes 2, 3, 4 and 5)</i>	Beneficial owner of 180,608 shares, spouse interest in 3,864,476 shares and trustee interest in 3,218,318,284 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%
Tsim Sha Tsui Properties Limited	3,080,343,831 <i>(Notes 2(a), 2(b), 3 and 4)</i>	Beneficial owner of 1,385,604,334 shares and interest of controlled corporations in 1,694,739,497 shares	50.79%

Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Spangle Investment Limited	380,194,500 <i>(Note 3)</i>	Beneficial owner	6.26%
Ka Fai Land Investment Limited	339,408,519 <i>(Note 4)</i>	Beneficial owner	5.59%

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS (Continued)

Long Positions in Shares of the Company (Continued)

Notes:

1. 12,375,464 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 3,820,436 shares by Far East Ventures Pte. Ltd. (formerly known as Bestdeal Contractors Pte Ltd) and 8,555,028 shares by Western Properties Pte Ltd.
2. The trustee interest in 3,218,318,284 shares comprises:
 - (a) 1,385,604,334 shares which were held by Tsim Sha Tsui Properties Limited, which was 71.98% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
 - (b)
 - (i) 46,191,109 shares which 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) 1,648,548,388 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 380,194,500 shares held by Spangle Investment Limited (Note 3) and 339,408,519 shares held by Ka Fai Land Investment Limited (Note 4));
 - (c) 101,672,792 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 166,686 shares by Fanlight Investment Limited, 162,570 shares by Garford Nominees Limited, 36,584,434 shares by Karaganda Investments Inc., 15,778,710 shares by Orient Creation Limited, 7,668,837 shares by Strathallan Investment Limited, 23,114,015 shares by Strong Investments Limited, 17,712,315 shares by Tamworth Investment Limited and 485,225 shares by Transpire Investment Limited; and
 - (d) 36,301,661 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. 380,194,500 shares were held by Spangle Investment Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and such parcel of shares 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.
4. 339,408,519 shares were held by Ka Fai Land Investment Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and such parcel of shares 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 refer to the same parcel of shares and were duplicated.

Save as disclosed above and so far as the Directors of the Company are aware, as at 31st December, 2014, 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.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

In accordance with Rule 13.22 of the Listing Rules, 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.

	At 31st December, 2014 HK\$	At 30th June, 2014 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	3,102,016,279	2,904,417,044
Advances from the Group	12,066,370,967	16,360,343,155
	<u>15,168,387,246</u>	<u>19,264,760,199</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 joint ventures of the Group.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Directors' Updated Biographical Details

The changes in the biographical details of the Directors are set out below:

The Honourable Ronald Joseph Arculli

- appointed as the Vice-Chair of the Trustees of IFRS Foundation;
- appointed as the Vice-Chairman of the Board of The West Kowloon Cultural District Authority; and
- ceased to be a Non-Executive Director of Hutchison Harbour Ring Limited.

Mr. Adrian David Li Man-kiu

- ceased to be an Alternate Director of AFFIN Holdings Berhad; and
- retired as a member of the HKSAR Government-mandated Banking Industry Training Advisory Committee.

Mr. Daryl Ng Win Kong

- appointed as a co-opted member of the Community Care Fund Task Force of Commission on Poverty.

Directors' updated biographies are available on the Company's website.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES *(Continued)*

Directors' Emoluments

During the interim period, the Executive Directors, namely Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong, Ms. Alice Ip Mo Lin and Mr. Gordon Lee Ching Keung, received discretionary bonuses in the amounts of HK\$659,080, HK\$865,500, HK\$1,236,000 and HK\$1,057,050 respectively.

The basis of determining the Directors' emoluments (including bonus payments) remain unchanged during the six months ended 31st December, 2014.

Save as disclosed above, as at 31st December, 2014, there had not been any other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REMUNERATION COMMITTEE

The Company has established its Remuneration Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock 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. 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 meets at least once a year and is provided with sufficient resources enabling it to discharge its duties.

The Remuneration Committee currently comprises Mr. Steven Ong Kay Eng (Committee Chairman), Dr. Allan Zeman and Mr. Adrian David Li Man-kiu, all of whom are Independent Non-Executive Directors, and Mr. Daryl Ng Win Kong, an Executive Director.

NOMINATION COMMITTEE

The Company has established its Nomination Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board 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 independence. The Committee meets at least once a year and is provided with sufficient resources to perform its duties.

The Nomination Committee currently comprises Mr. Robert Ng Chee Siong (Committee Chairman), the Chairman of the Board, Dr. Allan Zeman and Mr. Adrian David Li Man-kiu, both of whom are Independent Non-Executive Directors.

AUDIT COMMITTEE

The Company has set up its Audit Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock 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 meets at least four times a year and is provided with sufficient resources enabling it to discharge its duties.

The Audit Committee currently comprises Mr. Adrian David Li Man-kiu (Committee Chairman), Dr. Allan Zeman and Mr. Steven Ong Kay Eng, all of whom are Independent Non-Executive Directors.

In the first quarter of 2015, the Audit Committee has reviewed the accounting policies and practices adopted by the Company and the interim report for the six months ended 31st December, 2014.

COMPLIANCE COMMITTEE

The Company has set up its Compliance Committee with written terms of reference 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 (Committee Chairman), the other Executive Directors of the Company, the Chief Financial Officer and 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.

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. The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the six months ended 31st December, 2014. 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.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 31st December, 2014, the Company has complied with all the code provisions as set out in Appendix 14 to the Listing Rules, except that there was no separation of the roles of the chairman and the chief executive officer, both of the roles are currently undertaken by the Chairman of the Board.

The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each business unit are overseen and monitored by designated responsible Executive Directors. The Board has found that the current arrangement has worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the Independent Non-Executive Directors have contributed valuable views and proposals for the Board's deliberation and decisions. The Board will review the management structure regularly to ensure it continues to meet these objectives and is in line with the industry practices.

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 11th February, 2015

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF SINO LAND COMPANY LIMITED

Introduction

We have reviewed the condensed consolidated financial statements of Sino Land Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 12 to 31, which comprise the condensed consolidated statement of financial position as of 31st December, 2014 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
11th February, 2015

