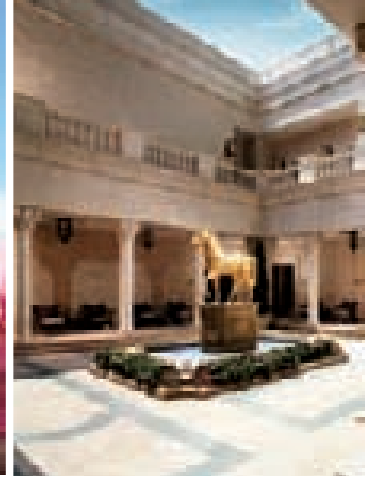


# ANNUAL REPORT 2009

THE PALAZZO -  
THE DERBY & BORGHESE GARDEN



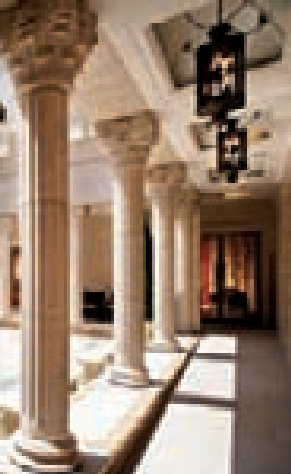


This annual report (“Annual Report”) is available in both English and Chinese. Shareholders who have received either the English or the Chinese version of the Annual Report may request a copy in the language different from that has been received by writing to the Company’s Registrars, Tricor Standard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

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

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

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



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Robert Ng Chee Siong, Chairman  
 Ronald Joseph Arculli, GBS, CVO, OBE, JP#  
 Allan Zeman, GBS, JP\*  
 Adrian David Li Man-kiu, JP\*  
 Fu Yuning\*  
 Yu Wai Wai  
 Thomas Tang Wing Yung  
 Daryl Ng Win Kong  
 Ringo Chan Wing Kwong  
 Sunny Yeung Kwong

(# Non-Executive Director)

(\* Independent Non-Executive Directors)

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

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

## AUTHORIZED REPRESENTATIVES

Robert Ng Chee Siong  
 Thomas Tang Wing Yung

## SECRETARY

Eric Ip Sai Kwong

## AUDITOR

Deloitte Touche Tohmatsu  
 Certified Public Accountants, Hong Kong

## SOLICITORS

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

## SHAREHOLDERS' CALENDAR

<b>Closure of Register of Members</b>	2nd November, 2009 to 5th November, 2009 (both dates inclusive)
<b>Annual General Meeting</b>	5th November, 2009
<b>Interim Dividend</b> Paid	HK10 cents per share 14th May, 2009
<b>Final Dividend</b> Payable	HK30 cents per share 3rd December, 2009
<b>Last Date for lodging scrip dividend election forms</b>	26th November, 2009 4:30 p.m.

## 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  
 Bank of Communications, Hong Kong Branch  
 Bangkok Bank Public Company Limited  
 Sumitomo Mitsui Banking Corporation  
 Industrial and Commercial Bank of  
 China (Asia) Limited  
 Wing Lung Bank Limited  
 Mizuho Corporate Bank, Ltd.  
 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

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

## REGISTRARS

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

## LISTING INFORMATION

<b>Stock Code</b>	83
<b>American Depositary Receipt</b>	
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 Thursday, the 5th day of November, 2009 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, 2009.
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, 2010.
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 (the "Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") 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
  - (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."

## Notice of Annual General Meeting *(Continued)*

(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

(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.”

## Notice of Annual General Meeting *(Continued)*

6. As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as Special Resolutions:

### Special Resolutions

- (i) **“THAT** the existing Articles of Association be and are hereby amended as follows:
- (a) Article 67
- (1) by deleting the words “twenty-one” in the first sentence of Article 67 and substituting therefor the words “twenty clear business”;
  - (2) by deleting the words “fourteen” in the first sentence of Article 67 and substituting therefor the words “ten clear business”;
  - (3) by adding the words “and the Listing Rules” after the words “subject to the provisions of the Companies Ordinance” in the second sentence of Article 67; and
  - (4) by adding the words “For the purpose of this Article 67, “business day” shall mean any day on which The Stock Exchange of Hong Kong Limited is open for business of dealing in securities.” as the last paragraph of Article 67.
- (b) Article 74
- by deleting the existing Article 74 in its entirety and substituting therefor the following Article:
74. At any general meeting a resolution put to the vote of the meeting shall be decided by poll.
- (c) Article 75
- (1) by deleting the words “If a poll is demanded as aforesaid, it” in the first sentence of Article 75 and substituting therefor the words “A poll”;
  - (2) by deleting the words “at which the poll was demanded,” in the first sentence of Article 75; and
  - (3) by deleting the words “demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier” in the second and third sentences of Article 75 and substituting therefor the words “taken and shall be announced in such manner as required by the Listing Rules”.
- (d) Article 76
- (1) by deleting the words “duly demanded”; and
  - (2) by adding the word “immediately” after the word “taken”.

## Notice of Annual General Meeting *(Continued)*

(e) Article 77

by deleting the words “whether on a show of hands or on a poll,”, “at which the show of hands takes place or at which the poll is demanded,” and “second or” in the first sentence of Article 77.

(f) Article 78

by deleting the existing Article 78 in its entirety and renumbering the existing Articles 79 to 183 as Articles 78 to 182. All references to the number(s) of such Article(s) shall be amended accordingly to reflect the said renumbering.

(g) Article 80

(1) by deleting the words “for the time being attached” in the first sentence of Article 80 and substituting therefor the words “from time to time attaching”;

(2) by deleting the words “on a show of hands” in the first sentence of Article 80 and substituting therefor the words “on a poll”; and

(3) by deleting the words “shall have one vote, and on a poll every member present in person or” in the first sentence of Article 80 and substituting therefor the words “or is present”.

(h) Article 83

by deleting the words “, whether on a show of hands or on a poll,” in the first sentence of Article 83.

(i) Article 87

(1) by deleting the words “or poll” in the first sentence of Article 87;

(2) by deleting the words “or on a poll demanded at a meeting or an adjourned meeting in cases” in the second sentence of Article 87;

(3) by deleting the words “a member” in the third sentence of Article 87 and substituting therefor the words “the member appointing a proxy”; and

(4) by deleting the words “or poll” in the third sentence of Article 87.

(j) Article 89

by deleting the words “to demand or join in demanding a poll and”.

(k) Article 90

by deleting the words “, or at such other place as is referred to in Article 87,”.



## Notice of Annual General Meeting *(Continued)*

(I) Article 94

by deleting the words “so appointed shall hold office only” in the second sentence of Article 94 and substituting therefor the words “appointed to fill a casual vacancy and any Director appointed as an addition to the Board shall respectively hold office only until the next following general meeting of the Company and”.

- (ii) “**THAT** the new Articles of Association, consolidating all of the proposed amendments referred to in Resolution 6(i), produced to this meeting and for the purpose of identification signed by the Chairman be and are hereby approved and adopted as the new Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.”

By Order of the Board  
**Eric IP Sai Kwong**  
*Secretary*

Hong Kong, 5th October, 2009

*Notes:*

- (a) At the Annual General Meeting, the Chairman of the Meeting will exercise his power under Article 74 of the Company's Articles of Association to 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) The Directors wish to state that the main purpose of the above proposed Special Resolutions for amendments to the existing Articles of Association and adoption of new Articles of Association is to incorporate the following Listing Rules requirements:
- (i) complying with any minimum notice period required under the Listing Rules for convening a general meeting and an annual general meeting;
  - (ii) complying with the requirements of the Listing Rules for voting of shareholders by poll at general meetings; and
  - (iii) distinguishing the term of office of a director appointed to fill a casual vacancy, who will hold office only until the next following general meeting, and the term of office of a director appointed as an addition to the Board, who will hold office only until the next following annual general meeting.

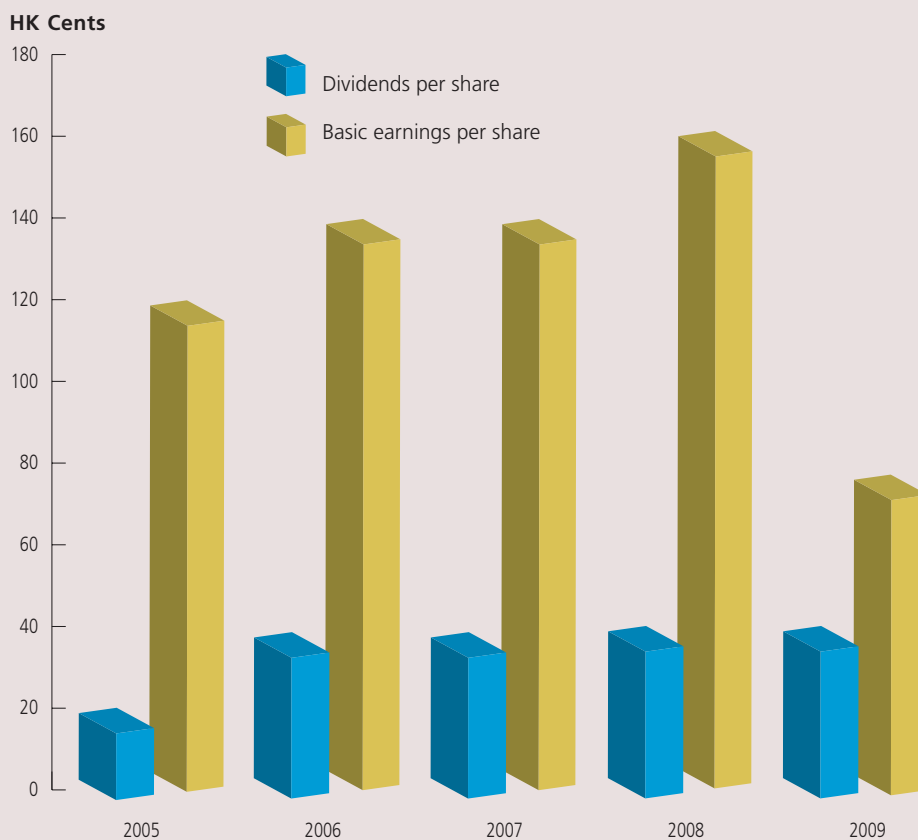
Copies of the existing Articles of Association and the proposed new Articles of Association are available for inspection at the registered office of the Company at 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong during normal business hours on any business day up to and including the date of the meeting and at the meeting.

- (e) The Register of Members of the Company will be closed from Monday, 2nd November, 2009 to Thursday, 5th November, 2009, both dates inclusive, during which period no share transfers will be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Registrars, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 30th October, 2009.

# GROUP FINANCIAL SUMMARY

	2005 <i>HK\$</i>	2006 <i>HK\$</i>	2007 <i>HK\$</i>	2008 <i>HK\$</i>	2009 <i>HK\$</i>
Turnover	<u>4,150,741,802</u>	<u>8,328,333,552</u>	<u>7,532,059,672</u>	<u>6,251,058,498</u>	<b><u>9,692,696,496</u></b>
Profit attributable to equity holders	<u>5,175,950,540</u>	<u>6,017,801,108</u>	<u>6,267,284,721</u>	<u>7,720,997,490</u>	<b><u>3,730,647,312</u></b>
Basic earnings per share (cents)	119.73	139.63	139.61	161.19	<b>77.06</b>
Dividends per share (cents)	20.0	38.5	38.5	40.0	<b>40.0</b>

Basic Earnings & Dividends Per Share

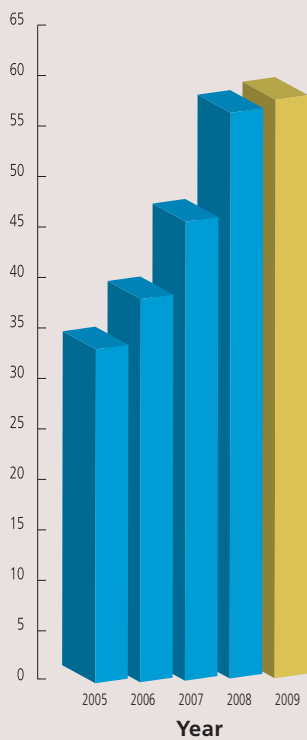


## Group Financial Summary (Continued)

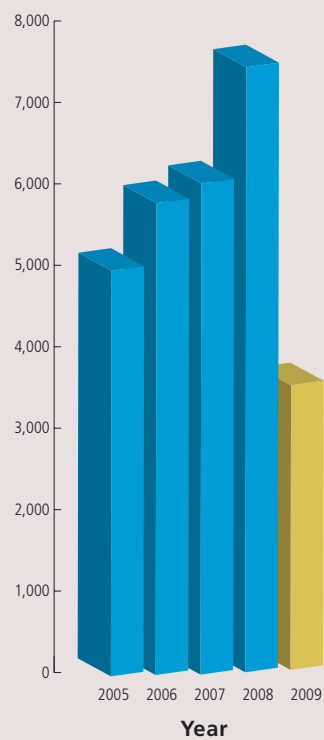
	2005 HK\$	2006 HK\$	2007 HK\$	2008 HK\$	2009 HK\$
<b>BALANCE SHEET</b>					
Non-current assets	32,802,996,804	38,275,797,419	43,508,811,045	52,864,428,586	<b>56,990,840,219</b>
Current assets	18,314,128,999	28,928,424,264	29,208,439,886	33,369,256,356	<b>32,183,175,355</b>
Current liabilities	<u>(2,599,269,207)</u>	<u>(7,765,719,610)</u>	<u>(8,728,250,385)</u>	<u>(10,420,180,942)</u>	<b><u>(13,724,042,539)</u></b>
	<b><u>48,517,856,596</u></b>	<b><u>59,438,502,073</u></b>	<b><u>63,989,000,546</u></b>	<b><u>75,813,504,000</u></b>	<b><u>75,449,973,035</u></b>
Share capital	4,348,057,662	4,303,699,473	4,610,386,667	4,878,702,770	<b>4,839,469,538</b>
Reserves	<u>30,279,048,433</u>	<u>35,442,627,530</u>	<u>42,970,489,278</u>	<u>53,844,551,716</u>	<b><u>55,162,426,042</u></b>
Shareholders' funds	34,627,106,095	39,746,327,003	47,580,875,945	58,723,254,486	<b>60,001,895,580</b>
Minority interests	27,236,028	39,711,496	184,850,571	263,646,073	<b>296,130,462</b>
Non-current liabilities	<u>13,863,514,473</u>	<u>19,652,463,574</u>	<u>16,223,274,030</u>	<u>16,826,603,441</u>	<b><u>15,151,946,993</u></b>
	<b><u>48,517,856,596</u></b>	<b><u>59,438,502,073</u></b>	<b><u>63,989,000,546</u></b>	<b><u>75,813,504,000</u></b>	<b><u>75,449,973,035</u></b>
Shareholders' funds at book value per share	<u>7.96</u>	<u>9.24</u>	<u>10.32</u>	<u>12.04</u>	<b><u>12.40</u></b>

## Group Financial Summary *(Continued)*

Shareholders' Funds (HK\$ Billion)



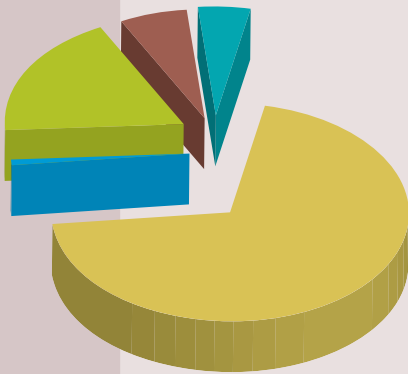
Profit Attributable to Equity Holders (HK\$ Million)



Group Financial Summary (Continued)

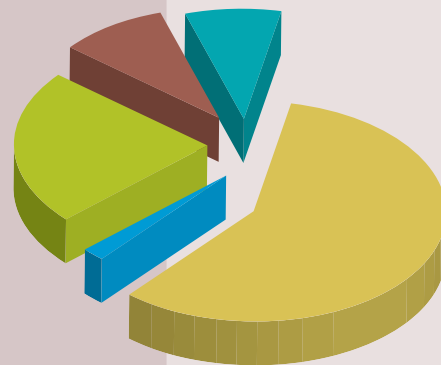
Breakdown of turnover for the year ended 30th June, 2009

- Property sales **70.1%**
- Investments in securities and financing **0.8%**
- Rental income **18.4%**
- Property Management and services **6.2%**
- Hotel operations **4.5%**



Breakdown of turnover for the year ended 30th June, 2008

- Property sales **58.1%**
- Investments in securities and financing **1.9%**
- Rental income **23.0%**
- Property Management and services **9.2%**
- Hotel operations **7.8%**



# CHAIRMAN'S STATEMENT



I am pleased to present the 2008/2009 Annual Report to shareholders.

## FINAL RESULTS

The turnover of the Group for the financial year ended 30th June, 2009 increased significantly to HK\$9,692.6 million, representing an increase of 55% compared with HK\$6,251.0 million last financial year, primarily due to good market response on the Group's sales of residential units in The Palazzo, The Dynasty, Vista and One Madison.

The Group's audited net profit attributable to shareholders for the financial year ended 30th June, 2009 was HK\$3,730.6 million (2008: HK\$7,720.9 million). Excluding revaluation surplus on investment properties net of deferred tax of HK\$129.9 million, the underlying net profit from operations increased by 6.7% to HK\$3,600.7 million for the year ended 30th June, 2009 (2008: HK\$3,373.4 million). Earnings per share for the year was 77.06 cents.

## DIVIDENDS

The Directors have resolved to recommend a final dividend of 30 cents per share in respect of the year ended 30th June, 2009 to shareholders whose names appear on the Register of Members of the Company on 5th November, 2009. Together with the interim dividend of 10 cents per share, the total dividend for the full financial year is 40 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 5th November, 2009; 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.

Chairman's Statement *(Continued)*
**DIVIDENDS**  
*(Continued)*

A circular containing details of the scrip dividend proposal will be despatched to shareholders together with the form of election for scrip dividend on or about 10th November, 2009. It is expected that the final dividend warrants and share certificates will be despatched to shareholders on or about 3rd December, 2009.

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

Turnover and earnings from sales of properties at subsidiary level for the financial year ended 30th June, 2009 were mainly contributed from the sales of residential units in new projects namely The Palazzo, The Dynasty and Vista, the occupation permits of which were obtained during the financial year, as well as One Madison completed in the previous financial year.

Completed during the financial year 2008/2009, The Palazzo has a total of 1,375 luxurious residential units and an elegant and comprehensive clubhouse of over 220,000 square feet dividing into a number of thematic sections each offering a specific set of entertaining, leisure or sport facilities. The project is conveniently located in the prime area in Shatin district affording the panoramic views of the Shatin international racecourse, the lush Penfold Park, Tolo Harbour as well as the Shing Mun River. The Palazzo is well served by a number of public transportations with the Fotan Station on the East Rail right opposite to it. The East Rail will also connect with the future Shatin to Central Link currently under planning. The surrounding road network has also been developed well. The Route 8 also provides a direct access from Central through the Western Harbour Crossing. The Palazzo was launched for sale in May 2008 and market response was good with over 80% of the total units sold.

Chairman's Statement *(Continued)*

The opening ceremony of Citywalk was held in July 2008. Celebrities such as Taiwanese pop star Elva Hsiao, local singer Leo Ku and famous artiste Bernice Liu were invited and a Las Vegas style carnival performance attracted thousands of people.

**BUSINESS REVIEW**

*(Continued)*

**(1) Sales Activities** *(Continued)*

The Dynasty, a luxurious residential project consisting of 256 units, is located in the centre of Tsuen Wan in North-West New Territories and conveniently accessible to the two railway arteries Tsuen Wan West Station on the West Rail and Tsuen Wan Station on the Tsuen Wan Line. All residential units in the project enjoy the panoramic views of Victoria Harbour and Rambler Channel as well as two bridges namely Stonecutter Bridge and Ting Kau Bridge. The exceptionally high floor-to-ceiling height, balcony and top class kitchenwares in each unit are some of the key features of the project. The Dynasty was launched on the market in October 2008 with over 83% of the total units sold to date.

Located at New Kowloon West, Vista is a residential project encompassing a total of 173 unparallel residential units and each of the units commands a panoramic view of the Kowloon peninsula. The project is only a few minutes' walk to the Cheung Sha Wan Station. Its location, high floor-to-ceiling height and balcony for each residential unit are the key attractions of the project. Sale was launched in January 2009 and market response was good. As of to date, over 87% of the total units have been sold.

Capitalising on improved market sentiment in the second quarter of 2009, the Group launched the sales of Lake Silver in May. Located atop of the Wu Kai Sha Station on the East Rail overlooking the picturesque natural coastline of Ma On Shan area, Lake Silver commands spectacular seaviews of Tolo Harbour, Tolo Channel and Starfish Bay as well as Ma On Shan Coastal mountain ranges including Pak Sin Leng and Kau To Shan. This unparallel and high quality property development comprises a total of 2,169 residential units in 7 towers, approximately 45,000 square feet of retail space and a clubhouse of approximately 360,000 square feet. The clubhouse is named Palace by the Sea. The design of it is inspired by the essence of the world-class resorts and it offers a wide range of leisure facilities and thematic gardens for the residents to enjoy. Sales of this project received overwhelming response from market with over 85% of the total units sold to date.

Subsequent to the year ended 30th June, 2009, the Group launched the sales of a residential project named Park Place in August, 2009. Located in the prime area in Xiamen, Fujian Province, on the east coast of the Mainland, the project offers a total of 73 luxurious residential units. Market response was good with over 97% of the total units sold.



## Chairman's Statement (Continued)

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

Earnings from property sales at associate level were mainly derived from completed residential units in Chengdu International Community in Chengdu, Sichuan and One HoneyLake, Shenzhen. Over 93% of the units launched to date in Chengdu International Community and almost all of the units in One HoneyLake have already been sold.

During the financial year ended 30th June, 2009, the Group completed 9 projects. Details of the completed projects are presented in the table below with a total attributable gross floor area of over 3.2 million square feet.

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
1. The Palazzo 28 Lok King Street, Shatin, New Territories, Hong Kong	Residential/ Retail	Joint Venture	1,322,883
2. Exchange Tower 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong	Commercial	100%	609,027
3. The Dynasty/Citywalk 2 18 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong	Residential/ Retail	Joint Venture	479,728
4. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan, PRC	Residential	20%	439,518
5. Vista 188 Fuk Wa Street, Kowloon, Hong Kong	Residential/ Retail	Joint Venture	134,043



*During Christmas, tmtpalaza organises large-scale festive events which attract celebrating crowds of thousands.*

## Chairman's Statement (Continued)



During Easter 2009, Citywalk was transformed into an Easter Island decorated with beautifully coloured Easter eggs and over ten funny rabbit sculptures. A series of celebrating events were also held to attract families.

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

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
6. The Hennessy, 256 Hennessy Road, Wan Chai, Hong Kong	Commercial	100%	71,862
7. Goodwood Park 138 Hang Tau Road, Kwu Tung, Sheung Shui, New Territories, Hong Kong	Residential	100%	23,638
8. Clifford Pier 80 Collyer Quay, Singapore 049326	Commercial	100%	11,393
9. Park Place 130 Jia He Lu, Xiamen, PRC	Residential/ Retail	100%	123,128
			3,215,220

## Chairman's Statement (Continued)

**BUSINESS REVIEW**

(Continued)

**(2) Land Bank**

As at 30th June, 2009, the Group has a land bank of approximately 43.5 million square feet of attributable gross floor area comprising a balanced portfolio of properties of which 67% is residential; 22% commercial; 5% industrial; 3% car parks and 3% hotels. In terms of breakdown of the land bank by status, 31.2 million square feet consist of properties under development, 10.8 million square feet of properties for investment/own use and 1.5 million square feet of properties held for sale. The Group will continue to selectively replenish its land bank, both in Hong Kong and Mainland China, to optimise its earnings potential.

On 23rd June, 2009, the Group was awarded by the Urban Renewal Authority of Hong Kong the development rights for the site at Lee Tung Street/McGregor Street in Wan Chai. The site is only a few minutes walk to Wan Chai Station. Upon completion, the site will yield a total of approximately 817,710 square feet of residential and commercial gross floor area as well as a subway to connect the project with the Wan Chai Station. The project will incorporate redevelopment, conservation and revitalization elements featuring the tradition and culture of the local business and community. Further, the excellent school network and the nearby shopping facilities in Wan Chai area are positive points for the homebuyers. The Group has 50% interest in the development rights of the project. Details of the acquisition and the attributable gross floor area for the Group are shown below:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> (Square feet)
Lee Tung Street/ McGregor Street Wan Chai, Hong Kong	Residential/ Commercial	Joint Venture	408,855
			408,855

Subsequent to the financial year ended 30th June, 2009, the Group entered into a sale and purchase agreement in August 2009 to acquire a company holding an investment property. The total gross floor area of the property is approximately 58,107 square feet comprising retail spaces and a total of 87 luxurious serviced apartments. Located at 74 – 80 Johnston Road, Wan Chai, opposite to Southern Playground and close to the above development at Lee Tung Street/McGregor Street, the property is in the hub of Wan Chai and well served by various public transportation including the subway and tram.



*Sino Land has been named 'Best Residential Developer in Hong Kong' in the latest Real Estate Poll 2009 conducted by respected international magazine, Euromoney. Mr Daryl Ng (right), Executive Director of Sino Group, received the award from Mr Marcus Langston, Director of Publishing Asia of Euromoney.*

## Chairman's Statement (Continued)

**BUSINESS REVIEW**  
(Continued)**(3) Property Development**

The Group expects to complete a total of 4 projects with an attributable gross floor area of over 2.5 million square feet in the financial year ending 30th June, 2010. Details of the projects are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
1. Lake Silver No. 599 Sai Sha Road, MTR Wu Kai Sha Station, Ma On Shan, New Territories, Hong Kong	Residential/ Retail	Joint Venture	1,858,405
2. Sino International Plaza 137 Wu Xi Lu, Fuzhou, PRC	Commercial	100%	499,158
3. TPTL 179, Ma Wo, Tai Po, New Territories, Hong Kong	Residential	100%	114,486
4. The Fullerton Bay Hotel and Customs House, Singapore	Hotel/Retail	100%	93,909
			<hr/> <u>2,565,958</u>

Subsequent to the financial year ended 30th June, 2009, the Group obtained the occupation permit for Lake Silver from the Building Authority of the HKSAR Government on 17th July, 2009.

Chairman's Statement *(Continued)***BUSINESS REVIEW**  
*(Continued)***(3) Property Development** *(Continued)*

High standards of product and service quality are utmost important part of the Group's policy on project development and asset management. The Group has made significant effort to continuously improve the developments and services by applying stringent quality control, environmentally friendly features and facilities to enhance the lifestyles of the customers. Management is also mindful of the environmental sustainability in terms of project development. Efforts to reduce carbon emissions, use more sustainable materials, apply energy efficient design and layout as well as employ environmentally friendly fixture and fittings are highly encouraged and pursued.

This year, management is delighted to have received the "**Best Residential Developer in Hong Kong**" voted by Euromoney's Real Estate Poll 2009. Management would like to express heartfelt appreciation to everyone who nominated the Group for this award. Special thanks also go to the customers who have supported us and given us suggestions throughout the years so that the Group can do better and improve over time. Your encouragement and support continue to motivate the Group to further improve the quality of the products and services.

**(4) Rental Activities**

The Group's gross rental revenue, including the attributable share of its associates, increased significantly by 18.3% to HK\$2,265.8 million for the financial year ended 30th June, 2009 compared with HK\$1,915.2 million in the previous year.

The growth in rental revenue during the financial year 2008/2009 was mainly due to increases in rental rates for leases renewed across all sectors of the rental portfolio, additional rental contributions from Olympian City 1 and 2 shopping malls due to acquisitions of the remaining interests in the development companies of the two properties, and newly completed rental properties.

During the financial year 2008/2009, the Group completed a total of six new commercial projects with a total of approximately 1 million square feet for investment purpose. These projects are Exchange Tower, Citywalk 2 – the retail space attached to The Dynasty, The Hennessy, retail spaces in The Palazzo and Vista as well as Clifford Pier in Singapore (part of The Fullerton Heritage). Since occupation permits for these projects were obtained in various stages throughout the financial year 2008/2009, full potential of rental contributions from these projects are yet to materialise.

Chairman's Statement *(Continued)***BUSINESS REVIEW**  
*(Continued)***(4) Rental Activities** *(Continued)*

Conveniently located in the heart of Kowloon East, Exchange Tower is easily accessible by the Mass Transit Railway system and other forms of public transport. The building incorporates a number of environmentally friendly features, including a Sky Garden of approximately 28,000 square feet with a 16 feet floor-to-ceiling height and recreational facilities, vertical greening in the main atrium, landscaped public spaces, an innovative green balcony on every office floor and alfresco dining areas with panoramic sea views. Leasing of this property has attracted a good mix of tenants.

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 comes with 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. Combining the two offer customers and local residents a complete spectrum of dynamic shopping, dining and entertainment choices.

The Hennessy is located in bustling Wan Chai, a few minutes' walk from the Wan Chai Station. The commercial building is just minutes away from the Causeway Bay and Central entertainment hubs. The first three retail floors are covered by a 50 feet high glass curtain that provides excellent visibility from the street. The unique podium garden on the second level features a floor-to-ceiling height of over 24 feet, and the Sky Garden on the twenty-third floor features floor-to-ceiling heights exceeding 19 feet. The gardens provide an urban oasis for the tenants. Every floor has over 15 feet floor-to-ceiling heights and a flexible layout, making it a differentiated and sought-after product amongst the city's commercial buildings. Leasing of The Hennessy has progressed well and the project has attracted a well diversified mix of tenants.

The retail spaces of The Palazzo and Vista, which are directly beneath their residential towers, comprise a total gross floor area of approximately 21,500 square feet and 22,000 square feet respectively. The retail spaces are ideal for such businesses as restaurants, supermarkets, florists, arts and music stores that cater to residents and local needs in their own catchment areas.

Chairman's Statement *(Continued)***BUSINESS REVIEW**  
*(Continued)***(4) Rental Activities** *(Continued)*

The neo-classical inspired Clifford Pier is named after Sir Hugh Charles Clifford, Governor of the Straits Settlements (1927 to 1929). The pier was first opened on 3rd June, 1933. It is defined by its notable architecture as a quintessential column-free Victorian wrought-iron pier. Clifford Pier is a historic landmark and was the key landing point for visitors and immigrants arriving by ships in the early days of Singapore. Now part of The Fullerton Heritage, the makeover of the pier is complete and it was opened in December 2008. The revitalised pier has kept its original architectural characteristics and charm and it commands the spectacular panorama of the glittering seafront of the Marina Bay developments, Singapore's first integrated resort. The pier affords over 10,000 square feet of commercial space, and has been leased to a stylish modern Chinese establishment. Together, the pier and the surrounding attractions of Marina Bay will be one of the Singapore's top tourism, entertainment and dining destinations.

Asset enhancement initiatives are integral to the Group's programme of optimising asset quality, value and rental revenue. These initiatives include developing effective marketing and promotional events, raising service quality, reconfiguring the layouts of premises to meet our tenants' needs and ensuring the right tenant mix. The initiatives aim to enrich our customers' shopping experience and support our tenants with a sustained flow of shoppers, all of which brings more business.

As at 30th June, 2009, the Group has approximately 10.8 million square feet of attributable gross floor area of properties for investment/own use, compared with 9.9 million square feet in the previous financial year. Of this portfolio, commercial developments (retail and office) account for 63%, industrial developments 15%, car parks 13%, hotels 6%, and residential 3%. The Group expects to complete a total of approximately 3 million square feet of attributable gross floor area of investment properties in the next few years, which will further increase its recurrent income base.

Chairman's Statement *(Continued)***BUSINESS REVIEW**  
*(Continued)***(5) Hotels**

The global financial turmoil has affected a number of industries. Tourism has not been immune from the impact, with decreased business and leisure travels. The growth of the tourism industry has slowed since the last quarter of 2008.

However, many destinations have developed stimulus measures to support the tourism industry and to minimise the impact of the global economic downturn. These stimulus measures, include fiscal incentives, travel facilitation, increased marketing schemes and transnational cooperation, will have strong multiplier effect that is conducive to economic regeneration.

*The Fullerton Hotel Singapore*

During these challenging times, the Singapore Government has put in place a number of measures to support the tourism industry that have benefited the hotel, hospitality and travel sectors. New attractions on the horizon include new infrastructure developments, such as the two-berth International Cruise Terminal at Marina South and the transformation of Marina Bay area into a world class city. Gardens by the Bay and Singapore Sports Hub coupled with the increasing number of tourist attractions and offerings will also raise Singapore's appeal.

The success of the 2008 Formula One SingTel Singapore Grand Prix held during the financial year 2008/2009 benefited The Fullerton's business. This year (2009) the event will be held from 24th to 27th September and is expected to generate much excitement about the destination. The Fullerton is located prominently at Turn 13, the Grand Prix's spectacular Hairpin, where guests can enjoy spectacular trackside views against a panoramic backdrop of the Marina Bay seaside.

The Fullerton has received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2008/2009. These awards include those from Condé Nast Traveler, Best in Travel Poll, Wine and Dine Magazine and Singapore Business Review Magazine.

*Conrad Hong Kong*

In Hong Kong, the HKSAR Government has introduced a set of relief measures since the end of 2008 to assist enterprises in riding out the difficult times. A financial budget of HK\$100 million to assist organisers to host more attractive arts, cultural and sporting events to Hong Kong over the next three years will also alleviate the industry's operational difficulties.



Chairman's Statement *(Continued)***BUSINESS REVIEW**  
*(Continued)***(5) Hotels** *(Continued)**Conrad Hong Kong (Continued)*

Looking forward, the East Asian Games to be held in December 2009 will be a good opportunity to attract more visitors to Hong Kong. The cruise terminals expected to be in operation by mid-2013 will complement the HKSAR Government's programme promoting multi-destination travel. The restoration and revitalisation of heritage buildings by the HKSAR Government will further enrich the cultural attractions of Hong Kong. Hong Kong Tourism Board's recent efforts to attract more Taiwanese visitors and to take weekend getaways to Hong Kong, as well as coordination with the Macau Government Tourist Office and Guangdong Provincial Tourism Bureau to develop multi-destinations itineraries that include Hong Kong are positive initiatives for the growth of the sector in the long-run.

During the financial year 2008/2009, the overall performance of Conrad Hong Kong was affected by decreasing business travels and company meetings, mainly in financial, banking and corporate accounts. Lower financial activity, such as initial public offerings, also decreased conferences and company meeting activities.

Conrad Hong Kong has received a number of awards from respected organisations in recognition of its service quality. These include awards from Condé Nast Traveler's Business Poll Awards, Institutional Investor, Travel & Leisure, Forbes Traveler.com and Asian Legal Business.

*New Hotels*

In Singapore, the Group expects to complete the development of an exclusive luxurious hotel located in between the Clifford Pier and Customs House. The hotel will be named The Fullerton Bay Hotel. Upon completion, estimated to be in the fourth quarter of 2009, the hotel will offer approximately 100 guest rooms and suites with unrivalled waterfront Marina Bay views, stylish rooftop pool and bar, a classy city lounge and a glamorous restaurant where patrons can enjoy various fine cuisine and magnificent views of the bay.

In Hong Kong, the Group is in the process of converting a portion of the retail area in One SilverSea project in West Kowloon to a luxurious boutique hotel with approximately 32 guest rooms. The conversion is under documentation and designing stage and it is expected to be completed in 2010/2011.

Chairman's Statement *(Continued)***BUSINESS REVIEW**  
*(Continued)***(6) Mainland China Business**

Mainland China is an important market for the Group due to its proximity to Hong Kong and the growing prospects. The economic growth in Mainland China since the mid-80s has created wealth and foreign reserves for the nation. Infrastructural developments over the years have enhanced connectivity and accessibility among cities and within cities. Affluent households are on the rise demanding for better livelihood, quality housing and higher standard of living.

The successful completion and sales of the residential projects, namely One HoneyLake in Shenzhen, Chengdu International Community in Chengdu, Greenfields in Guangzhou, Beverly Garden, Colonnades Court and Park Place in Xiamen have given the Group a good foothold in the property market in Mainland China. The Group's interest in Raffles City Shanghai, comprising office and retail spaces in the central business area of Huangpu District, Shanghai, is the stepping stone for the Group to establish its presence in this metropolitan city and financial centre on the Mainland.

Management believes the economic growth of China will continue despite some economic adjustments in the short-term. In view of the long-term growth potential of the property market in Mainland China, the Group has accumulated an additional 23.7 million square feet of attributable gross floor area of land bank for residential and commercial developments since 2005. As mentioned above, over the past few years, the Group has marketed and sold some of its properties in Mainland China, as at 30th June, 2009, the Group has a total of 26.8 million square feet of land bank in Mainland China namely Shanghai, Chongqing, Chengdu, Guangzhou, Xiamen, Fuzhou and Zhangzhou. Of the total land bank in Mainland China, 26.2 million square feet are development land bank and the remaining are completed properties for investment and for sale purposes. Approximately 89% of the development land bank in Mainland China are residential developments, the remaining are commercial developments. The Group continues to seek for good business opportunities in cities with good economic fundamentals that can bring good value to shareholders.

Chairman's Statement *(Continued)***BUSINESS REVIEW**  
*(Continued)***(6) Mainland China Business** *(Continued)*

In the coming financial year ending 30th June, 2010, the Group expects to complete a commercial development with total gross floor area of 499,158 square feet comprising office and retail spaces in Fuzhou, the capital of Fujian Province. The city of Fuzhou is famous for its seaport and it is an important place of Chinese modern navy and the shipbuilding industry. With improvement in cross-strait relations between Central Government and Taiwan, the city is expected to set for further growth. Located in the business centre of the city and the project is named Sino International Plaza, it will be used for investment purpose and will further enhance the rental income of the Group.

The Group has a number of residential projects in the pipeline and will be launched for sales and completed in the next few years, namely Mandarin Garden, Regency Park and Central Park in Xiamen, Fujian Province. Projects in Chengdu, Chongqing and Zhangzhou city in Fujian Province are in process and expected to be completed in phases. The Group expects more contributions from projects in Mainland China in the next few years.

The Group's commitment to building quality properties and providing after-sales professional property management services have been the key factors in achieving customer satisfaction and we are committed to doing the same for projects in Mainland China.

Other than the matters mentioned above, there has been no material change from the information published in the report and accounts for the financial year ended 30th June, 2008.

## Chairman's Statement *(Continued)*

### FINANCE

As at 30th June, 2009, the Group's gearing was 16.5%, expressed as a percentage of bank and other borrowings net of cash and bank balances over shareholders' equity. The decrease in gearing compared with that as at 31st December, 2008 and 30th June, 2008 was mainly due to the cash receipts from the sales proceeds in relation to The Palazzo, The Dynasty and part of the total sales proceeds of the sales of residential units in Lake Silver. Of the total borrowings, 43.9% was repayable within one year, 20.7% repayable between one and two years and 35.4% repayable between two and five years. The Group's borrowings are subject to floating interest rates. The Group, including the attributable share of its associates, had cash resources of approximately HK\$14,395.7 million, comprising cash on hand of approximately HK\$8,587.3 million together with committed undrawn facilities of approximately HK\$5,808.4 million. All the cash on hand are deposited with banks of high credit ratings. Total assets and shareholders' funds of the Group were HK\$89,174.0 million and HK\$60,001.9 million respectively.

There was no material change in foreign currency borrowings and the capital structure of the Group for the financial year 2008/2009. Foreign exchange exposure has been prudently kept at a minimal level. The Group has maintained a prudent and sound financial management policy and has not entered into any transaction relating to derivatives and/or any other form of accumulators, swap transactions and options.

### CORPORATE GOVERNANCE

The Group places great importance on corporate integrity, business ethics and good governance. With the objective of achieving best practice of corporate governance, the Group has established an Audit Committee, a Compliance Committee and a Remuneration Committee. The Group is committed to maintaining good corporate transparency as well as good communication with investors and shareholders through various channels such as non-deal roadshows, investor conferences, results briefings, site visits and corporate website to disseminate information about the Group's latest developments.

### CUSTOMER SERVICE

The Group reaffirms its commitment to building quality projects. In keeping with its mission to enhance customer satisfaction, the Group will wherever possible ensure that attractive design concepts and features, which are also environmentally friendly, are integral elements of its developments. Management continues to conduct regular reviews of its properties and where necessary makes improvements to maintain its reputation for the highest standards of quality and service.

Delivering high-quality customer service has long been one of the Group's key business objectives. During the financial year 2008/2009, the Group's Sino Property Services received a number of awards from the HKSAR Government and other respected organisations in recognition of its quality of service, management capability, contributions to the community and charitable services, and the promotion of environmental protection. The Group will continue to make improvements in its quality of service so as to ensure customer satisfaction and brand enhancement.

Chairman's Statement *(Continued)***CORPORATE SOCIAL RESPONSIBILITY**

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

**Community Care**

The Group serves the community with an emphasis on helping the underprivileged. Launched in January 2009, the "Eye-opening Journey" programme took about 500 underprivileged children on a series of life-enriching hands-on activities. These included soccer training with professional soccer players, a community art event, a drama workshop, a "giant brain challenge" game day and an outreach camp. The events expanded participants' horizons and helped develop their potential and build team spirit.

The Group is a longstanding supporter of the Hong Kong Community Chest, Oxfam, St. Christopher Home, Salvation Army, Hong Kong Christian Service and Hong Chi Association. Among the charitable activities the Group has sponsored and participated in are the Community Chest's "Sports Corporate Challenge", "Hong Chi Climbathon", "Sowers Action Challenging 12 Hours Charity Marathon", "Sino Team Challenge 36" and the "Oxfam Trailwalker".

The Group also spreads a message of love and care to those in need through its keen "Sino Caring Friends" volunteer team, which donated over 40,000 hours of service to the community in 2008. In the past year, the team collaborated closely with various charity organisations, including Hope Worldwide and Hong Kong Family Welfare Society, to organise birthday parties and art workshops for the underprivileged. To celebrate the Dragon Boat Festival, the team joined elderly members of Hong Kong Society for the Aged to make 400 rice dumplings and distribute them to the society's elderly centres and those living alone.

Recognising its efforts in the community, the Group was awarded the 5 Years Plus Caring Company Logo by the Hong Kong Council of Social Service in 2008/09.



*Sino Property Services partnered with Hong Chi Association to develop a pilot rooftop garden called "Mission Green Top" at Skyline Tower. Here, 100 pot plants, 30 large plants and various vegetables are cultivated organically and maintained by Hong Chi's trainees under the guidance of a tutor. Tenants are encouraged to visit the garden and share their gardening experience with the trainees.*

Chairman's Statement *(Continued)*

*About 500 children participated in Sino Group's 'Eye-opening Journey' community care programme, which took them to experience a series of life-enriching activities including soccer training, an art event, a drama workshop, a game day and an outreach camp. The events aimed to expand their horizons and develop their potential and build team spirit.*

CORPORATE SOCIAL RESPONSIBILITY *(Continued)***Environmental Protection**

The Group has made substantial efforts by putting considerable resources into making its properties greener through well-thought-out architectural planning, energy saving and management initiatives. The Group is one of the first corporations to become the 'Carbon Audit • Green Partners' who committed to conduct or assist in conducting carbon audits on their buildings and to initiate carbon reduction programmes in the coming 2 years according to the 'Carbon Reduction Charter', launched by the Environment Bureau in July 2008.

Following the pioneering launch of the Vertical Garden concept in Vision City/ Citywalk, the Group further implemented this feature across its new projects, including Exchange Tower and The Palazzo, to offer its residents and tenants greener and better quality living and working environments. In 2008, the Group received three gold awards and three merit awards in the Leisure and Cultural Services Department's "Best Landscape Award 2008". Among other accolades, Vision City and Mount Beacon won the Gold Award in the Soft Landscape Design Award.

The Group's fully integrated property management service provider, Sino Property Services (SPS) comprising Sino Estates Management Limited (SEML), Sino Security Services Limited (SSSL), Best Result Cleaning Services Limited (BRCSL) and Sino Parking Services Limited (SPSL), recognises its role in promoting environmental protection. On the property management side, environmental protection initiatives can be divided into several categories, namely treatment of used materials or waste; reduction of wastage; reduction of greenhouse gases (GHGs) or carbon footprint; conservation of nature; landscaping and promoting healthy lifestyles. SPS is committed to building a sustainable environment in Hong Kong.

During the financial year 2008/2009, SEML received a number of awards for service, energy saving, environmental protection and quality management from various sources, including government departments, professional organisations and community bodies.

SEML understands the importance of saving energy to protect the environment and reduce costs for customers. Considerable efforts have been made in four main areas, namely lighting, electrical appliances and equipment, air conditioning and lifts and escalators. As of 31st July, 2009, 87 projects under the management of SEML have received The Hong Kong Energy Efficiency Registration Scheme for Buildings Registration Certificates granted by the Electrical and Mechanical Services Department of the HKSAR Government.

In March 2009, 45 projects to which SEML provides property management services received 30 'Wastewi\$e Labels', 10 'Energywi\$e Labels' and five 'Indoor Air Quality Labels' in the Hong Kong Awards for Environmental Excellence 2008. Skyline Tower also clinched the Bronze Award in the Sectoral Awards – Property Management category.

Chairman's Statement *(Continued)***CORPORATE SOCIAL RESPONSIBILITY** *(Continued)***Environmental Protection** *(Continued)*

Further to the above awards, SEML received a number of certificates for the residential projects that it manages in the Competition on Source Separation of Domestic Waste 2008/2009 organised by the Environmental Protection Department of HKSAR Government.

SEML has also collaborated with organisations such as the Environmental Protection Department of the HKSAR Government, WWF Hong Kong, Greeners Action, Polar Museum Foundation and Friends of the Earth to organise and support events and activities to raise public awareness and educate people how to protect our environment, and encourage the concept of healthy living.

Under the Sino Green Academy launched in 2008, more than 100 property management staff members have been appointed as Sino Green Ambassadors after completing intensive environmental training courses conducted by the Environmental Protection Department and the Electrical and Mechanical Services Department. The Green Ambassadors shoulder the responsibility of promoting green management techniques and raising environmental awareness throughout 180 Sino projects.

The Group is enthusiastic in promoting green lifestyles to the younger generation. For three consecutive years the Group has sponsored over 25,000 primary and secondary school students to join the "A Day at Organic Farm" programme, where they visit the organic farm to experience farming and learn about the production of organic food. Earlier in 2009, the Group also organised the "Greenovation Challenge" competition to encourage the public to recycle waste into innovative home items. The competition received an overwhelming response of over 600 entries and was enthusiastically supported by local designers and artists.

**Arts and Culture**

Believing that art and culture enhance the quality of life and create a more harmonious society, the Group launched the "Art in Hong Kong" programme in 2006 to provide opportunities for local artists to display and promote their work, bring art to people's daily lives and enhance public appreciation of the arts.

The Group has transformed its properties into public galleries, including the lobbies of Central Plaza and China Hong Kong City, and OC Gallery in Olympian City. Apart from providing free venues, Sino Group's "Art in Hong Kong" programme offers professional assistance that spans curatorial support, publicity, exhibition design and artwork installation. The Group also shares its marketing expertise to help promote exhibitions through its extensive network.



*Sino Caring Friends organised a 'Happy Handpuppet Workshop' for a group of children from the Hong Kong Family Welfare Society. The workshop taught the children how to create a cute handpuppet, providing them with the opportunity to exercise their creativity and build their confidence.*

Chairman's Statement *(Continued)*

*Sino Group has participated in the MTR Hong Kong Race Walking for five consecutive years, winning the first runner-up in the Highest Fund Raising Corporate Team Award in the 2009 event.*

**CORPORATE SOCIAL RESPONSIBILITY** *(Continued)***Arts and Culture** *(Continued)*

Art education is also key to Sino Group's "Art in Hong Kong" programme, which has organised a wide range of educational activities including workshops, talks and guided tours to further engage visitors and enhance their understanding of art.

Stepping into its third year, Sino Group's "Art in Hong Kong" has presented more than 80 exhibitions and art events featuring a wide variety of art disciplines including painting, installation, sculpture, photography and papercutting. Notable events include the "Rising Stars Arts Festival", a collaboration with the Japan Hayashibara Foundation to bring artists with disabilities from Asia together, and Circle Painting Project, a large scale community art event, in which 700 underprivileged kids and members of the public were invited to join American artist Hiep Nguyen to create a gigantic painting expressing the circle theme.

Apart from initiating exhibitions, "Art in Hong Kong" also sponsors major art events in Hong Kong. For three consecutive years, it has been the Chief Sponsor of the annual "Fotanian Artists Open Studio Programme", which welcomes the public to a behind-the-scenes glimpse of the workspaces of over 180 artists. The Group is also a keen sponsor of memorable performances by international artists and arts groups such as Wenyu Shen and Hong Kong Children's Symphony Orchestra, Hong Kong Arts Festival, Accapella Festival 2009, and Chamber Music Festival 2009. The Group also supports the graduation exhibitions of fine art and design students from various local universities. In addition, we provide rental sponsorships to house the Asia Art Archive and Opera Hong Kong.

In 2008, in recognition of its contribution to the development of local arts, Sino Group's "Art in Hong Kong" programme received the annual "Award for Arts Sponsorship" for the second consecutive year, and the "Award for Arts Promotion" for the first time, from the Hong Kong Arts Development Council.

**Staff Engagement**

Apart from providing professional development and personal growth opportunities to realise the potential of staff, the Group cares for the well-being of its people and encourages team spirit by organising various competitive and sports events including the "International Stanley Dragon Boat Championships", "Sino Team Challenge 36", "Green Power Hike" and "MTR Hong Kong Race Walking".



## Chairman's Statement *(Continued)*

### PROSPECTS

The global economic downturn triggered by credit issues in the global financial sector has shown signs of bottoming out as economic indicators have revealed a stabilising trend after months of coordinated economic regeneration efforts by respective governments. Positive indications include improving credit flows and liquidity as well as an easing in unemployment growth. As a result, consumers are regaining confidence.

Despite concerns over the pace of recovery, a number of governments of the leading countries have reaffirmed their commitment to introducing more measures, if necessary, to curb any economic relapse. This determination has conveyed a strong signal to markets that the situation is stabilising. Governments and other stakeholders have learned invaluable lessons from the global financial turmoil and are reviewing economic infrastructures and finding ways to improve financial systems and regulatory frameworks. Priorities include establishing better institutional monitoring and corporate governance with the aim of improving future productivity and efficiency and building resilience against unexpected shocks.

China, one of the world's largest economies, continues to grow. The Central Government's stimulus programme includes the acceleration of certain key infrastructure developments, and the introduction of fiscal and monetary measures as well as further developing closer economic cooperation between Mainland China and Hong Kong. Among the objectives are encouraging consumer spending, sustaining property sector and strengthening equity markets. China's ever closer ties with Hong Kong coupled with existing and future infrastructure networks, as well as the city's geographical advantage, will offer abundant opportunities for Hong Kong. Easier bilateral flow of goods, services and people across the border will further benefit Hong Kong's economic growth. Ongoing economic support by the Central Government will also invigorate Hong Kong in the international business and economic arena. Further, the improved political relationship between Central Government and Taiwan, the Three Links (postal, transportation and trade) between Mainland China and Taiwan and the increase in cross-strait investments involving Taiwan-based companies establishing their businesses in Mainland China will also be positive to Hong Kong's future growth, as stability across the Straits will benefit Hong Kong.

## Chairman's Statement *(Continued)*

### **PROSPECTS** *(Continued)*

In Hong Kong, the various rounds of relief measures introduced by the HKSAR Government are reviving the economy and proving conducive to weathering difficult times. Among the proposed and confirmed infrastructure developments that will encourage a more stable and consistent economic environment are the Hong Kong-Zhuhai-Macao Bridge and the Guangzhou-Shenzhen-Hong Kong Express Rail Link, redevelopment and revitalisation programmes planned for various districts, the restoration of heritage buildings and tourist attractions, and a commitment to uphold the existing land and housing policy. As far as the banking system is concerned, it is reassuring to see that it remains healthy and well capitalised. Financial intermediaries are important to maintain a stable financial system that allows capital to be efficiently channelled to investment and production. Recent economic statistics reveal that the economic downturn has slowed with unemployment easing as well as improved market sentiment and confidence.

Demand for quality housing and better standards of living remains strong in Hong Kong. Home buying activity has been supported by liquidity in the banking sector with banks offering attractive and competitive mortgage rates and terms to buyers. Marriage numbers remain at high levels and birth rates continue to rise. Property transactions have picked up, with buyers' interest returning as can be seen from the sales results of recent launches in the market. The property market in Hong Kong is experiencing a healthy growth.

We, like others, believe that crisis also presents opportunities because it leads to more focused efforts and stronger teamwork to improve productivity and operational efficiency. Despite the current economic situation, we face these challenges with confidence as we move forward. The Group continues to be prudently positioned to benefit from future opportunities that will arise, and will strive to optimise its earnings, improve the quality of our products and services, and enhance customers' lifestyles which will ultimately lead us to serve our customers better. As the Group has a strong financial position with good liquidity, management will continue to deliver value for shareholders. The Group will maintain a policy of selectively and continuously replenishing its land bank both in Hong Kong and China, which will enable it to strengthen earnings and profitability. The Directors are confident in the medium to long term prospects of the Group.

## Chairman's Statement *(Continued)*

### **STAFF AND MANAGEMENT**

Mr. Raymond Tong Kwok Tung, who served on the Board for 12 years, resigned from the Board effective 1st September, 2009. I would like to express my appreciation for his valuable contributions during his directorship with the Company.

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

**Robert NG Chee Siong**  
*Chairman*

Hong Kong, 9th September, 2009

# BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

## (I) EXECUTIVE DIRECTORS

**Mr. Robert Ng Chee Siong**, aged 57, 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 33 years and is also the director of a number of subsidiaries and associated companies of the Company. Mr. Ng is the Chairman of Tsim Sha Tsui Properties Limited ("TST Properties"), the holding company of the Company, and the Chairman of Sino Hotels (Holdings) Limited ("Sino Hotels"). In addition, he is an Independent Non-Executive Director of The Hongkong and Shanghai Hotels, Limited, a Director of The Real Estate Developers Association of Hong Kong and a Member of the 11th National Committee of the Chinese People's Political Consultative Conference. He was a Non-Executive Director of SCMP Group Limited from May 2004 to May 2007. Mr. Ng is the father of Mr. Daryl Ng Win Kong, an Executive Director of the Company and the son of the substantial shareholder Mr. Ng Teng Fong.

**Mr. Yu Wai Wai**, aged 49, an Executive Director of the Company since January 2003, is a member of the Hong Kong Institute of Architect, a Registered Architect and an Authorized Person (Architect). He has extensive experience in design, project management, quality management, construction site management and cost management. Mr. Yu joined the Company in 1992 and is in charge of the Development Division. He is also the director of a number of subsidiaries and associated companies of the Company.

**Mr. Thomas Tang Wing Yung**, aged 54, is an Executive Director of the Company since April 2005. He first joined the Company, TST Properties and Sino Hotels as Chief Financial Officer in November 2003. Mr. Tang obtained his Bachelor of Science Degree in Modern Mathematics from Surrey University, United Kingdom. He has been an Associate Member of The Institute of Chartered Accountants in England and Wales since 1981. He is also a Fellow Member of The Hong Kong Institute of Certified Public Accountants (Practising) and has over 32 years of experience in accounting and finance.

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

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

Biographical Details of Directors & Senior Management *(Continued)***(I) EXECUTIVE DIRECTORS**  
*(Continued)*

**Mr. Daryl Ng Win Kong**, aged 31, an Executive Director of the Company since April 2005, holds a Bachelor of Arts Degree from Columbia University in New York. Mr. Ng first joined the Company as Executive (Development) in 2003. He is a director of a number of subsidiaries and associated companies of the Company and is an Executive Director of TST Properties and Sino Hotels. He is also an Independent Non-Executive Director of Blue Cross (Asia-Pacific) Insurance Limited and BEA Life Limited and a Director of Hong Kong Design Centre. He is a member of the Infrastructure Development Advisory Committee of the Hong Kong Trade Development Council, a General Committee member of The Chamber of Hong Kong Listed Companies, a member of the International Advisory Council of Columbia University in the City of New York, a member of the Tenth Sichuan Committee of Chinese People's Political Consultative Conference, a Committee member of the Tenth All-China Youth Federation, a Trustee member of World Wide Fund for Nature Hong Kong and a Director of The Real Estate Developers Association of Hong Kong. He is the eldest son of the Chairman Mr. Robert Ng Chee Siong and the eldest grandson of the substantial shareholder Mr. Ng Teng Fong.

**Mr. Ringo Chan Wing Kwong**, aged 49, an Executive Director of the Company since January 2008. He first joined the Company in 1988 and has been an associate director (Group Treasury) of the Company since 2005. He is also a director of certain subsidiaries and an associated company 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 25 years of experience in accounting and finance.

**Mr. Sunny Yeung Kwong**, aged 54, an Executive Director of the Company since July 2008. He first joined the Company in 2005 and has been an Associate Director of the Company since 2006. Mr. Yeung holds degrees in both Law and Architecture, is a Registered Architect, a non-practising Barrister, and a Fellow of the Chartered Institute of Arbitrators. Mr. Yeung is currently in charge of Sino Property Services ("SPS"), the property management arm of the Sino Group with a 6,500 headcount. SPS provides comprehensive property management services and is composed of 4 key business units, Sino Estates Management Limited, Sino Security Services Limited, Sino Parking Services Limited and Best Result Cleaning Services Limited. He is also a director of a number of subsidiaries companies and an associated company of the Company.

Biographical Details of Directors & Senior Management *(Continued)***(II) NON-EXECUTIVE DIRECTOR**

**The Honourable Ronald Joseph Arculli**, GBS, CVO, OBE, JP, aged 70, has been a Director of the Company since 1981 and was re-designated from an Independent Non-Executive Director to a Non-Executive Director in July 2005. The Honourable Ronald Arculli through Arculli and Associates (July – December 2005) and since 1st January, 2006 through Ronald Arculli and Associates provides consultancy services to the Company. He is also a Non-Executive Director of TST Properties and Sino Hotels. The Honourable Ronald Arculli is the Independent Non-Executive Chairman of Hong Kong Exchanges and Clearing Limited. He has a long and distinguished record of public service on numerous government committees and advisory bodies. He was the Chairman of The Hong Kong Jockey Club from 2002 to August 2006. He is a practising solicitor and has served on the Legislative Council from 1988 to 2000. He is currently a non-official member of the Executive Council of The Hong Kong Special Administrative Region Government, the Chairman of Committee on the Review of Post-service Outside Work for Directorate Civil Servants, an Honorary Advisor of the Social Ventures Hong Kong Limited, a member of the board of West Kowloon Cultural District Authority (“WKCD”) and a member of the Consultation Panel appointed under WKCD. The Honourable Ronald Arculli is an Independent Non-Executive Director of Hang Lung Properties Limited and SCMP Group Limited, and a Non-Executive Director of Hongkong Electric Holdings Ltd., Hutchison Harbour Ring Limited and HKR International Limited, all companies listed on The Stock Exchange of Hong Kong Limited. He was an Independent Non-Executive Director of Shanghai Century Acquisition Corporation, a company listed on the American Stock Exchange, from October 2005 to May 2008.

**(III) INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Dr. Allan Zeman**, GBS, JP, aged 61, an Independent Non-Executive Director of the Company since September 2004, is the holder of Honorary Doctor of Laws Degree from The University of Western Ontario, Canada. He is also an Independent Non-Executive Director of TST Properties. After spending more than 39 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 Tourism Strategy Group for the Hong Kong Tourism Commission, the Business Facilitation Advisory Committee, the Commission on Strategic Development to serve on Economic Development and Economic Cooperation with Mainland. Dr. Zeman serves as a board member on a number of public bodies in Hong Kong, including the Hong Kong Arts Festival, the Hong Kong Community Chest, the Urban Renewal Authority and West Kowloon Cultural District Authority. Dr. Zeman is a Director of The “Star” Ferry Company, Limited and an Independent Non-Executive Director of Pacific Century Premium Developments Limited and The Link Management Limited. Dr. Zeman is also a Director of Wynn Resorts, Limited, a listed company in USA.

Biographical Details of Directors & Senior Management *(Continued)***(III) INDEPENDENT  
NON-EXECUTIVE  
DIRECTORS**  
*(Continued)*

**Mr. Adrian David Li Man-kiu**, JP, aged 36, an Independent Non-Executive Director since April 2005, is a Deputy Chief Executive of The Bank of East Asia, Limited and is responsible for the overall management and control of the Bank's business in Hong Kong. He is also an Independent Non-Executive Director of TST Properties and Sino Hotels. Mr. Li is a member of the Ninth and Tenth Guangdong Provincial Committee and was formerly a member of the Ninth and Tenth Guangzhou Committee of the Chinese People's Political Consultative Conference, PRC. He is also a committee member of the Ninth and Tenth All-China Youth Federation, the Deputy Chairman of the Ninth Beijing Municipality Youth Federation and a Counsellor of Hong Kong United Youth Association Limited. In addition, he is a Council Member of the Vocational Training Council and the Chairman of its Banking and Finance Industry Training Board, and a member of the Mandatory Provident Fund Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. He is an Independent Non-Executive Director of China State Construction International Holdings Limited and an Alternate Independent Non-Executive Director of San Miguel Brewery Hong Kong Limited. Further, he is an Alternate Non-Independent Non-Executive Director of AFFIN Holdings Berhad, a company listed on the main board of the Malaysia Stock Exchange. Mr. Li was formerly a board member of Ocean Park Corporation and the Chairman of the Investment Committee of the Hong Kong Export Credit Insurance Corporation. Mr. Li holds a Master Degree in Management from Kellogg Graduate School of Management, Northwestern University, Evanston, Illinois, US, and a Master Degree of Arts and a Bachelor Degree of Arts in Law from the University of Cambridge. He is a member of The Law Society of England and Wales and The Law Society of Hong Kong.

**Dr. Fu Yuning**, aged 52, an Independent Non-Executive Director since June 2005, graduated from Dalian Institute of Technology in the PRC with a Bachelor Degree in Port and Waterway Engineering. He obtained a Doctorate Degree in Offshore Engineering from Brunel University, United Kingdom, where he worked as a Post-Doctorate research fellow. Dr. Fu has been a Director and the President of China Merchants Group Limited since April 2000. He is also the Chairman and the Managing Director of China Merchants Holdings (International) Company Limited, a company listed on The Stock Exchange of Hong Kong Limited. He is the Chairman of China International Marine Containers (Group) Limited, a company listed on the Shenzhen Stock Exchange, and a Director of China Merchants Bank Co., Ltd., a company listed on the Shanghai Stock Exchange. Dr. Fu is also an Independent Non-Executive Director of Integrated Distribution Services Group Limited, a company listed on The Stock Exchange of Hong Kong Limited. Dr. Fu also holds directorships in several social associations and is an Executive Director of the Hong Kong General Chamber of Commerce and a Member of Hong Kong Port Development Council. He was the Chairman of Shenzhen Chiwan Petroleum Supply Base Co., Ltd., a company listed on the Shenzhen Stock Exchange, from May 2004 to May 2007 and the Chairman of China Merchants China Direct Investments Limited, a company listed on The Stock Exchange of Hong Kong Limited, from January 1999 to July 2008.

**(IV) SENIOR  
MANAGEMENT**

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

# CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") is committed to providing effective management and sound control of the Company for maximizing the shareholders' value. The corporate governance principles of the Company emphasize the attainment and maintenance of a high standard of corporate governance practices and procedures, a quality Board, sound internal controls and high transparency and accountability to the shareholders. The Company has adopted its own Code on Corporate Governance Practices and has complied with all code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Code") except that there was no separation of the roles of the chairman and the chief executive officer. The corporate governance practices of the Company in compliance with the Code during the financial year ended 30th June, 2009 with explanation of the abovementioned deviation are set out below in this report.

## CORPORATE GOVERNANCE PRACTICES

### DIRECTORS

#### Corporate Governance Principle

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

#### Board Composition

The current Board composes of six Executive Directors including the Chairman of the Board, one Non-Executive Director and three Independent Non-Executive Directors.

The Board members are:

#### *Executive Directors*

Mr. Robert Ng Chee Siong (*Chairman*)

Mr. Yu Wai Wai

Mr. Thomas Tang Wing Yung

Mr. Daryl Ng Win Kong

Mr. Ringo Chan Wing Kwong

Mr. Sunny Yeung Kwong

\* *Mr. Raymond Tong Kwok Tung resigned on 1st September, 2009*

#### *Non-Executive Director*

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

#### *Independent Non-Executive Directors*

Dr. Allan Zeman, GBS, JP

Mr. Adrian David Li Man-kiu, JP

Dr. Fu Yuning

Biographical details of the Directors and their relationships, where applicable, are contained on pages 34 to 37 "Biographical Details of Directors & Senior Management".



## Corporate Governance Report *(Continued)*

### CORPORATE GOVERNANCE PRACTICES *(Continued)*

#### DIRECTORS *(Continued)*

##### Division of Responsibilities

The Chairman of the Board provides leadership to the Board and undertakes both the roles of chairman and chief executive officer. 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 Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each business unit are overseen and monitored by designated responsible Executive Directors. The Board found that the current arrangement had worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the three 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.

##### Board Meetings

The Board holds at least four regular meetings a year which are scheduled at the beginning of the year and will meet more frequently as and when required. During the financial year ended 30th June, 2009, the Board had held four meetings and the attendance records of the Directors are set out on page 45.

##### Directors' Appointment, Re-election and Removal

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

The rotating Directors who are subject to retirement and re-election at the 2009 annual general meeting are set out on page 48.

The Company has not established a nomination committee. The Board is collectively responsible for appointing new Directors either to fill causal vacancies or as additional Board members.

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

## Corporate Governance Report *(Continued)*

### CORPORATE GOVERNANCE PRACTICES *(Continued)*

#### DIRECTORS *(Continued)*

##### Confirmation of Independence

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

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

#### Emolument Policy

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

#### Remuneration Committee

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

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

## Corporate Governance Report *(Continued)*

### CORPORATE GOVERNANCE PRACTICES *(Continued)*

#### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

##### Remuneration Committee *(Continued)*

During the year, the Remuneration Committee has held one meeting, reviewed and endorsed the Company's existing emolument policy and reviewed the remuneration of Directors. No Director was involved in deciding his own remuneration at the meeting of the Committee. The attendance records of individual Committee members are set out on page 45.

The written terms of reference of the Remuneration Committee are available at the Company's website [www.sino.com](http://www.sino.com).

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

#### ACCOUNTABILITY AND AUDIT

##### Directors' Responsibilities for the Financial Statements

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

The auditor is responsible for auditing and reporting his opinion on the financial statements of the Group and the independent auditor's report for the financial year ended 30th June, 2009 is set out on pages 125 to 126.

##### Internal Controls and Risk Management

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

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

## Corporate Governance Report *(Continued)*

### CORPORATE GOVERNANCE PRACTICES *(Continued)*

#### ACCOUNTABILITY AND AUDIT *(Continued)*

##### **Internal Controls and Risk Management** *(Continued)*

Under the Group's internal control and risk management framework, twice a year each major operation unit or department identifies major risks, assesses and evaluates the risks according to their likely impact and the likelihood of occurrence and develops effective control activities to mitigate the risks. The results of such risks assessment, evaluation and mitigation of each operation unit or department are summarized in a standard and consistent manner for the Internal Audit Department's review. Depending on the nature and exposure of the risks of individual operation units or departments, the Internal Audit Department performs further operational and financial reviews, makes recurring and impromptu site investigations on selected risk areas to ensure the effectiveness of the control activities developed by the relevant operation units or departments. The findings by the Internal Audit Department on the weaknesses of control activities are communicated with the operation units or departments concerned. Relevant control activities are enhanced and post-audit reviews are conducted, where appropriate. In compliance with a new code provision of the Code effective from 1st January, 2009, the Internal Audit Department's review has also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. In addition, the external auditor Deloitte Touche Tohmatsu has also carried out certain procedures in relation to the qualifications of the staff of the Company's accounting and financial reporting function. The Internal Audit Department summarizes the results and reports to the Audit Committee, which reports to the Board.

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

## Corporate Governance Report *(Continued)*

### CORPORATE GOVERNANCE PRACTICES *(Continued)*

#### ACCOUNTABILITY AND AUDIT *(Continued)*

##### **Audit Committee**

The Company set up its Audit Committee on 23rd September, 1998. The Committee reports to the Board and has held regular meetings since its establishment to review and make recommendations to improve the Group's financial reporting process and internal controls. The Committee comprises Mr. Adrian David Li Man-kiu, JP (Committee Chairman), Dr. Allan Zeman, GBS, JP and Dr. Fu Yuning, all of whom are Independent Non-Executive Directors. During the year, the Committee had held four meetings to review the 2008 annual report and accounts, the 2008/2009 interim report and accounts, the internal audit reports on the internal controls and risk management matters and the Compliance Committee reports on the Listing Rules compliance matters of the Company and reported all such relevant matters to the Board.

The Audit Committee has reviewed the accounting policies and practices adopted by the Company and the annual report for the financial year ended 30th June, 2009. The attendance records of individual Committee member are set out on page 45.

The written terms of reference of the Audit Committee are available at the Company's website [www.sino.com](http://www.sino.com).

##### **Compliance Committee**

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

## 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 code for dealing in the Company's securities by Directors (the "Company Code") on terms no less exacting than the required standard set out in the Model Code of the Listing Rules. The Company has made specific enquiries of all Directors who confirmed compliance with the required standard set out in the Company Code during the year ended 30th June, 2009.

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

##### **Auditors' Remuneration**

The fees in respect of audit and non-audit services provided to the Company and its subsidiaries by the auditors for the year ended 30th June, 2009 amounted to HK\$3,252,842 and HK\$610,580 respectively. The non-audit services mainly consist of taxation, review and other reporting services.

#### COMMUNICATION WITH SHAREHOLDERS

##### **Timely Performance Information**

The Board is committed to providing clear performance information of the Company to the investors through timely publication of interim and annual results and reports. Copies of the annual reports and interim reports of the Company are distributed to its shareholders in accordance with statutory and regulatory requirements and also to interested parties recorded in the Company's mailing lists. The publications of the Company, including financial reports, circulars and announcements, are also available for download from the Company's corporate website. The corporate website is another channel through which the Company provides up-to-date key information of the Group to its shareholders.

##### **Annual General Meeting**

The Board strives to maintain an on-going dialogue with the shareholders of the Company and use annual general meeting as one of the principal channels for communicating with the shareholders. At the annual general meeting, each substantially separate issue will be considered by a separate resolution, including the election of individual directors. The Chairmen of the Board and the respective Board Committees usually attend annual general meetings to inter-face with and answer questions from the shareholders. The procedures for voting by poll at the annual general meeting are contained in the circular to the shareholders which is dispatched together with the annual report.

Corporate Governance Report *(Continued)***CORPORATE GOVERNANCE PRACTICES** *(Continued)***Directors' Attendance Records  
for meetings held during the financial year ended 30th June, 2009**

Name of Directors	Number of meetings attended/held		
	Board	Audit Committee	Remuneration Committee
Mr. Robert Ng Chee Siong	4/4	–	–
The Honourable Ronald Joseph Arculli, GBS, CVO, OBE, JP	4/4	–	–
Dr. Allan Zeman, GBS, JP	3/4	3/4	1/1
Mr. Adrian David Li Man-kiu, JP	4/4	4/4	1/1
Dr. Fu Yuning	3/4	2/4	–
Mr. Raymond Tong Kwok Tung (resigned on 1st September, 2009)	3/4	–	–
Mr. Yu Wai Wai	4/4	–	–
Mr. Thomas Tang Wing Yung	3/4	–	–
Mr. Daryl Ng Win Kong	3/4	–	1/1
Mr. Ringo Chan Wing Kwong	4/4	–	–
Mr. Sunny Yeung Kwong	4/4	–	–

# DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 30th June, 2009.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 46 to the consolidated financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 127.

An interim dividend of HK10 cents per share amounting to HK\$115,399,692 by way of cash dividends and HK\$365,703,527 by way of scrip alternatives were paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK 30 cents per share to the shareholders on the Register of Members on 5th November, 2009 amounting to HK\$1,447,322,861.

## INVESTMENT PROPERTIES

During the year, the Group acquired investment properties of HK\$30,321,790, incurred renovation cost on investment properties of HK\$57,696,990 and disposed of investment properties of HK\$5,926,661, and also transferred from properties under development of HK\$3,959,793,325 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\$693,831,676 has been credited directly to the consolidated income statement.

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

## PROPERTY, PLANT AND EQUIPMENT

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

## MAJOR PROPERTIES

Details of the major properties of the Group at 30th June, 2009 are set out on pages 214 to 234.

## SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and associates at 30th June, 2009 are set out in Notes 46 and 47 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 32 to the consolidated financial statements.



## Directors' Report (Continued)

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

During the year, the Company repurchased 80,648,000 ordinary shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK\$695,069,297. The repurchases were effected by the Directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

<b>Month of the repurchases</b>	<b>Total number of the ordinary shares repurchased</b>	<b>Highest price paid per share</b> <i>HK\$</i>	<b>Lowest price paid per share</b> <i>HK\$</i>	<b>Aggregate consideration</b> <i>HK\$</i>
July 2008	1,284,000	15.32	14.18	18,883,386
August 2008	800,000	14.42	14.02	11,386,945
September 2008	19,460,000	10.90	8.22	186,569,263
October 2008	23,778,000	8.65	5.00	160,474,189
November 2008	244,000	6.73	6.55	1,630,155
December 2008	4,344,000	8.10	7.59	34,499,241
January 2009	9,418,000	8.78	6.76	71,110,835
February 2009	7,616,000	7.24	6.29	51,618,966
March 2009	2,644,000	8.03	6.74	19,820,395
April 2009	938,000	8.96	8.79	8,385,430
June 2009	<u>10,122,000</u>	14.58	11.48	<u>130,690,492</u>
	<u>80,648,000</u>			<u>695,069,297</u>

Out of 80,648,000 shares repurchased, 79,016,000 shares were cancelled on delivery of the share certificates during the year while the remaining 1,632,000 shares repurchased on 29th and 30th June, 2009 were cancelled on delivery of the share certificates subsequent to the financial year. The nominal value of HK\$79,016,000 of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$673,755,737 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, 2009 were the retained profits of HK\$12,300,881,692 (2008: HK\$14,497,355,632).

## 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, 2009 are set out in Note 31 to the consolidated financial statements.

Interest expenses capitalised by the Group during the year in respect of properties under development amounted to HK\$138,642,872.

### **DIRECTORS**

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

#### *Executive Directors*

Mr. Robert Ng Chee Siong  
Mr. Raymond Tong Kwok Tung (resigned on 1st September, 2009)  
Mr. Yu Wai Wai  
Mr. Thomas Tang Wing Yung  
Mr. Daryl Ng Win Kong  
Mr. Ringo Chan Wing Kwong  
Mr. Sunny Yeung Kwong

#### *Non-Executive Director*

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

#### *Independent Non-Executive Directors*

Dr. Allan Zeman, GBS, JP  
Mr. Adrian David Li Man-kiu, JP  
Dr. Fu Yuning

In accordance with the provisions of the Company's Articles of Association and pursuant to Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), Mr. Robert Ng Chee Siong, Dr. Allan Zeman, GBS, JP and Mr. Yu Wai Wai will retire at the forthcoming Annual General Meeting and, who being eligible, will offer themselves for re-election.

## Directors' Report (Continued)

**DIRECTORS' INTERESTS**

As at 30th June, 2009, the interests and short positions held by the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

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

<b>Name of Directors</b>	<b>Number of Ordinary Shares</b>	<b>Capacity and Nature of Interest</b>	<b>% of Issued Share Capital</b>
Mr. Robert Ng Chee Siong	3,008,919	Beneficial owner of 134,348 shares and spouse interest in 2,874,571 shares	0.06%
The Honourable Ronald Joseph Arculli, GBS, CVO, OBE, JP	1,044,095	Beneficial owner	0.02%
Dr. Allan Zeman, GBS, JP	—	—	—
Mr. Adrian David Li Man-kiu, JP	—	—	—
Dr. Fu Yuning	—	—	—
*Mr. Raymond Tong Kwok Tung	—	—	—
Mr. Yu Wai Wai	—	—	—
Mr. Thomas Tang Wing Yung	126,647	Beneficial owner	≈0%
Mr. Daryl Ng Win Kong	77,013	Beneficial owner	≈0%
Mr. Ringo Chan Wing Kwong	—	—	—
Mr. Sunny Yeung Kwong	—	—	—

\* resigned on 1st September, 2009

## Directors' Report (Continued)

**DIRECTORS' INTERESTS (b) Long Positions in Shares of Associated Corporations**  
(Continued)**(i) Holding Company****Tsim Sha Tsui Properties Limited**

Name of Directors	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	565,834	Beneficial owner	0.03%
The Honourable Ronald Joseph Arculli, GBS, CVO, OBE, JP	60,000	Beneficial owner	≈0%
Dr. Allan Zeman, GBS, JP	–	–	–
Mr. Adrian David Li Man-kiu, JP	–	–	–
Dr. Fu Yuning	–	–	–
*Mr. Raymond Tong Kwok Tung	–	–	–
Mr. Yu Wai Wai	–	–	–
Mr. Thomas Tang Wing Yung	–	–	–
Mr. Daryl Ng Win Kong	–	–	–
Mr. Ringo Chan Wing Kwong	–	–	–
Mr. Sunny Yeung Kwong	–	–	–

\* resigned on 1st September, 2009

**(ii) Associated Companies**

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

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

## Directors' Report (Continued)

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

Notes:

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

Save as disclosed above, as at 30th June, 2009, 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 of the Listing Rules, the Company discloses that during the year, the following current Directors held share interests and/or directorships in companies engaged in businesses which compete or likely to compete, either directly or indirectly, with the businesses of the Group:

Mr. Robert Ng Chee Siong and Mr. Daryl Ng Win Kong held share interests and directorships and Mr. Thomas Tang Wing Yung held directorships in companies of the Ng Family (including Mr. Ng Teng Fong, Mr. Robert Ng Chee Siong and their respective associates) which engage in businesses of property investment, development and management and hotel operation.

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

As the Board of Directors of the Company is independent of the boards of the aforesaid companies and maintains three 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 45 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) Existing Continuing Connected Transactions up to 30th June, 2009**

The Company announced on 29th June, 2007 that it had entered into agreements on 28th June, 2007 ("Agreements" or individually "Agreement") relating to the following non-exempt continuing connected transactions between the Company or its subsidiaries and the Ng Family (including Mr. Ng Teng Fong, Mr. Robert Ng Chee Siong and their respective associates) for the three financial years commencing from 1st July, 2007 and ending on 30th June, 2010 with annual caps fixed for each of the years. Particulars of the Agreements together with the total considerations for the year ended 30th June, 2009 are disclosed herein as required under the Listing Rules:

**(a) Building Cleaning Services**

Party A:	Best Result Cleaning Services Limited, a wholly-owned subsidiary of the Company
Party B:	Ng Family
Nature of transactions:	Provision of building cleaning services by the Group to properties owned or partly owned by the Ng Family
Terms:	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin
Annual Cap:	HK\$82 million
Total consideration for the year:	HK\$45.35 million

Directors' Report *(Continued)***CONNECTED  
TRANSACTIONS**  
*(Continued)***(A) Existing Continuing Connected Transactions up to 30th June, 2009**  
*(continued)***(b) Car Park Management Services**

Party A: Sino Parking Services Limited, a company held as to 50% by the Company and 50% by the Ng Family

Party B: The Group

Nature of transactions: Provision of car park management services by the Ng Family to properties owned or partly owned by the Group

Terms: A lump sum fee to be agreed between the parties which shall be determined by reference to a rate of the total gross revenue generated from car parking operations in the properties managed by Sino Parking Services Limited pursuant to the Agreement

Annual Cap: HK\$20 million

Total consideration for the year: HK\$14.47 million



Directors' Report *(Continued)***CONNECTED  
TRANSACTIONS**  
*(Continued)***(A) Existing Continuing Connected Transactions up to 30th June, 2009**  
*(continued)***(c) Estate Management and General Administrative Services**

Party A: Sino Estates Management Limited, a wholly-owned subsidiary of the Company

Party B: Ng Family

Nature of transactions: Provision of estate management, life style services, home maintenance services, courtesy services and general administrative services by the Group to properties owned or partly owned by the Ng Family

Terms: A lump sum fee to be agreed between the parties which shall be a fixed sum or determined by reference to a rate of the management expenditure as shown in the annual budget of or actually incurred by the Ng Family in respect of the properties managed by Sino Estates Management Limited pursuant to the Agreement

Annual Cap: HK\$40 million

Total consideration for the year: HK\$21.48 million

Directors' Report *(Continued)***CONNECTED  
TRANSACTIONS**  
*(Continued)***(A) Existing Continuing Connected Transactions up to 30th June, 2009**  
*(continued)***(d) Security Guard Services**

Party A:	Sino Security Services Limited, a wholly-owned subsidiary of the Company
Party B:	Ng Family
Nature of transactions:	Provision of security guard services by the Group to properties owned or partly owned by the Ng Family
Terms:	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin
Annual Cap:	HK\$80 million
Total consideration for the year:	HK\$54.55 million

## Directors' Report (Continued)

**CONNECTED  
TRANSACTIONS**  
(Continued)

**(A) Existing Continuing Connected Transactions up to 30th June, 2009**  
(continued)

**(e) Lease of Premises**

Party A:	The Group
Party B:	Ng Family
Nature of transactions:	Lease of premises by: <ul style="list-style-type: none"> <li>(a) the Group of properties owned or partly owned by the Ng Family</li> <li>(b) the Ng Family of properties owned or partly owned by the Group</li> </ul>
Terms:	A lump sum rent exclusive of rates and management fees to be agreed between the parties which shall be determined by reference to the prevailing market rent of the particular premises
Annual Cap:	HK\$54 million, comprising: <ul style="list-style-type: none"> <li>(a) lease of premises by the Group – HK\$53 million; and</li> <li>(b) lease of premises by the Ng Family – HK\$1 million</li> </ul>
Total consideration for the year:	HK\$47.94 million, comprising: <ul style="list-style-type: none"> <li>(a) lease of premises by the Group – HK\$47.37 million; and</li> <li>(b) lease of premises by the Ng Family – HK\$0.57 million</li> </ul>

Basis of the abovementioned annual caps was by reference to the nature and value of these transactions for the three years ended 30th June, 2007, 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.

## Directors' Report *(Continued)*

### CONNECTED TRANSACTIONS *(Continued)*

#### **(A) Existing Continuing Connected Transactions up to 30th June, 2009** *(continued)*

The Ng Family is a connected person of the Company and therefore the above transactions constituted continuing connected transactions of the Company pursuant to the Listing Rules.

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

During the year, the above continuing connected transactions were carried out within their respective annual caps and have been reviewed by the Directors of the Company (including the Independent Non-Executive Directors). The Independent Non-Executive Directors have 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 auditor of the Company has provided a letter to the Board of Directors of the Company confirming that the above continuing connected transactions:

- (i) have received the approval of the Board of Directors of the Company;
- (ii) have been entered into in accordance with the pricing policies of the Group;

Directors' Report *(Continued)***CONNECTED  
TRANSACTIONS**  
*(Continued)***(A) Existing Continuing Connected Transactions up to 30th June, 2009**  
*(continued)*

- (iii) have been entered into in accordance with the terms of the relevant agreements governing the transactions; and
- (iv) have not exceeded the respective annual caps as disclosed in the relevant press announcement.

**(B) Provisions of Corporate Guarantees Constituting Connected Transactions of the Company during the year**

- (a) The Company announced on 12th February, 2009 that the Company and Boswell Holdings Limited ("Boswell", a company controlled by the Ng Family) executed the corporate guarantee in favour of the lender and other related documents, pursuant to which the Company and Boswell guaranteed (on a several, pro rata and pari passu basis) respectively 20% and 80% of the obligations of Boatswain Enterprises Limited and Beverhill Limited (together, the "Borrowers") in respect of an additional revolving loan tranche of HK\$240 million provided under a supplement to the existing loan facilities which had an aggregate principle amount of up to HK\$1,700 million ("Loan Facilities"). The additional revolving loan tranche will be provided until one month before 14th October, 2010, the same as for the Loan Facilities, as additional working capital for the Borrowers. In addition to the corporate guarantee, the existing securities (including the pledge of the shares of the Borrowers held by the immediate holding companies) provided in favour of the lender in respect of the existing Loan Facilities have also been extended to cover the additional revolving loan tranche.

The Ng Family is a connected person of the Company by virtue of it being a substantial shareholder of the Company. The Borrowers are companies in which the Ng Family controls 30% or more of the voting rights. Accordingly, they are associates of the Ng Family and connected persons of the Company under the Listing Rules. The entering into the corporate guarantee by the Company constituted a connected transaction of the Company under Rule 14A.13(2)(a)(i) of the Listing Rules.

Directors' Report *(Continued)***CONNECTED  
TRANSACTIONS**  
*(Continued)***(B) Provisions of Corporate Guarantees Constituting Connected Transactions of the Company during the year** *(continued)*

- (b) The Company announced on 20th March, 2009 that the Company and Boswell executed a corporate guarantee in favour of the lender, pursuant to which each of the Company and Boswell guaranteed (on a several, pro rata and pari passu basis) 50% of the obligations of Rich Century Investment Limited ("Rich Century") in respect of all principal, interest and other moneys due under the loan facilities. The loan facilities originally had an aggregate principal amount of HK\$1,000 million and was not secured by any parent guarantee. On 19th March, 2009, the aggregate principal amount of the loan facilities was increased to HK\$1,200 million. Reflecting the current debt market environment and requirements of lending banks, the entering into of the corporate guarantee by the Company and Boswell as security for Rich Century's obligations under the loan facilities was, inter alia, a condition for the increase of the aggregate principal amount of the loan facilities. The loan facilities have a maturity date of 31st January, 2012. The purpose of the additional loan amount under the loan facilities is to provide working capital to Rich Century and to repay existing advances from shareholders. This would in turn add to the cashflow of the Group.

The Ng Family is a connected person of the Company by virtue of it being a substantial shareholder of the Company. Rich Century is a company in which the Ng Family controls 30% or more of the voting rights. Accordingly, it is an associate of the Ng Family and a connected person of the Company under the Listing Rules. The entering into the corporate guarantee by the Company constituted a connected transaction of the Company under Rule 14A.13(3) of the Listing Rules.

Full details of the above connected transactions are set out in the respective announcements and available in the Company's corporate website, [www.sino.com](http://www.sino.com).

Details of other related party transactions are set out in Note 45 to the consolidated financial statements.

## Directors' Report (Continued)

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

As at 30th June, 2009, 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**

<b>Name of Substantial Shareholders</b>	<b>Number of Ordinary Shares</b>	<b>Capacity and Nature of Interest</b>	<b>% of Issued Share Capital</b>
Mr. Ng Teng Fong	2,600,615,218 <i>(Notes 1, 2 and 6)</i>	Beneficial owner of 27,187,058 shares, spouse interest in 3,620,469 shares and interest of controlled corporations in 2,569,807,691 shares	53.73%
Tsim Sha Tsui Properties Limited	2,494,183,599 <i>(Notes 1(a), 1(b), 2 and 6)</i>	Beneficial owner of 1,149,736,073 shares and interest of controlled corporations in 1,344,447,526 shares	51.53%

<b>Name of Other Shareholders</b>	<b>Number of Ordinary Shares</b>	<b>Capacity and Nature of Interest</b>	<b>% of Issued Share Capital</b>
Solid Capital Holdings Limited	407,943,984	Security interest in 407,791,154 shares and beneficial owner of 152,830 shares	8.43%
Spangle Investment Limited	305,984,828 <i>(Note 2)</i>	Beneficial owner	6.32%
Mr. Chen Din Hwa	299,569,043 <i>(Notes 3 and 5)</i>	Interest of a controlled corporation	6.19%
Ms. Chen Yang Foo Oi	299,569,043 <i>(Notes 3, 4 and 5)</i>	Spouse interest	6.19%
Xing Feng Investments Limited	299,569,043 <i>(Notes 3 and 5)</i>	Interest of a controlled corporation	6.19%
Nice Cheer Investment Limited	299,569,043 <i>(Notes 3 and 5)</i>	Beneficial owner	6.19%
Ka Fai Land Investment Limited	268,112,005 <i>(Note 6)</i>	Beneficial owner	5.54%

Directors' Report *(Continued)***SUBSTANTIAL  
SHAREHOLDERS' AND  
OTHER SHAREHOLDERS'  
INTERESTS** *(continued)***Long Positions in Shares of the Company** *(continued)*

Notes:

1. *As regards 2,569,807,691 shares held by controlled corporations:*
  - (a) *1,149,736,073 shares were held by Tsim Sha Tsui Properties Limited which was 71.85% controlled by Mr. Ng Teng Fong;*
  - (b) *(i) 35,274,391 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) 1,309,173,135 shares were held through certain other wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 305,984,828 shares held by Spangle Investment Limited (Note 2) and 268,112,005 shares held by Ka Fai Land Investment Limited (Note 6)); and*
  - (c) *75,624,092 shares were held through companies which were 100% controlled by Mr. Ng Teng Fong – 121,944 shares by Fanlight Investment Limited, 120,932 shares by Garford Nominees Limited, 27,213,105 shares by Karaganda Investments Inc., 11,736,897 shares by Orient Creation Limited, 5,704,420 shares by Strathallan Investment Limited, 17,193,217 shares by Strong Investments Limited, 13,175,201 shares by Tamworth Investment Limited and 358,376 shares by Transpire Investment Limited.*
2. *305,984,828 shares were held by Spangle Investment Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and were duplicated in the interests of Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.*
3. *The long position in 299,569,043 shares was held by Nice Cheer Investment Limited, a company 100% controlled by Xing Feng Investments Limited which was in turn 100% controlled by Mr. Chen Din Hwa.*
4. *Ms. Chen Yang Foo Oi, spouse of Mr. Chen Din Hwa, was deemed to be interested in Mr. Chen's shares.*
5. *The interests of Mr. Chen Din Hwa, Ms. Chen Yang Foo Oi, Xing Feng Investments Limited and Nice Cheer Investment Limited were duplicated.*
6. *268,112,005 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 Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.*

Save as disclosed above and so far as the Directors of the Company are aware, as at 30th June, 2009, 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.



## Directors' Report *(Continued)*

### **DONATIONS**

During the year, the Group made charitable and other donations amounting to approximately HK\$409,000.

### **MAJOR SUPPLIERS AND CUSTOMERS**

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 83% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 41% 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 38 to 45.

### **SUFFICIENCY OF PUBLIC FLOAT**

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

### **AUDITOR**

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

On behalf of the Board  
**Robert NG Chee Siong**  
*Chairman*

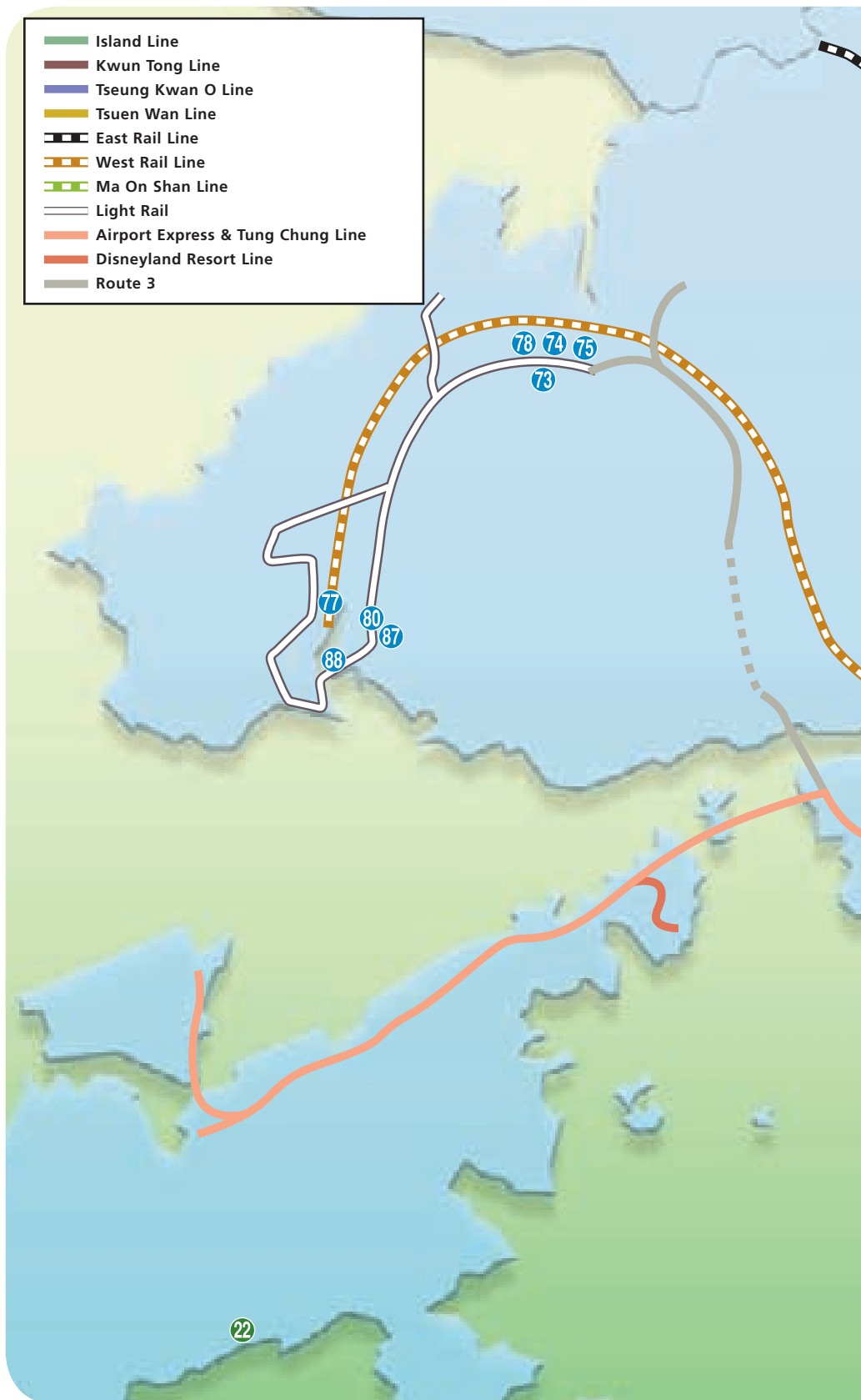
Hong Kong, 9th September, 2009

○ ● **Completed properties**

1. Westin Centre
2. Far East Finance Centre
3. Cambridge Plaza
4. Island Resort
5. St. Andrews Place
6. Majestic Park
7. Lincoln Centre
8. Pan Asia Centre
9. One SilverSea
10. Vision City
11. The Dynasty
12. One New York
13. One Madison
14. Vista
15. The Palazzo
16. Goodwood Park

○ ● **Properties under development**

17. 38 Repulse Bay Road, Rural Building Lot No. 380
18. 53 Conduit Road, The Remaining Portion of Inland Lot No. 2138 and Inland Lot No. 2613
19. Lee Tung Street/McGregor Street Project, Wan Chai
20. Ma Wo, Tai Po, Tai Po Town Lot No. 179
21. Lake Silver, Wu Kai Sha Station Development, Shatin Town Lot No. 530
22. Cheung Sha, Lantau Island, Lot No. 245 in DD331
23. The Hermitage, West Kowloon, Kowloon Inland Lot No. 11167 and 11168
24. Baker Court, Hung Hom, Kowloon Inland Lot No. 11181
25. Junction of Hoi Wang Road, Yan Cheung Road and Yau Cheung Road, West Kowloon, Kowloon Inland Lot No. 11073
26. No. 1 Broadcast Drive, Kowloon Tong, New Kowloon Inland Lot No. 6374
27. 270-274 Cheung Sha Wan Road, Sham Shui Po, The Remaining Portion of New Kowloon Inland Lot No. 1069
28. Pak Shek Kok, Tai Po Town Lot No. 187
29. Pak Shek Kok, Tai Po Town Lot No. 188
30. Pak shek Kok, Tai Po Town Lot No. 186
31. Aberdeen Inland Lot No. 451
32. 18 Wang Chiu Road, New Kowloon Inland Lot No. 5856
33. Beech Street/Ivy Street, West Kowloon, Kowloon Inland Lot No. 11192

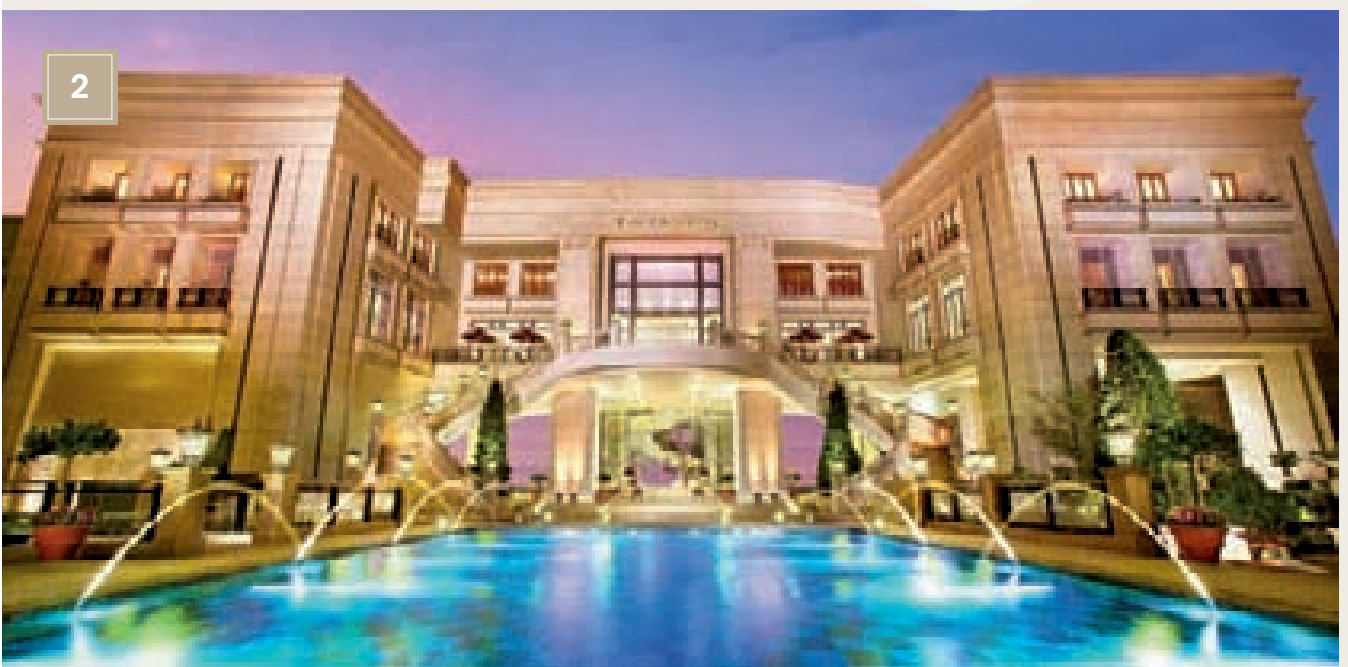




Properties for investment/own use ● ○

- 34. Citywalk
- 35. Citywalk 2
- 36. Exchange Tower
- 37. No. 12, 14, 16 & 18, Hau Wong Road, Kowloon City
- 38. 20-24 Staunton Street
- 39. 26 Staunton Street
- 40. Skyline Tower
- 41. The Centrium
- 42. 148 Electric Road
- 43. Central Plaza
- 44. Conrad Hong Kong
- 45. Harbour Centre
- 46. Hollywood Centre
- 47. Marina House
- 48. One Capital Place
- 49. Pacific Palisades
- 50. Pacific Plaza
- 51. Island Resort Mall
- 52. 25/F United Centre
- 53. Olympian City 1
- 54. Olympian City 2
- 55. The Astrid
- 56. Cameron Plaza
- 57. China Hong Kong City
- 58. Corporation Square
- 59. Futura Plaza
- 60. Sunley Centre
- 61. Westley Square
- 62. Fullerton Centre
- 63. Hong Kong Pacific Centre
- 64. Kwun Tong Harbour Plaza
- 65. Kwun Tong Plaza
- 66. Omega Plaza
- 67. Parmanand House
- 68. Remington Centre
- 69. Sunshine Plaza Shopping Arcade
- 70. Tsim Sha Tsui Centre
- 71. Yau Tong Industrial City
- 72. Avon Park Shopping Mall
- 73. Springdale Villas Shopping Arcade
- 74. Golden Plaza
- 75. Mansfield Industrial Centre
- 76. Maritime Bay Shopping Mall
- 77. Parklane Centre
- 78. Ping Wui Centre
- 79. Shatin Galleria
- 80. Tuen Mun Town Plaza, Phase I
- 81. The Waterside Shopping Mall
- 82. 15 Shek O Headland
- 83. No. 1 Chatham Path, Mid-levels
- 84. Bayview Park
- 85. No. 1 Hung To Road
- 86. Grand Regentville Shopping Arcade
- 87. Rosedale Gardens Shopping Arcade
- 88. Oceania Heights Shopping Mall
- 89. The Hennessy

# COMPLETED PROPERTIES



Completed Properties *(Continued)***1 The Palazzo**

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

**2 The Dynasty**

Located at the hub of the comprehensive transportation networks offering convenient access to the MTR Tsuen Wan Station and Tsuen Wan West Station on the West Rail Line, these low-density residential units are poised to enjoy the riches of well-planned integrated city and spectacular harbour views.

**3 Vista**

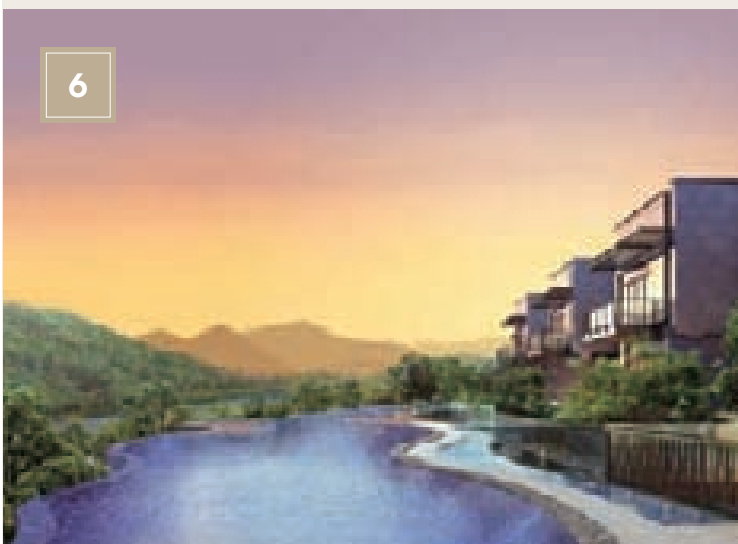
Located in one of the most popular areas of Kowloon West, Vista is only two minutes' walk from the MTR Sham Shui Po Station, and offers a total of 173 residential units designed with balconies and 22,000 sq.ft. of retail space. The project commands magnificent views of Victoria Harbour. Its unique clubhouse facilities include a resort-style swimming pool, a banquet room and gymnasium.

**4 Exchange Tower**

Exchange Tower is a commercial complex located in Hong Kong's latest focal point – Kowloon East. It is the first international Grade A office tower to integrate a green balcony on every office floor.



## Completed Properties *(Continued)*



5

### **The Hennessy**

The Hennessy is located in the heart of Wan Chai that is a vibrant community of restaurants, shops and offices. The 4.8-meter floor-to-floor height, full height windows, panoramic harbour views and the unique indoor and rooftop alfresco dining experience provide a perfect inspiration for creative minds. 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.

6

### **Goodwood Park**

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

## Completed Properties *(Continued)*



7

### **Vision City**

Located in a well-planned integrated city in Tsuen Wan's popular waterfront, adjacent to landmark hotels, prime office buildings and mega shopping malls, Vision City enjoys convenient access to the MTR Tsuen Wan Station and Tsuen Wan West Station on the West Rail Line. The development provides 1,466 residential flats in five towers above a shopping mall.

8

### **One SilverSea**

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



## Completed Properties *(Continued)*

9



10



9

### Mount Beacon

Mount Beacon is located in the traditional luxurious residential district of Kowloon Tong, commanding panoramic views towards Kowloon Peninsula and Victoria Harbour. The development offers 22 grand houses and 197 residential apartments built around a lagoon shaped pool, and features a Faberge inspired banquet room.

10

### St. Andrews Place

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



## Completed Properties *(Continued)*



**11 The Royal Oaks**  
Nestled between the Hong Kong Golf Club and the Hong Kong Jockey Club Beas River Country Club, The Royal Oaks consists of 44 luxurious detached grand houses set within a magnificent landscape.

**12 One New York**  
One New York is a boutique residence located in New Kowloon West with quick access to the MTR Lai Chi Kok Station. Comprising about 130 high-ceiling units, it offers a truly cosmopolitan environment for those seeking a quality lifestyle.



## Completed Properties *(Continued)*



13



14

### 13 **One Madison**

One Madison is a new addition to Sino Group's boutique residences in New Kowloon West. It offers about 120 extra high ceiling units. With quick access to the MTR Cheung Sha Wan Station, this exceptional residence presents a truly cosmopolitan lifestyle to the discerning few.

### 14 **Greenfields, Guangzhou**

Greenfields offers approximately 314,655 sq.ft. total gross floor area, comprising 286,863 sq.ft. residential gross floor area and 14,931 sq.ft. of retail space.

## Completed Properties *(Continued)*

15

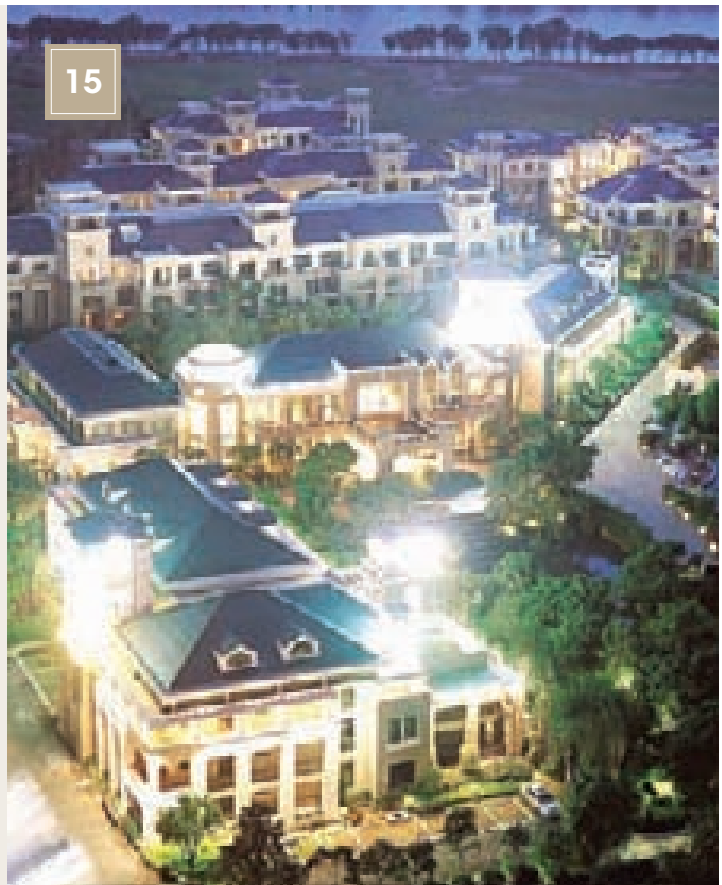
### **One HoneyLake, Shenzhen**

Located alongside the scenic Honey Lake in Futian District, Shenzhen, this development comprises 447 luxurious residential units consisting of 14 semi-detached houses, 79 terrace houses, 36 low-rise villas and 318 high-rise apartments.

16

### **Park Place, Xiamen**

The project affords 123,128 sq.ft. total gross floor area comprising 112,439 sq.ft. of residential space and 10,689 sq.ft. of commercial space. The project offers 73 residential units and is conveniently located in the heart of city centre with a good transportation network.



## PROPERTIES UNDER DEVELOPMENT

17



18



Properties Under Development *(Continued)*

17

**Lake Silver**

Located atop the Ma On Shan Rail Wu Kai Sha Station, the development comprises over 2,100 high-quality apartments, a world-class resort style clubhouse and enjoys breathtaking scenic mountain and sea views.

18

**Ma Wo Project, Tai Po**

Located in Ma Wo, Tai Po, the project is expected to offer 114,486 sq.ft. of total gross floor area and will be completed in the financial year 2009/2010.

19

**The Hermitage**

Located at Hoi Ting Road, West Kowloon, this landmark luxurious residential and commercial complex will yield 1.09 million sq.ft. total gross floor area and enjoy the advantage of proximity to the new MTR Austin Station on West Rail Line and the West Kowloon Cultural District. The completion is estimated for the third quarter of 2010.

19



## Properties Under Development *(Continued)*



20

### **Sino International Plaza, Fuzhou**

Located in the business centre of Fuzhou, Sino International Plaza will be developed into an international Grade-A commercial building comprising office and retail space. The tower will feature a rooftop garden and a building facade made of energy efficient 'Low-E' glass.

## Properties Under Development *(Continued)*

21

### **Mandarin Garden, Xiamen**

Located on Jia He Lu, Xiamen, Fujian, this site will be developed into a residential and commercial project, offering approximately 138 residential units and 15,872 sq.ft. of retail space.

22

### **Central Park, Xiamen**

This site has been designated for residential and commercial development, comprising approximately 450 residential units of 466,894 sq.ft. and over 51,000 sq.ft. of commercial space.

21



22



## INVESTMENT PROPERTIES



**23 Citywalk**  
Citywalk is the Hong Kong's first ever green shopping mall located on Yeung Uk Road in Tsuen Wan. This 300,000 sq.ft. shopping mall presents a 8,000 sq.ft. Vertical Garden and a 40,000 sq.ft. "Citywalk Piazza" with landscaped water feature. Together these increase the green space of the external areas to over 30 percent and provide shoppers with a fun, natural environment.

**24 Citywalk 2**  
Citywalk 2 is designed to complement and extend Citywalk. This contemporary three-storey technologically innovative mall comprises approximately 200,000 sq.ft. of space, accommodating brand-name shops, cinemas, lifestyle stores, restaurants and supermarkets, and features Hong Kong's first 'ArchiSculpture', the iGlobe, a distinctive giant electronic building facade with thousands of LED discs.



## Investment Properties (Continued)



25

**Olympian City 1 and 2**

Olympian City 1 and 2 are located in the MTR Olympic Station with a combined area in excess of 650,000 sq.ft.. Its 80,000 sq.ft. of open piazza, variety of retail outlets, a cinema and bowling alley offer shoppers an excellent choice of entertainment and retail shopping, and the opportunity to dine on a wide selection of cuisine in its restaurants and food court. The mall is equipped with numerous plasma televisions, projector screens and a large outdoor LED screen to provide shoppers with entertainment and information.

25



26

**tmtplaza**

tmtplaza is the largest shopping mall in the Northwest New Territories. With a total retail space of 1,000,000 sq.ft. and 400 diversified shops and restaurants, tmtplaza has become the one-stop shopping centre of the New Territories.

26

## Investment Properties *(Continued)*

27



28



27

### Tsim Sha Tsui Centre

Tsim Sha Tsui Centre was the very first development in Tsim Sha Tsui East. As such, it stands as a tribute to the Sino Group's pioneering spirit. Today, it proudly serves as the Group's headquarters, and remains an important office-cum-retail property. Tsim Sha Tsui Centre and the adjacent Empire Centre underwent a major facelift few years ago, with the waterfront units transformed into a strip of stylish duplex restaurants, turning the twin building into a premier Tsim Sha Tsui East dining destination – Alfresco Lane.

28

### Hong Kong Pacific Centre

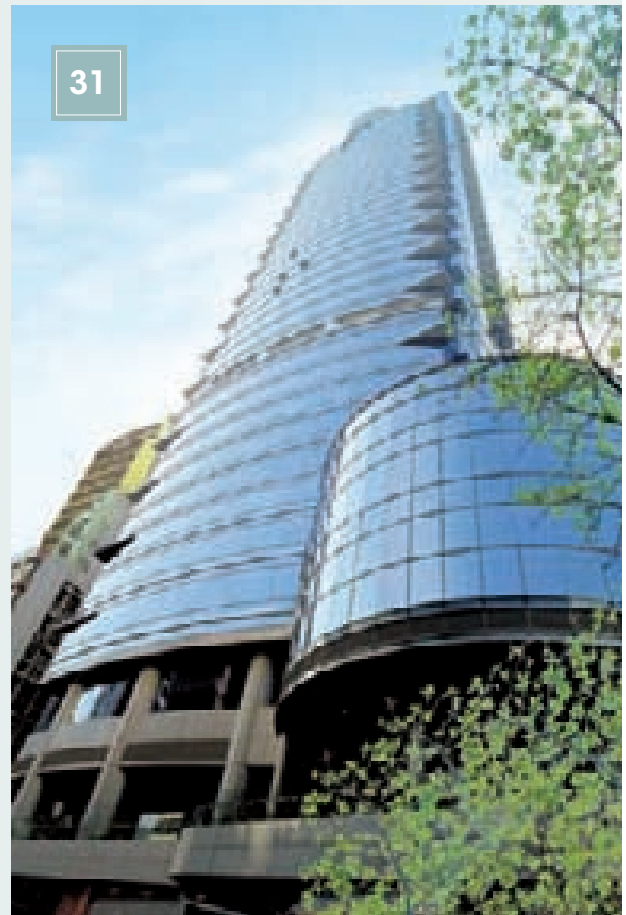
Hong Kong Pacific Centre is located in the centre of Tsim Sha Tsui's bustling retail neighbourhood, and is just a stone's throw from the Nathan Road with heavy pedestrian flow. The project comprises an office tower and a shopping centre podium with a total gross floor area of 232,606 sq.ft..

Investment Properties *(Continued)*

29



30



31

29

**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 on Canton Road, Tsim Sha Tsui – Kowloon's busiest business and tourist district, this massive 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. It is also well supported by all major means of public transport and is only a few minutes' walk from the Star Ferry Terminal and the MTR Tsim Sha Tsui station and Austin Station.

30

**Skyline Tower**

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

31

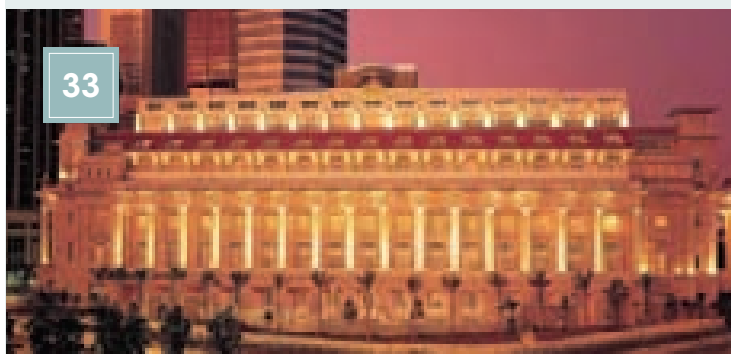
**The Centrium**

Located in the heart of Central, The Centrium is a Grade-A commercial development situated near the well-known Lan Kwai Fong district for cosmopolitan lifestyle, entertainment and dining purposes. The project provides about 255,911 sq.ft. of international-class commercial space and fine dining area.

## Investment Properties *(Continued)*



32



33



34

### 32 The Fullerton Heritage

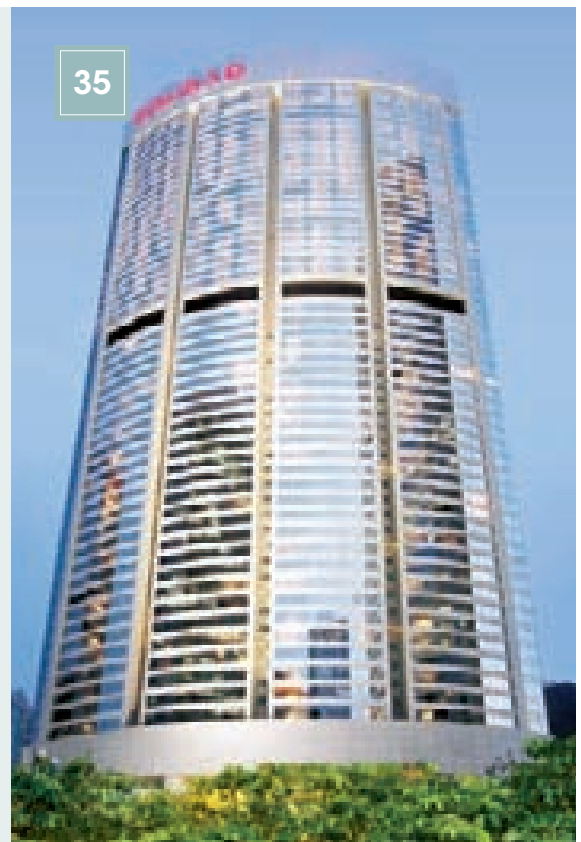
The Fullerton Heritage is the Group's large-scale waterfront development project in Singapore's Marina Bay. The architecture combines historical and contemporary aspects to add vibrancy to the long-established culture, heritage and central business district. The development comprises six buildings, namely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

### 33 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 luxury hotel with 400 rooms and suites carefully designed to provide both business and leisure travellers with a sanctuary of calm and comfort in which to retreat and rejuvenate. The Hotel has received a number of awards from respected organisations and magazines in recognition of its standards of service.

### 34 Clifford Pier

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

Investment Properties *(Continued)*

35

**Conrad Hong Kong**

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

36

**Raffles City Shanghai**

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 yields 1.35 million sq.ft. total gross floor area.



# REVIEW OF OPERATIONS

## (1) LAND BANK

As at 30th June, 2009, the Group had 43.5 million square feet of land bank. This land bank consists of a well-diversified portfolio of properties, comprising: residential 67%, commercial 22%, industrial 5%, car parks 3% and hotels 3%. Most of the developments currently under construction are situated in good locations and are conveniently served by various modes of transportation, including railway and subway lines. The tables below show the detailed breakdown of the Group's land bank as at 30th June, 2009.

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

### By Status and Usage

	Residential	Commercial	Industrial	Car Park	Hotel	Total Area	Percentage
	<i>(Gross Floor Area in Square Feet)</i>						
Properties under Development	27,712,085	3,026,599	0	0	435,375	31,174,059	72%
Properties for Investment/Own Use	266,290	6,825,255	1,631,309	1,458,149	634,267	10,815,270	25%
Completed Properties for Sale	956,954	50,847	506,480	0	0	1,514,281	3%
<b>Total</b>	<b>28,935,329</b>	<b>9,902,701</b>	<b>2,137,789</b>	<b>1,458,149</b>	<b>1,069,642</b>	<b>43,503,610</b>	<b>100%</b>
<b>Percentage</b>	<b>67%</b>	<b>22%</b>	<b>5%</b>	<b>3%</b>	<b>3%</b>	<b>100%</b>	

### By Location and Usage

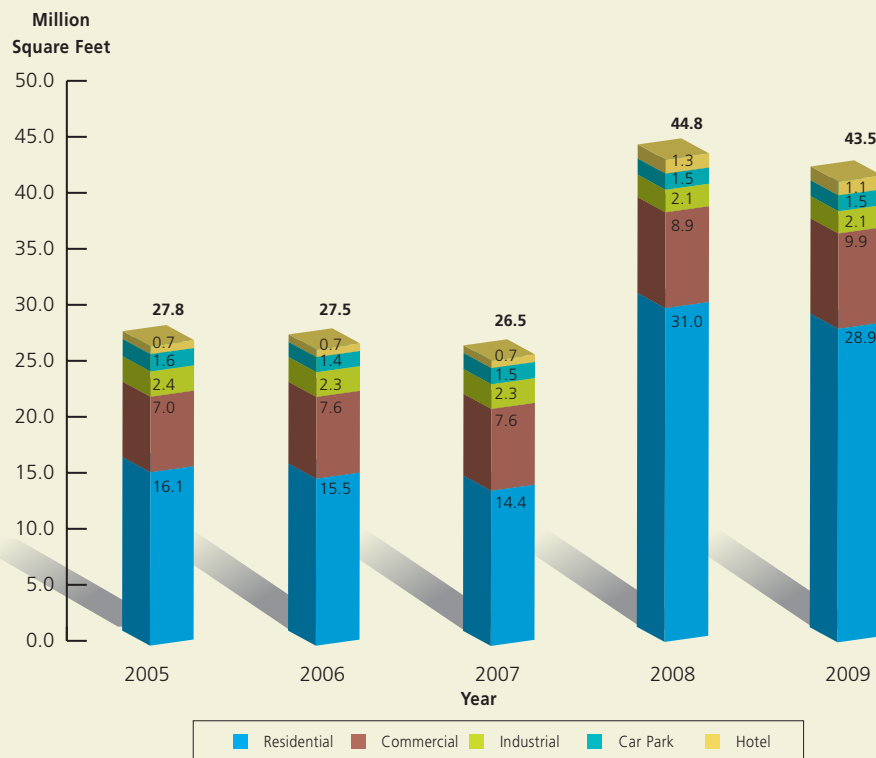
	Residential	Commercial	Industrial	Car Park	Hotel	Total Area	Percentage
	<i>(Gross Floor Area in Square Feet)</i>						
New Territories	3,178,403	2,058,180	644,007	1,000,234	0	6,880,824	16%
Kowloon	1,352,357	3,617,913	1,493,782	391,452	0	6,855,504	16%
Hong Kong Island	882,693	1,186,939	0	53,602	165,506	2,288,740	5%
Mainland China	23,521,876	2,911,278	0	12,861	356,288	26,802,303	61%
Singapore	0	128,391	0	0	547,848	676,239	2%
<b>Total</b>	<b>28,935,329</b>	<b>9,902,701</b>	<b>2,137,789</b>	<b>1,458,149</b>	<b>1,069,642</b>	<b>43,503,610</b>	<b>100%</b>

## 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:

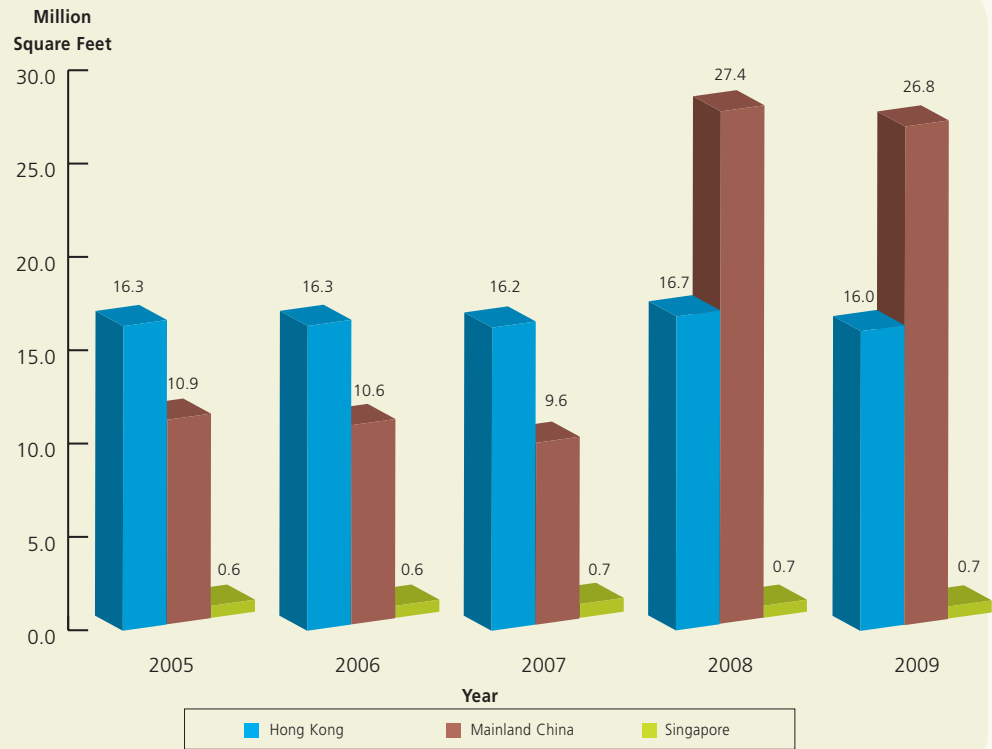
**Land Bank – Breakdown by Usage**  
(As at 30th June)



## 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 MAJOR PROPERTIES COMPLETED DURING THE YEAR****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 yields a total of 1,375 luxurious residential units in 10 towers and 21,528 square feet of retail space. Inspired by Italian palaces and named The Palazzo Derby, the elegant 220,000 square feet clubhouse offers a number of thematic gardens and areas, such as Borghese Garden, The Derby, Equestrian Courtyard, Piazza Michelangiolo and Olympic Hall as well as a spectrum of leisure and recreational facilities including a bowling alley, roman bath, mini theatre and gymnasium.

The Palazzo is well served by several public transportation links and is next to the Fotan Station on the East Rail, which will also connect with the future Shatin to Central Link currently under planning. The surrounding road network is also well developed. Route 8 provides direct access to Central through the Western Harbour Crossing.

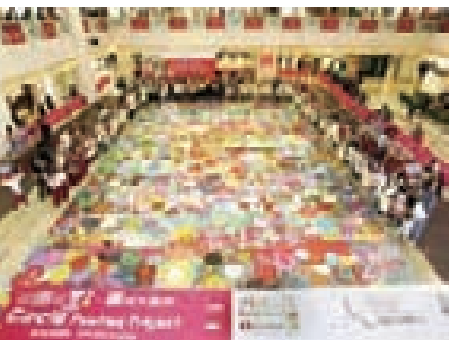
The Palazzo was launched on the market in May 2008. Market response was good with over 80% of the total units sold. The occupation permit for The Palazzo was obtained in December 2008 and certificate of compliance obtained in April 2009.

The Palazzo's retail space is located directly beneath its residential towers offering a total gross floor area of approximately 21,528 square feet. Businesses such as restaurants, supermarkets, florists, art and music stores are in high demand and cater to residents' and local needs. Leasing of the retail space has progressed well.

**Exchange Tower (100% owned)**

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

The site was acquired through a land auction on 22nd February, 2005. Conveniently located near the Kowloon Bay Station and connected by the East Kowloon Expressway, this commercial building will offer a total of 609,027 square feet of gross floor area consisting of approximately 509,812 square feet of office space and 99,215 square feet of retail area. Exchange Tower is also close to the proposed Kowloon East Development, which will transform the former Kai Tak Airport site into an exciting metropolis for tourism, business, sports and luxury residential developments. The cruise terminal, undertaken by the HKSAR Government and expected to be commissioned in 2013, will benefit the Kowloon East region.

Review of Operations *(Continued)*

*Sino Group's 'Art in Hong Kong', the Centre for Community Cultural Development and Circle Painting jointly organised Circle Painting Day at tmtplaza. About 700 kids from Sham Shui Po, Tin Shui Wai and Kwun Tong, and members of the public were invited to join hands with American community artist Hiep Nguyen, to create a massive 3,000 sq. ft. circle themed painting.*

## (2) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED DURING THE YEAR *(Continued)*

### **Exchange Tower (100% owned) *(Continued)***

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

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

### **The Dynasty (Joint Venture)**

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

The Urban Renewal Authority awarded the Group the rights to redevelop a site close to the Vision City residential project in Yeung Uk Road, Tsuen Wan, in April 2004. The development is well served by a wide range of public transportations including two railway lines, West Rail and the Tsuen Wan Line. The development offers 288,160 square feet of residential space represented by 256 residential units as well as 191,568 square feet of retail space.

Named Citywalk 2, the retail mall attached to The Dynasty's residential towers will complement Citywalk (the retail mall attached to Vision City, the residential property) in terms of tenant mix, design and shopping themes. Combined, Citywalk 2 and the environmentally-friendly shopping mall Citywalk, will create a shopping hub for residents of the entire Tsuen Wan area. Further details of Citywalk can be found in Section (6) of this Review of Operations.

Pre-sale consent was obtained in September 2008. The project was launched on the market in October 2008 and was well received. To date, over 83% of the total units have been sold. The occupation permit and certificate of compliance were obtained in January and June 2009 respectively.

Review of Operations *(Continued)***(2) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED DURING THE YEAR** *(Continued)***Vista (Joint Venture)**

188 Fuk Wa Street, Kowloon, Hong Kong

The Group successfully won a joint development contract from the Urban Renewal Authority to develop the site at Fuk Wing Street/Fuk Wa Street in September 2004. The site has been developed into a residential and retail project. Named Vista, the project is only a few minutes' walk from the Cheung Sha Wan and Sham Shui Po Station. The development yields a total of 134,043 square feet of gross floor area with 173 residential units. Pre-sale consent was obtained in May 2008. The occupation permit and certificate of compliance were obtained in November 2008 and March 2009 respectively. To date, over 87% of the units have been sold.

Vista's retail space offers a total of approximately 22,000 square feet of floor area. The project is located in one of the most popular areas of Kowloon West with strong demand for retail space that caters to residents' and local needs, from such businesses as restaurants, supermarkets, florists, art and music stores.

**The Hennessy (100% owned)**

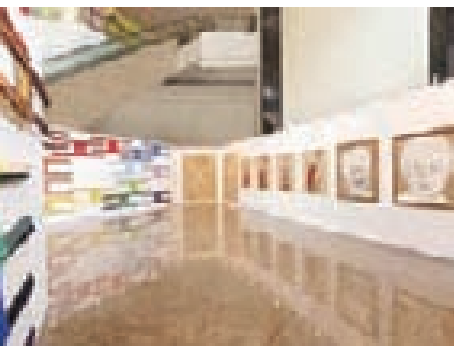
256 Hennessy Road, Wan Chai, Hong Kong Island, Hong Kong

The site was acquired in December 2004. It is conveniently located in a vibrant business area near the Wan Chai Station, is a stone's throw from the Causeway Bay entertainment hub and only minutes from the Central Business District. The site is designated for commercial development and the occupation permit for the project was obtained in November 2008. The building contains a total of 71,862 square feet of commercial space.

The building has been designed with full-height windows offering panoramic Victoria Harbour views, a 4.8 metre floor-to-floor height and flexible layout. The first three floors of retail space are encased in a 15 metre high glass curtain providing excellent visibility from the street. The podium garden on the third level combines indoor and alfresco dining. The aptly named Sky Garden reaches a colossal 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 project will create a landmark in the heart of Wan Chai.



*Organised by Sino Group's 'Art in Hong Kong', the 'Mother's Art' Hong Kong Roving Exhibition at Olympian City showcased fast-disappearing traditional women's art of handicraft and needlework through exhibits collected all over the world, works by students of traditional handicraft masters, and modern fabric patterns.*

Review of Operations *(Continued)*

*Sino Group's 'Art in Hong Kong' presented an exhibition in Central Plaza and OC Gallery in Olympic City titled 'Family Matters – Works by Louise Lee'. The artworks insightfully captured the various states of people's living conditions with a mother's instinct and expressed the eternal theme of motherhood, woman's sensitivity and artist's acute sense.*

## (2) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED DURING THE YEAR *(Continued)*

### **Goodwood Park (100% owned)**

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

The Group acquired this site at Hang Tau Road in Kwu Tung in January 2005. The project provides a total of 23,638 square feet of gross floor area with 13 luxurious houses. The occupation permit was obtained in December 2008 and the certificate of compliance is expected to be obtained in the fourth quarter of 2009.

### **Park Place, Xiamen, PRC (100% owned)**

130 Jia He Lu, Xiamen, PRC

Completed in May 2009, the project affords a total of 123,128 square feet of gross floor area comprising 112,439 square feet of residential space and 10,689 square feet of commercial space. A total of 51 car parking spaces are provided. The project offers 73 residential units and is conveniently located in heart of city centre with a good transportation network. The project was launched in August 2009. Market response was good with over 97% of total units sold.

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

### **Vision City (Joint Venture)**

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

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

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

Review of Operations *(Continued)***(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS** *(Continued)***Vision City (Joint Venture)** *(Continued)*

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

The project offers a total of 1,466 residential flats in five towers with a total gross floor area of approximately 1.15 million square feet and approximately 300,000 square feet of retail space. Further details of Citywalk are mentioned in Section (6) of this Review of Operations. The residential part of the development was launched on the market in April 2006 and over 96% of the total units have been sold. This project was completed in March 2007.

**One SilverSea (100% owned)**

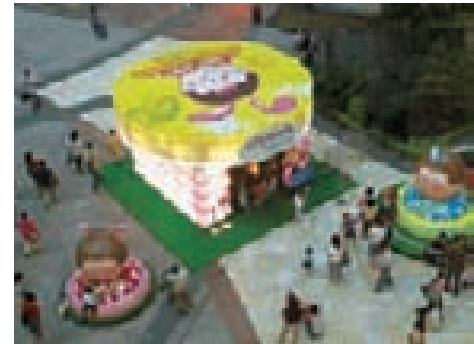
18 Hoi Fai Road, West Kowloon, Hong Kong

A much sought after development on the West Kowloon waterfront, One SilverSea commands a panoramic view of Victoria Harbour. The project is only a few minutes walk from the Olympic Station. It comprises 700 residential flats and 112,483 square feet of commercial space. The residential part of the project has sold very well with only a few units remaining unsold. An occupation permit was obtained in June 2006. Part of the retail space of the project will be converted into a hotel with approximately 32 guest rooms, now pending for documentation. Planning of the conversion work is underway.

**Mount Beacon (33.3% owned)**

20 Cornwall Street, Kowloon Tong, Kowloon, Hong Kong

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



*Young artist Esther Yip created a huge 5-metre high bunny lantern artwork for Citywalk. Inside the lantern were thousands of tiny, colourful clay characters which brought excitement and happiness to visitors during Mid-Autumn Festival.*

Review of Operations *(Continued)***(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS** *(Continued)***The Royal Oaks (100% owned)**

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

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

**St. Andrews Place (100% owned)**

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

St. Andrews Place is the epitome of luxury and comfort in the legendary neighbourhood of the Hong Kong Golf Club and the Hong Kong Jockey Club Beas River Country Club. The Beijing 2008 Olympic Equestrian Cross Country Event was held only a few steps from the development. The project comprises 26 high quality detached houses, each with an individual car port. An occupation permit was obtained in June 2005. Only two of the 26 detached houses are yet to be sold.

**One Madison (100% owned)**

305 Castle Peak Road, Kowloon, Hong Kong

Acquired in October 2004, the development site of One Madison is a short walking distance from the Cheung Sha Wan Station. The development comprises 126 residential units and a retail podium with a total gross floor area of 64,791 square feet. Approximately 40% of the total units have been sold to date and the retail space is fully leased out. The occupation permit for the development was issued in February 2008.

**One New York (100% owned)**

468 Castle Peak Road, Kowloon, Hong Kong

This site was acquired in the second quarter of 2004 and has been developed into residential and retail property. The project is only a five-minute walk from the Lai Chi Kok Station. A total of 48,969 square feet of gross floor area of residential space with 132 residential units and 9,621 square feet of retail space have been built. Over 60% of the total units have been sold to date. The occupation permit for the development was issued in November 2007.

Review of Operations *(Continued)***(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS** *(Continued)***Chengdu International Community, Sichuan, PRC (20% owned)**

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

The site was acquired in 2004 and the project is jointly developed with a renowned property company. Upon full completion, the development will yield a total of approximately 13 million square feet of total gross floor area consisting of over 8,600 residential units, approximately 721,000 square feet of commercial space and approximately 193,000 square feet of hotel space. Over 8 million square feet of total gross floor area were completed as of 30th June, 2009. Over 6,300 residential units and houses have been launched, of which over 93% have been sold.

**Greenfields, Guangzhou, PRC (100% owned)**

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

Greenfields offers a total of approximately 314,655 square feet of gross floor area comprising 286,863 square feet of residential gross floor area, 14,931 square feet of retail space and 12,861 square feet of car parking spaces. The project was launched on the market in 2007 and approximately 99% of its 238 units have been sold. It was completed in September 2007.

**One HoneyLake, Shenzhen, PRC (50% owned)**

Xiangmei Road, Futian District, Shenzhen, PRC

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

## Review of Operations *(Continued)*

### **(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS**

#### **DEVELOPMENT PROJECTS IN HONG KONG**

##### **Lake Silver (Joint Venture)**

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

On 24th June, 2005, the Group was awarded the tender by Kowloon-Canton Railway Corporation (now merged with the MTR Corporation Limited) to develop a 367,601 square feet site atop the Wu Kai Sha Station on the Ma On Shan Line along the East Rail. The project will yield a total of 1.8 million square feet of residential space and 43,056 square feet of retail space. A total of 2,169 specially designed high-quality residential units have been built on this site. Overlooking the picturesque natural coastline of Ma On Shan, Lake Silver commands spectacular sea views of Tolo Harbour, Tolo Channel and Starfish Bay as well as Ma On Shan coastal mountain ranges including Pak Sin Leng and Kau To Shan.

Named Palace by The Sea, the clubhouse has a total of 360,000 square feet of floor area. The design of the clubhouse is inspired by the essence of the world-class resorts. Lake Silver's clubhouse offers a wide range of leisure facilities and thematic gardens for resident enjoyment.

Lake Silver was launched on the market in May 2009. Market response was good with over 85% of the total units sold. The occupation permit was obtained in July 2009 and a certificate of compliance is expected to be obtained at the end of 2009.

##### **The Hermitage (50% owned)**

###### **KIL11167 and KIL11168**

KIL 11167, Junction of Hoi Wang Road and Hoi Ting Road, West Kowloon, Hong Kong

KIL 11168, Hoi Ting Road, West Kowloon, Hong Kong

On 27th September, 2005, the Group acquired these two contiguous sites near the Olympian City residential and commercial complex in West Kowloon. The Group owns 50% interest in both sites. On completion, estimated to be in the financial year 2010/2011, the projects will yield a total of 1.09 million square feet of gross floor area, of which 949,842 square feet of gross floor area is designated for residential development and the remaining of 146,130 square feet for retail space. The superstructure is under construction and completion is estimated for the third quarter of 2010.



Review of Operations *(Continued)***(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECTS IN HONG KONG** *(Continued)***Project at Lee Tung Street/McGregor Street (Joint Venture)**

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

The Group was awarded the development rights of the site at Lee Tung Street/McGregor Street on 23rd June, 2009 by the Urban Renewal Authority. The site is located in the heart of the Wan Chai area where there is a wide variety of shops, excellent transportation and one of the best school networks in Hong Kong. Residents and shoppers will be able to conveniently access the project via a subway connection to the Wan Chai Station. The area is also recognised as a tourist destination rich in culture and heritage buildings.

This project incorporates redevelopment, conservation and revitalization elements and will feature themed shops, a wedding tradition and culture gallery in the three conserved historical buildings. Upon completion, a total of 731,392 square feet of gross floor area with approximately 1,200 luxury residential units and a themed shopping mall of approximately 86,000 square feet of gross floor area will be built. The project is now in the planning stage. Completion is estimated to be on or before 2015.

**KIL11073 (45% owned)**

KIL 11073, West Kowloon, Hong Kong

The Group acquired this prime site close to Kowloon Station in the West Kowloon area at a government land auction in May 2007. Construction of the basement is underway. Upon completion, expected to be in the financial year 2011/2012, a total of 650,684 square feet of gross floor area will be available, of which 563,926 square feet of gross floor area are designated for residential and 86,758 square feet is retail space.

**NKIL 6374 (100% owned)**

1 Broadcast Drive, Kowloon Tong, Kowloon, Hong Kong

The Group won this project at a land auction in November 2006. The site will be developed into a low-density luxurious residential project with a total of 196,592 square feet of gross floor area. Site formation and foundation work has commenced and completion is expected in the financial year 2011/2012.

## Review of Operations *(Continued)*

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

#### **DEVELOPMENT PROJECTS IN HONG KONG** *(Continued)*

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

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

Acquired in March 2007, the Group plans to build 345,406 square feet of low-density luxurious residential premises overlooking Tolo Harbour. Of the total gross floor area, 323,824 square feet are for residential purpose and 21,582 square feet are retail space. The Group has 50% interest in the project. Foundation work has started and completion is estimated in the financial year 2010/2011.

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

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

This site was acquired at a government land auction in September 2007. It is located next to site TPTL 187 and 188. Upon completion the site will yield a total of 714,491 square feet of gross floor area of residential space. Foundation work is now in progress and the project is estimated to be completed in the financial year 2011/2012.

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

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

The development, in which the Group has 25% interest, will consist of 749,788 square feet of premium residential premises. The site was acquired in a government land auction in March 2007. Work on the foundation has commenced and project completion is estimated for the financial year 2011/2012.

##### **Aberdeen Inland Lot No. 451 (35% owned)**

Aberdeen, Hong Kong Island, Hong Kong

In October 2007, the Group acquired a site in Aberdeen opposite to the Aberdeen Marina Club in a government land auction. Upon completion, estimated to be in the financial year 2012/2013, the site will provide a total of approximately 643,883 square feet of gross floor area of residential space. Foundation work is now in progress.

Review of Operations *(Continued)***(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECTS IN HONG KONG** *(Continued)***Lot No. 245 in Demarcation District No. 331 (100% owned)**

Cheung Sha, Lantau Island, Hong Kong

This Cheung Sha site was acquired at a government land auction in October 2007. It is located in the picturesque southern part of Lantau Island overlooking an environmental reserve area. When completed, the project will provide a total of approximately 71,417 square feet of gross floor area of luxurious residential space. The project is in the planning stage and completion is estimated for the financial year 2010/2011.

**53 Conduit Road (100% owned)**

The remaining portion of Inland Lot No. 2138 and Inland Lot No. 2613, Hong Kong Island, Hong Kong

The Group acquired this site from a private landlord in August 2004. The site will be redeveloped into a luxurious residential project. Upon completion, estimated to be in the financial year 2011/2012, it will yield a total of 60,421 square feet of gross floor area. Foundation work is yet to commence.

**TPTL 179 (100% owned)**

Ma Wo, 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. The site will be used for luxurious residential development. Modification of the lease has been granted by the HKSAR Government. Foundation work has been completed and superstructure work is now in progress. It is expected that a total of 114,486 square feet of gross floor area will be completed in the financial year 2009/2010.

**Project at Cheung Sha Wan Road (100% owned)**

Remaining portion of NKIL 1069, 270 – 274 Cheung Sha Wan Road, Kowloon, Hong Kong

The Group won this project through a tender in January 2007. It will have 39,443 square feet of gross floor area consisting of 31,885 square feet of residential area and 7,558 square feet of retail space on completion, which is estimated to be in the financial year 2010/2011.

Review of Operations *(Continued)***(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECTS IN HONG KONG** *(Continued)***KIL 11192 (Joint Venture)**

KIL 11192, Beech Street/Ivy Street, West Kowloon, Hong Kong

In March 2008, the Group was awarded the development rights by the Urban Renewal Authority to redevelop a site at Beech Street/Ivy Street in West Kowloon, close to the Olympian City Complex. The site is in the planning stage and it is expected that a total of 225,527 square feet of gross floor area comprising 187,939 square feet of residential gross floor area and 37,588 square feet of retail space will be built. Foundation work is in process. Completion is estimated for the financial year 2011/2012.

**KIL 11181 (Joint Venture)**

Baker Court, Hung Hom, Kowloon, Hong Kong

In June 2008, the Group was awarded the development rights by the Urban Renewal Authority to redevelop the site at Baker Court in Hung Hom. Foundation is in process. The project will yield a total of 22,357 square feet of gross floor area of residential space and 4,467 square feet of gross floor area of retail space on completion, which is estimated to be in the financial year 2010/2011.

**RBL 380 (100% owned)**

38 Repulse Bay Road, Hong Kong Island, 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 exclusive luxurious houses. All houses can enjoy full sea views. On completion expected to be in the financial year 2010/2011, the development will afford a total of 12,132 square feet of gross floor area.

**NKIL 5856, Redevelopment of formerly Po Hing Centre (50% owned)**

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

The Group is redeveloping the Po Hing Centre industrial building in Kowloon Bay into a Grade-A office building. The redevelopment will enlarge the area to 348,752 square feet of total gross floor area. Superstructure is in process. The redevelopment will be completed in the financial year 2010/2011.

Review of Operations *(Continued)***(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECTS IN MAINLAND CHINA****Project in Cheng Hua District, Chengdu (100% owned)**

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

The Group acquired a prime site in the Cheng Hua District, on the eastern side of Chengdu in July 2007 through a land auction. Chengdu is the capital of Sichuan Province, described as the "Heavenly State" (Tian Fu Zhi Guo), meaning a land abundant in minerals and resources. It is also the economic and financial centre of Southwestern China. The city is famous for its bamboo forests, panda breeding and picturesque surrounding scenic landscape.

The site is close to Tazhishan Park and the second ring road along the Sha He (River of Sand). Upon completion, the top-quality 13.1 million square feet development will include residential and commercial space as well as a hotel, all well connected to local road networks. The project is under the planning stage. Construction work may commence in the fourth quarter of 2009. Completion is expected in phases over the next four years.

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

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

Acquired in July 2007, the project is located in the prime area in Jiang Bei District overlooking the Jia Ling Jiang, Jia Ling Bridge and the People's Square in the Yuzhong District (or Central Chongqing District) in Chongqing, which is the Mainland's largest, most populated and well developed commercialised and industrialised municipality.

Connected by the Jiang Ling Bridge and Chongqing Macao Bridge, residents of the project can easily access to the Yuzhong District where there are interesting places, parks and attractions, including the Jie Fang Bei (The People's Liberation Monument) and the classical architecture of the Great Hall of People. It is where the government offices are located. On completion, the project will yield approximately 10.7 million square feet of total gross floor area mainly comprising residential, retail and hotel. The project is under the planning stage. Completion of the project is expected in phases over the next four years.

Review of Operations *(Continued)***(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECTS IN MAINLAND CHINA**  
*(Continued)***Project in Zhangzhou, Fujian Province, PRC (100% owned)**

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

The site was acquired in June 2005. A substantial portion of it is designated for residential development and a minor portion for commercial use. Upon completion, which is expected to be by phases until financial year 2012/2013, a total of approximately 5.3 million square feet of gross floor area will be built. The project is under the planning stage. Construction is expected to start in the first quarter of 2010.

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

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

Acquired in 2004, the project is jointly developed with a renowned property company. Upon completion, the development will yield a total of approximately 13 million square feet of total gross floor area consisting of over 8,600 residential units, approximately 721,000 square feet of commercial space and approximately 193,000 square feet of hotel space. Over 8 million square feet of total gross floor area were completed as of 30th June, 2009. The remaining gross floor area is expected to be completed in phases over the next few years. Over 6,300 residential units and houses have been launched, of which over 93% have been sold.

**Central Park, Xiamen, PRC (100% owned)**

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

This site has been designated for residential and commercial development. Upon completion, the project will offer a total of 518,140 square feet of gross floor area consisting of 466,894 square feet of residential area and over 51,000 square feet of commercial space. Approximately 450 residential units will be built in this project. Foundation work has been completed and superstructure is expected to start in October 2009. The project is expected to be completed in the financial year 2011/2012.

Review of Operations *(Continued)***(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECTS IN MAINLAND CHINA**  
*(Continued)***Regency Park, Xiamen, PRC (100% owned)**

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

Upon completion, this development will offer a total of 507,334 square feet of gross floor area consisting of 494,205 square feet of residential space and 13,129 square feet of retail space. Approximately 360 residential units will be built in this project. It is now in the planning stage and construction work is expected to commence in second quarter 2010. The project is expected to be completed in the financial year 2012/2013.

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

137 Wu Xi Lu, Fuzhou, PRC

The city of Fuzhou (also known as "City of Banyans") is the capital of the Fujian Province which is a well developed commercial city in the province. It is the political, economic, and cultural centre of the province. The city is also famous for its seaport which is an important part of foreign trade and shipping industry as well as its proximity with Taiwan. With improvement in cross-strait relations between Central Government and Taiwan, the city is expected to set for further growth.

Located in the business centre of the city and the project is named Sino International Plaza, it will be used for investment purpose and will further enhance the rental income of the Group. On completion, the project will be developed into an international grade A commercial building comprising office and retail spaces with a total of 499,158 square feet of gross floor area. The tower includes six high-speed passenger lifts. A rooftop garden transforms Sino International Plaza into a green oasis. The façade of the building is made of 'Low-E' glass which is energy efficient material. The project is estimated to be completed in the financial year 2009/2010.

**Mandarin Garden, Xiamen, PRC (100% owned)**

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

The site will be developed into 124,991 square feet of gross floor area on completion. Of the total gross floor area, 109,119 square feet are for residential purpose and 15,872 square feet for retail use. Approximately 138 residential units will be built in this project. Foundation work has commenced and the project is expected to be completed in the financial year 2011/2012.

Review of Operations *(Continued)***(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECT IN SINGAPORE****The Fullerton Heritage (100% owned)**

Singapore

In December 2006, the Group acquired a site on Singapore's prestigious Marina Bay waterfront adjacent to three projects it previously completed, namely The Fullerton Hotel Singapore, One Fullerton and The Fullerton Waterboat House. This new site will yield a total of 107,640 square feet of gross floor area upon full completion of the construction of The Fullerton Bay Hotel, Clifford Pier and Customs House. Clifford Pier has been completed and anchors a modern Chinese restaurant operator. The Fullerton Bay Hotel offering 100 guest rooms and Customs House are expected to be completed by the fourth quarter of 2009. It is expected that the new site will be in full operation by 2010.

Capitalising on the important history and heritage of the conservation buildings within 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 plan to transform the entire area into a major destination for dining, entertainment and hospitality. This development will conserve the distinctive architecture and heritage of the area. The project, which has been named The Fullerton Heritage, comprises The Fullerton Hotel Singapore, One Fullerton, The Fullerton Waterboat House, Clifford Pier, Customs House and a luxurious hotel named The Fullerton Bay Hotel. The Fullerton Heritage offers a unique and memorable lifestyle experience for locals and tourists, and also promotes the conservation of heritage buildings in line with the Group's ongoing commitment to corporate social responsibility.

The Fullerton Hotel Singapore, One Fullerton, The Fullerton Waterboat House and Clifford Pier are now in full operation. The Fullerton Hotel Singapore is presented in the chairman's statement and Section (7) of this Review of Operations. A full description of Clifford Pier can be found in the chairman's statement. Both One Fullerton and The Fullerton Waterboat House are mentioned in Section (6).



Review of Operations *(Continued)***(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECT IN SINGAPORE** *(Continued)***The Fullerton Heritage (100% owned)** *(Continued)*

Singapore

Adjoining Clifford Pier, The Fullerton Bay Hotel will be developed into a luxurious hotel featuring an inimitable architecture with world class accommodation and service. The hotel has 100 guest rooms and suites with panoramic waterfront Marina Bay views, a stylish rooftop pool and bar, a sophisticated chic lounge and an elegant restaurant where patrons can enjoy haute cuisine and magnificent views of the bay. Estimated to be completed by the fourth quarter 2009, The Fullerton Bay Hotel will be the next prestigious address at the Marina Bay waterfront.

Customs House is located next to the new financial centre in Marina Bay currently under development. With its superb location, this charming two-storey building with a positioning of world class signature restaurants and entertainment concepts will attract executives, business travellers and discerning diners. Construction is expected to be completed in the fourth quarter of 2009.

**(5) PROPERTIES FOR INVESTMENT/OWN USE**

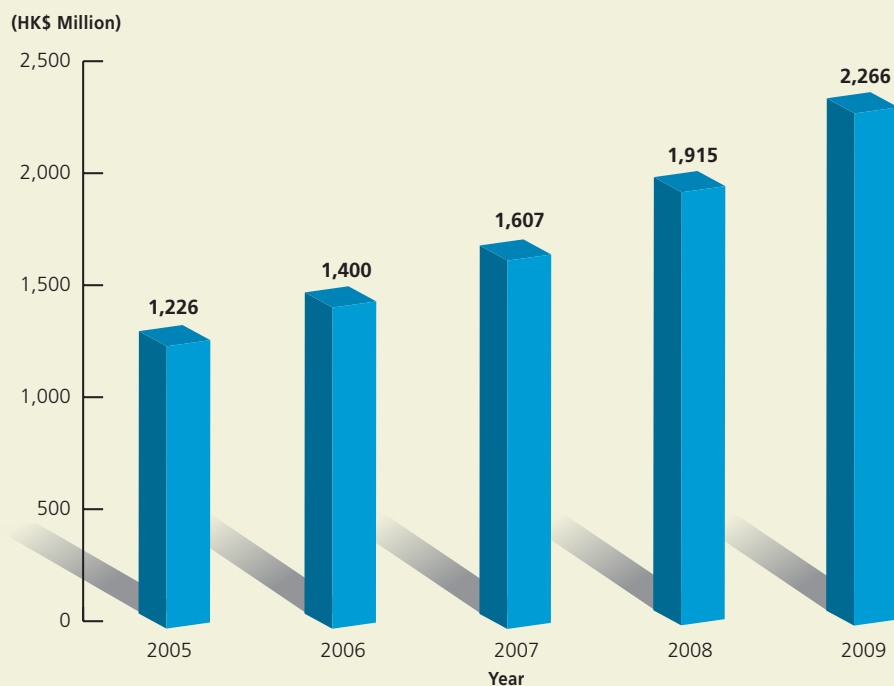
The Group's properties for investment/own use, including attributable share in associated companies, was approximately 10.8 million square feet as at 30th June, 2009, compared with 9.9 million square feet last financial year. The increase was mainly due to completion of new projects namely Exchange Tower, The Hennessy, Citywalk 2 (retail space at The Dynasty), the retail spaces at The Palazzo and Vista as well as Clifford Pier in Singapore (part of the Fullerton Heritage). The acquisitions of the remaining interests in the development companies of Olympian City 1 and 2 shopping malls have also enlarged the Group's rental portfolio. The portfolio comprises properties of diversified usage:

<b>Use</b>	<b>Gross Floor Area</b> (Square feet)	<b>Percentage</b>
Office/Retail	6,825,255	63%
Industrial	1,631,309	15%
Car parks	1,458,149	13%
Hotels	634,267	6%
Residential	266,290	3%
	<hr/>	
	10,815,270	

Review of Operations *(Continued)***(5) PROPERTIES FOR INVESTMENT/OWN USE** *(Continued)*

The Group's investment property portfolio has maintained high occupancy rates throughout the year. Including contributions from associated and related companies, the total gross rental revenue reached a new benchmark of HK\$2,266 million for the financial year 2008/2009.

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

**(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE****Tuen Mun Town Plaza, Phase I (100% owned)**

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

Tuen Mun Town Plaza has grown from a major regional mall to the retail hub of the North-West New Territories. With direct access to the West Rail Tuen Mun Terminus, the local Light Rail system and bus terminus, the shopping mall draws substantial shopper traffic from the transport system that links the western New Territories. The occupancy rate for the entire retail complex was good throughout the year.

Review of Operations *(Continued)***(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE**  
*(Continued)***Olympian City 1 and 2 (Joint Venture)**

11 Hoi Fai Road and 18 Hoi Ting Road, MTR 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, a massive section of land reclaimed from Victoria Harbour. The projects are joint ventures with the MTR Corporation Limited. Both Olympian City 1 and 2 are inter-connected and linked to the Olympic Station and offer in excess of 650,000 square feet of retail space. This development complex is only five minutes from Central and approximately 18 minutes to Hong Kong International Airport on the Tung Chung Line.

Olympian City 2, with its three levels of shopping, 80,000 square feet of open piazza, variety of retail outlets, a cinema and bowling alley offers shoppers an excellent choice of entertainment and retail shopping, and the opportunity to dine on a wide selection of cuisine in its restaurants and food court. The food court has undergone a revamp and has been leased to Food Republic since August 2008. The mall is equipped with numerous plasma televisions, projector screens and a large outdoor LED screen to provide shoppers with entertainment and information. To further enhance shopper flow, raise the popularity of the mall and promote customer loyalty, activities such as stage performances, lucky draws, family oriented events and joint promotions with movie and TV companies are organised on a regular basis. The mall achieved a high occupancy rate throughout the year.

In December 2007, the Group acquired 60% and 57.5% equity interests from the joint venture partners in the development companies of Olympian City 1 and 2 respectively. In January 2008, the Group acquired the remaining 10% interest in the development company of Olympian City 1. Prior to the acquisitions, the Group had 30% and 42.5% interest in the respective development companies of Olympian City 1 and 2, and now the Group owns 100% equity interests in both development companies. The acquisitions enable the Group to increase its rental portfolio by approximately 391,000 square feet of retail space, providing further growth in recurring rental income.

## Review of Operations *(Continued)*

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

#### **Citywalk (Joint Venture)**

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

Open since January 2008, Citywalk is an award-winning and environmentally friendly shopping mall that offers approximately 300,000 square feet of retail space. A joint venture with the Urban Renewal Authority, 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 the 40,000 square feet Citywalk Piazza, the unique 8,000 square feet Vertical Garden, an optimal tenant mix, good floor layouts, ample car park facilities and high accessibility via public transportation 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.

The leasing of the retail space has progressed well with a high occupancy rate and a number of internationally renowned companies now in operation. A comprehensive marketing programme designed to attract both shoppers and tenants is rolled out on an ongoing basis.

#### **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 facade. Citywalk 2 and Citywalk are connected by a footbridge and together offer customers and local residents a complete spectrum of dynamic shopping, dining and entertainment. Leasing of Citywalk 2 is in progress.

Review of Operations *(Continued)***(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE**  
*(Continued)***Island Resort Mall (40% owned)**

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

With 189,190 square feet of retail space over three levels and in excess of 1,240 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 has recorded a good occupancy.

**Tsim Sha Tsui Centre (45% owned)**

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

Located on the waterfront of Tsim Sha Tsui East overlooking panoramic views of Hong Kong Island, Tsim Sha Tsui Centre is conveniently accessed by various transportation options and surrounded by several international-class hotels. The building is a popular choice for toy, sourcing, trading and manufacturing companies requiring office space. An enhanced transportation 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 recently in operation as well as the Tsim Sha Tsui Promenade Beautification Scheme, have been conducive in bringing more shopper traffic to the area.

The Group initiated a major repositioning exercise to revamp the tenant mix a few years ago. The retail area is home to a number of renowned international food and beverage operators, such as Outback Steakhouse and Bulldog's Bar and Grill. Beauty and health product distributor SaSa and quality international luggage brand Rimowa have also established outlets. The occupancy rate for this property was high in the financial year 2008/2009.

Review of Operations *(Continued)***(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE**  
*(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 bustling retail neighbourhood, this commercial development comprises a high-rise modern office tower and shopping centre podium with a total gross floor area of 232,606 square feet. Most of the shops enjoy extensive street frontage with a heavy pedestrian flow from nearby Nathan Road. Further, with the Kowloon Southern Link in operation and the new Austin Station commencing passenger service, these will bring in more shoppers' flow and business to the area. The building enjoyed high occupancy during the financial year 2008/2009.

**China Hong Kong City (25% owned)**

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

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

Review of Operations *(Continued)***(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE**  
*(Continued)***Oceania Heights (100% owned)**

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

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

**Central Plaza (10% owned)**

18 Harbour Road, Wan Chai, Hong Kong Island, Hong Kong

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

**Skyline Tower (50% owned)**

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

This office redevelopment project is located next to the East Kowloon Expressway. The project was completed in November 2003 and provides a total attributable gross floor area of 413,915 square feet. It achieved high occupancy with favourable rentals in the financial year 2008/2009.

**The Centrium (70% owned)**

60 Wyndham Street, Central, Hong Kong Island, 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 international-class commercial space with a retail mall that complements the flamboyant atmosphere and popular restaurants nearby. The building maintained high occupancy during the financial year 2008/2009.

## Review of Operations *(Continued)*

### **(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE** *(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 usage to an office building. The project was completed in November 2001 and achieved high occupancy during the financial year 2008/2009.

#### **148 Electric Road (100% owned)**

Electric Road, North Point, Hong Kong Island, 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 yields an attributable gross floor area of 197,400 square feet. The project enjoyed high occupancy during the financial year 2008/2009.

#### **Pacific Plaza (100% owned)**

418 Des Voeux Road West, Hong Kong Island, Hong Kong

Pacific Plaza is situated in the popular Western district near the Western Harbour Tunnel. This attractive 22 storey commercial building provides 131,960 square feet gross floor area of office space and a 32,500 square feet shopping podium. The occupancy rate has improved substantially recently and remained high during the financial year 2008/2009.

#### **Omega Plaza (100% owned)**

32 Dundas Street, Mongkok, Kowloon, Hong Kong

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

#### **One Capital Place (100% owned)**

18 Luard Road, Wan Chai, Hong Kong Island, Hong Kong

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



Review of Operations *(Continued)***(6) HIGHLIGHTS OF PROPERTIES FOR INVESTMENT/OWN USE**  
*(Continued)***Cameron Plaza (100% owned)**

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

This Ginza-style commercial building is located within one of Kowloon's busiest retail and tourist areas. Both the retail space and the office floors enjoyed high occupancy during the financial year 2008/2009.

**Marina House (100% owned)**

68 Hing Man Street, Shau Kei Wan, Hong Kong Island, Hong Kong

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

**Sunley Centre (100% owned)**

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

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

**Commercial Parts of Rosedale Gardens (100% owned)**

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

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

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

1 Fullerton Road, Singapore

Acquired in 1998, 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 gross floor area of commercial space. Named One Fullerton, it houses some of Singapore's best restaurants, bars and entertainment concepts, from chic cafes to fine-dinning 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 Formula One Grand Prix circuit in Singapore.

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

**The Fullerton Waterboat House (100% owned)**

3 Fullerton Road, Singapore

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 now 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 gross floor area.

**Raffles City Shanghai (22.4% owned)**

Plot 105 A &amp; 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 gross floor area. The retail precinct is fully occupied and the office space has enjoyed high occupancy.

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

The Fullerton has received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2008/2009. These awards were as follows:

- "One of the Top Hotels in Asia" by *Condé Nast Traveler* – Readers' Choice Awards (2008)
- Ranked third in "Best Business Hotel in Asia-Pacific" by *Business Traveller Asia-Pacific* (2008)
- Ranked third in "Top 25 Business Hotels, Asia" and second in "Top 25 Conference Hotels, Asia" by *SmartTravelAsia.com* – Best in Travel Poll (2008)
- "101 Top Hotel Suites of the Year" by *Elite Traveler* (2008)
- "Earth Hour Corporate Awards 2009" by *World Wildlife Fund Singapore* (2009)

## Review of Operations *(Continued)*

### (7) HOTELS *(Continued)*

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

1 Fullerton Square, Singapore

- Ranked sixth in Reserve Hotel, Singapore in *Condé Nast Traveler – Gold List 2009* by *Condé Nast Traveler US* (2009)
- Jade Restaurant & Town Restaurant were named “Singapore’s Top Restaurants 2009” by *Wine and Dine Magazine* (2009)
- Town Restaurant was voted as one of the Seven Sensational Sparkling Sunday Brunches in the World by Kiwi Collection and nominated as one of the Top 5 winners in the American/International category in *Business Times – Citibank Gourmet Choice Awards* (2009)
- Jade Restaurant was nominated as one of the top restaurants in “Top 50 Restaurant Awards 2009” by *Singapore Business Review Magazine* (2009)

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

Major awards in relation to architectural design and concept received prior to the financial year 2008/2009 include the following:

- *Condé Nast Traveler Readers’ Choice Awards* (2006) – ‘The Best Hotel in Asia’
- Awards of Excellence by *Urban Land Institute* (2004)
- FIABCI Prix d’Excellence under the Leisure Category Winner (2003)
- Urban Redevelopment Authority Architectural Heritage Award 2001
- The Singapore Institute of Architects Architectural Design Award 2001 (Conservation Category)

Review of Operations *(Continued)***(7) HOTELS** *(Continued)***The Fullerton Hotel Singapore (100% owned)** *(Continued)*

1 Fullerton Square, Singapore

Major awards recognising service quality received prior to the financial year 2008/2009 include:

- Ranked second in the 'Best Hotel in Singapore (2005)' by *Finance Asia Business Travel Poll*
- *Condé Nast Traveler Gold List* (2005)
- The eighth in *Condé Nast Traveller* (UK) Readers' Travel Awards – Overseas Leisure Hotels Asia & the Indian Subcontinent
- Ranked third in *Condé Nast Traveler Readers' Choice Awards Top Ten Hotels, Asia Category* in 2004
- Voted as one of the World's Best Hotels by *Institutional Investor* (2004)
- SPRING Singapore (Standards, Productivity and Innovation Board) Singapore Service Class Award in 2004

**Conrad Hong Kong (30% owned)**

Pacific Place, 88 Queensway, Hong Kong Island, Hong Kong

This five-star, international-class hotel is located above a major shopping complex on Hong Kong Island and is managed by one of the best known international hotel operators. Its excellent location and superior standard of service have placed Conrad Hong Kong among the most favoured hotels in the region.

On the hardware side, an ongoing asset enhancement renovation programme ensures guests continue to enjoy comfortable stays with the hotel. The hotel has completed renovating Nicholini's (an award-winning Italian restaurant), Brassiere on the Eighth (a French restaurant), Golden Leaf Chinese restaurant, The Shop and all its guest rooms except for the Presidential Suite. The Garden Café, Cake Shop and the Presidential Suite renovations are expected to be completed next year.

## Review of Operations *(Continued)*

### (7) HOTELS *(Continued)*

#### **Conrad Hong Kong (30% owned)** *(Continued)*

Pacific Place, 88 Queensway, Hong Kong Island, Hong Kong

In recognition of its quality of service, Conrad Hong Kong received the following awards from respected organisations and magazines during the financial year 2008/2009:

- "The best US and International Hotel Chains" in the *Condé Nast Traveler's Business Poll Awards*
- "Mobil Travel Guide Four Star Award for Outstanding Achievement in Service, Elegance and Quality 2009" by *Exxon Mobil* (2008)
- "World Best 100 Hotels" by *Institutional Investor* (2008)
- "World Best Awards" & "Top 50 Hotels in Asia" by *Travel & Leisure* (2008)
- "Top 25 Best Business Hotels in Asia" by *SMART Travel Asia* (2008)
- "The World's Very Best Hotels & Resorts" by *Forbes Traveler.com* (2008)
- "World's Best Places To Stay" by *Condé Nast Traveler* (2009)
- "2009 ALB Editor's Choice" and "Best Business Hotel in North Asia" by *Asian Legal Business* (2009)
- Golden Leaf received one Michelin Star and Nicholini's was acknowledged with Four Forks in the *Miele Guide* 2008/2009

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 2008/2009, the Group participated in a total of 10 investor conferences and 11 non-deal roadshows.

<b>Date</b>	<b>Type</b>	<b>Region/Country/City</b>	<b>Organiser</b>
Jul-08	Conference	Hong Kong	Morgan Stanley
Sep-08	Non-deal roadshow	Hong Kong	Goldman Sachs
Sep-08	Conference	Hong Kong	UBS
Sep-08	Conference	Hong Kong	CLSA
Sep-08	Non-deal roadshow	Europe	Morgan Stanley
Oct-08	Non-deal roadshow	United States	Goldman Sachs
Oct-08	Non-deal roadshow	Hong Kong	HSBC
Oct-08	Non-deal roadshow	Hong Kong	CCBI
Nov-08	Non-deal roadshow and Conference	Singapore	Morgan Stanley
Dec-08	Conference	Hong Kong	CLSA
Jan-09	Conference	Shanghai	UBS
Jan-09	Non-deal roadshow	Europe	Morgan Stanley
Feb-09	Non-deal roadshow	Hong Kong	CLSA
Mar-09	Non-deal roadshow	Singapore	HSBC
Mar-09	Non-deal roadshow	Hong Kong	UBS
Mar-09	Conference	Hong Kong	Credit Suisse
Mar-09	Non-deal roadshow	United Kingdom and United States	Goldman Sachs
May-09	Conference	Hong Kong	Deutsche Bank
May-09	Conference	Hong Kong	Macquarie
May-09	Conference	Singapore and Hong Kong	Goldman Sachs

The Group won the Corporate Governance Asia Annual Recognition Awards 2009 by Corporate Governance Asia this year. Management would like to thank everyone who nominated Sino Land for this year's award. The encouragement and support from investment and finance professionals will continue to motivate management to further improve product and service quality.

## Review of Operations *(Continued)*

### **(8) CORPORATE AFFAIRS** *(Continued)*

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

Sino Club was established in July 1997 to enhance communication between the Group and its customers and promote customer loyalty. The membership base has grown to approximately 70,000 individuals, who include property owners, residents and tenants, as well as the general public. 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**

Human capital is among the Group's most important assets. As at 30th June, 2009, the Group employed approximately 8,000 staff members.

In line with the Group's mission of being the "Preferred Choice for Customers, Investors and Employees", training courses and knowledge programmes are continually developed to meet corporate training and career development needs. During the financial year 2008/2009, approximately 35,600 hours of training were provided to employees within the Group. Language proficiency, professional knowledge, management know-how, corporate governance, productivity and efficiency, and other initiatives are addressed through ongoing training initiatives.

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

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



## Review of Operations *(Continued)*

### **(9) EMPLOYEE PROGRAMMES** *(Continued)*

Sino's Staff Academies initiative offers systematic property services training programmes with more than 110 courses in customer service, property management, building maintenance, security service, clubhouse management, environmental conservation and language skills to help employees grow professionally and serve customers better. These training efforts received recognition by the Asia Pacific Customer Service Consortium as People Development Program of the Year in the Customer Relationship Excellence Award 2008.

The Group emphasises teamwork as a critical factor to help achieve synergy among people, internal processes and departments. In pursuit of excellence in service quality and efficiency, teambuilding and leadership workshops and seminars remain high on the training agenda.

For the Group's senior executives, 360° Feedback was launched to help inspire insights that lead to improvements in managerial practice.

The Middle Manager Training Program and Supervisory Skills Training are designed to strengthen leadership and supervisory capabilities among middle management and first-line supervisors.

The Six Thinking Hats training programme was organised for executives and managers of various business units to cultivate a culture of systematic thinking while promoting the generation of new ideas for continuous improvement.

Talent development programmes, such as the Corporate Management Trainee Programme and the Property Trainee Programme, have been established to groom young talent for long-term career development within the Group and ensure a continual supply of people with the skills and potential to further the Group's drive for continual success and excellence.

A structured mentoring program was launched within the Group with senior executives taking mentorship roles and coaching staff members through the leadership pipeline, while providing development support and opportunities that broaden perspectives.

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

## Review of Operations *(Continued)*

### **(9) EMPLOYEE PROGRAMMES** *(Continued)*

As the economic and social ties between Mainland China and Hong Kong strengthen, the Group continues its efforts to raise staff Putonghua proficiency by providing regular training courses for various levels of fluency.

The Group places a high priority in maintaining open two-way communications. Staff communication channels include monthly staff communication meetings, department sharing, site visits, a regular Company newsletter and a Staff Suggestion Award Scheme to enhance internal communications and strengthen staff engagement.

Regular recreational and welfare activities, including company-sponsored local tours, cookery classes and health talks, are organised for staff from time to time. Activities held during the financial year of 2008/2009 were well received with more than 1,400 participants.

### **(10) SINO PROPERTY SERVICES**

Complementing the Group's property development and leasing operations is its fully integrated Sino Property Services (SPS), comprising Sino Estates Management Limited (SEML), Sino Security Services Limited (SSSL), Best Result Cleaning Services Limited (BRCSL) and Sino Parking Services Limited (SPSL). SPS currently manages over 190 projects with an aggregate floor area of over 50 million square feet.

Delivering high-quality customer service is one of the Group's key business objectives. SPS places significant emphasis on allocating more resources, conducting more research and spending more effort in three main areas – hardware, software and training. Maintenance quality is essential to keep buildings, equipment and machinery in good condition. Regular thorough checks on hardware condition and functions are a must. Monitoring the maintenance process undertaken by contractors and staff, good time management, good process control and keeping close track of maintenance history are important to ensure the smooth running of daily operations and optimise efficiency. On the software side, Sino Group's brands are enhanced by the technique and time required for frontline staff to respond to and process customer requests, staff grooming and attitude, and scope of services the Group can offer. Building and maintaining a safe working environment are important to ensure staff can perform duties efficiently. SPS operates in a human resource intensive industry in which human capital is one of the most important assets. Training encourages staff to enhance their value, develop their careers, increase their job satisfaction and helps ensure their mindset and skill-set aligns with the interests of the Group. 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)***

Over the past few years, SPS has established training programmes in addition to its regular training designed to meet customer needs and expectations. These programmes cover all aspects of property management with the main objective of building a team of well-rounded professionals. The programmes include:

- Sino Property Management Academy, which offers a series of comprehensive training to ensure new staff understand the Group's required standards of customer service.
- Sino Maintenance Academy, which provides training so technical staff are equipped with the necessary knowledge and skills in various aspects maintenance services.
- Sino Security Academy providing security related training to staff, including management training to enhance staff awareness at all levels, in terms of security control, and to supervisory staff in terms of management skills.
- Sino 5-star Service Academy, which mainly affords training to front-line staff to ensure customers are served with care and with consideration for their needs.
- Sino Clubhouse Academy, which was set up to enhance the management, service knowledge and practical skills of staff working in clubhouses.
- Sino Safety Academy, founded to ensure that staff always put safety first.
- Sino Green Academy, introduced to train front-line managers about ways to protect the environment, and institute such initiatives as waste management and energy saving measures. This academy is jointly developed by SPS Green Committee, the Environmental Protection Department and the Electrical and the Mechanical Services Department of the HKSAR Government.
- Sino Language Academy, which offers language training, mainly to frontline staff, to improve their language ability and help them acquire new languages so they can communicate better with customers. Languages such as English, Japanese and Putonghua are the main focus.

## Review of Operations *(Continued)*

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

- Sino Landscape Academy was designed to strengthen staff knowledge of landscaping. This academy is supported by CITA of the HKSAR Government. Setting up and maintaining green landscapes help make SPS managed properties more pleasant and promote a healthy lifestyle.

In addition to the above nine academies, SPS launched the following new academies and programmes in the financial year 2008/2009:

- Sino Cleaning Academy, which offers training to frontline supervisors to enhance their knowledge in general cleaning skills, customer services, cleaning and occupational safety, as well as quality control of cleaning staff. This Academy will be extended to residents of the Group properties in the fourth quarter of 2009.
- Sino Green Academy – Student Green Ambassador Programme, established to encourage secondary school students to promote a low-carbon future. SPS partnered with four secondary schools to organise the training for 60 students to conduct carbon audits at four green Sino Group properties.

More training programmes will be introduced to meet the ever-changing demands of customers and society.

Continuously emphasising the need for excellent communications, management actively encourages staff to attend language courses provided by the Group and ensures information and instructions cascade down to all staff via efficient modern communications channels. Constructive ideas and suggestions for further service quality improvements can also be effectively passed to senior executives.

The Group will continue to review, and where necessary upgrade, its services to achieve even higher property management service standards that facilitate its expanding property management operations and meet customer expectations for quality service and lifestyles.

SPS recognises its role in promoting environmental protection. As far as property management is concerned, environmental protection initiatives can be divided into several categories, namely treatment of used materials or waste; reduction of wastage; reduction of greenhouse gases (GHGs) or carbon footprint; conservation of nature; landscaping and promoting healthy lifestyles. SPS is committed to building a sustainable environment in Hong Kong.

## Review of Operations *(Continued)*

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

During the financial year 2008/2009, SEML received a number of awards for service, energy saving, environmental protection and quality management from various sources, including government departments, professional organisations and community bodies.

In recognising SEML's consistently active support and participation in charitable events during the financial year 2008/2009, Hong Kong Council of Social Services awarded SEML with the 5 Years Plus Caring Company Logo as a result of receiving the Caring Company Logo more than five consecutive years.

In terms of service quality, SEML is delighted to have received the Customer Relationship Excellence Awards in the categories of People Development Programme of the Year and Field Support Team of the Year (Island Resort) by the Asia Pacific Customer Service Consortium.

SEML understands the importance of saving energy to protect the environment and reduce costs for customers. Considerable efforts have been made in four main areas, namely lighting, electrical appliances and equipment, air conditioning and lifts and escalators. As of 31st July, 2009, 87 projects under the management of SEML have received The Hong Kong Energy Efficiency Registration Scheme for Buildings Registration Certificates granted by the Electrical and Mechanical Services Department of the HKSAR Government.

SEML has collaborated with organisations such as the Environmental Protection Department of the HKSAR Government, WWF Hong Kong, Greeners Action, Polar Museum Foundation and Friends of the Earth to organise and support events and activities to raise public awareness and educate people how to protect our environment, and encourage the concept of healthy living.

In March 2009, 45 projects to which SEML provides property management services received 30 'Wastewi\$e Labels', 10 'Energywi\$e Labels' and five 'Indoor Air Quality Labels' in the Hong Kong Awards for Environmental Excellence 2008. Skyline Tower also clinched the Bronze Award in the Sectoral Awards – Property Management category.

Further to the above awards, SEML won a number of awards for the residential projects that it manages in the Competition on Source Separation of Domestic Waste 2008/2009 organised by the Environmental Protection Department of HKSAR Government. In the commercial and industrial category, three more projects under the management of SEML received certificates and 55 projects have been certified so far.

## Review of Operations *(Continued)*

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

Sino Security Services Limited, a wholly-owned subsidiary of Sino Land Company Limited, received a number of awards from the Hong Kong Police Force and various District Fight Crime Committees in the financial year 2008/2009 in recognition of the outstanding quality of its security services and high standards of performance of its security staff. A total of 152 certificates were received in seven security service award programmes organised by different regional crime prevention offices. Of the 152 certificates, 100 were given to individual security staff for their outstanding performance. With continuous participation in social services, SSSL was also awarded the Caring Company Logo by The Hong Kong Council of Social Service and Outstanding Employer Award by Hong Kong Workers' Health Centre.

Sino Parking Services Limited, an associated company of Sino Land Company Limited, achieved four awards in car park management services by the Kowloon West Regional Crime Prevention Office. In addition, with a focus on occupational safety, three certificates were awarded to SPSL in the Best Occupational Safety & Health Employees Award Scheme by the Occupational Safety & Health Council.

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

# 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 127 to 212, which comprise the Group's and the Company's balance sheets as at 30th June, 2009 and the Group's consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Companies Ordinance. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### 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 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 as to 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 controls relevant to the Group's preparation and true and fair presentation of the consolidated financial statements 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 Group's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, 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, 2009 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 Companies Ordinance.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
9th September, 2009



# CONSOLIDATED INCOME STATEMENT

For the year ended 30th June, 2009

	NOTES	2009 HK\$	2008 HK\$
Turnover	7	<b>9,692,696,496</b>	6,251,058,498
Cost of sales		<b>(3,417,931,581)</b>	(1,680,212,255)
Direct expenses		<b>(1,293,769,290)</b>	(1,197,534,368)
Gross profit		<b>4,980,995,625</b>	3,373,311,875
Increase in fair value of investment properties		<b>693,831,676</b>	3,909,016,692
Other income		<b>116,066,511</b>	254,238,281
(Loss) gain arising from change in fair value of trading securities		<b>(192,591,768)</b>	71,164,433
(Loss) gain on disposal of available-for-sale investments		<b>(25,097,108)</b>	272,934,332
Impairment loss on available-for-sale investments		<b>(190,000,000)</b>	–
Administrative expenses		<b>(724,242,272)</b>	(684,749,129)
Finance income	9	<b>226,201,947</b>	338,555,965
Finance costs	10	<b>(354,611,412)</b>	(386,132,701)
Net finance costs		<b>(128,409,465)</b>	(47,576,736)
Share of results of associates	11	<b>(31,476,405)</b>	1,618,445,535
Profit before taxation	12	<b>4,499,076,794</b>	8,766,785,283
Income tax expense	15	<b>(720,745,093)</b>	(954,792,291)
Profit for the year		<b>3,778,331,701</b>	7,811,992,992
Attributable to:			
Equity holders of the Company		<b>3,730,647,312</b>	7,720,997,490
Minority interests		<b>47,684,389</b>	90,995,502
		<b>3,778,331,701</b>	7,811,992,992
Dividends	16	<b>1,931,044,250</b>	1,929,422,270
Earnings per share	17		
Basic		<b>77.06 cents</b>	161.19 cents

## BALANCE SHEETS

At 30th June, 2009

	NOTES	THE COMPANY		THE GROUP	
		2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
<b>Non-current assets</b>					
Investment properties	18	–	–	<b>37,557,672,042</b>	32,869,587,643
Hotel property	19	–	–	<b>866,755,233</b>	940,436,535
Property, plant and equipment	20	–	–	<b>86,233,059</b>	88,853,812
Prepaid lease payments – non-current	21	–	–	<b>425,296,321</b>	461,706,289
Investments in subsidiaries	22	<b>174,824,649</b>	160,672,656	–	–
Advance to a subsidiary	22	<b>5,140,555,699</b>	3,455,533,366	–	–
Interests in associates	23	<b>518,711,342</b>	518,711,342	<b>5,321,215,695</b>	6,367,649,775
Available-for-sale investments	24	<b>897,039,870</b>	1,126,371,004	<b>1,002,562,938</b>	1,613,861,516
Advances to associates	23	–	–	<b>11,649,449,516</b>	10,467,082,995
Advances to investee companies	26	–	–	<b>18,114,871</b>	18,030,643
Long-term loans receivable	27	–	–	<b>63,540,544</b>	37,219,378
		<b>6,731,131,560</b>	5,261,288,368	<b>56,990,840,219</b>	52,864,428,586
<b>Current assets</b>					
Properties under development		–	–	<b>18,521,080,429</b>	25,239,750,206
Stocks of unsold properties		–	–	<b>2,696,586,097</b>	1,135,656,917
Hotel inventories		–	–	<b>21,594,351</b>	24,501,559
Prepaid lease payments – current	21	–	–	<b>4,916,722</b>	5,276,645
Trading securities	25	<b>747,979,115</b>	940,089,485	<b>750,652,115</b>	943,242,485
Amounts due from subsidiaries	22	<b>33,269,431,260</b>	34,896,485,042	–	–
Amounts due from associates	23	<b>225,308</b>	4,361,952	<b>430,971,757</b>	933,660,729
Accounts and other receivables	28	<b>4,330,909</b>	8,519,522	<b>1,480,773,677</b>	929,132,621
Current portion of long-term loans receivable	27	–	–	<b>3,936,331</b>	3,082,818
Taxation recoverable		–	–	<b>110,066,643</b>	241,957,506
Restricted bank deposits	29	–	–	<b>364,430,266</b>	332,228,662
Time deposits, bank balances and cash	29	<b>1,279,419</b>	1,071,484	<b>7,798,166,967</b>	3,580,766,208
		<b>34,023,246,011</b>	35,850,527,485	<b>32,183,175,355</b>	33,369,256,356
<b>Current liabilities</b>					
Accounts and other payables	30	<b>5,866,673</b>	5,731,562	<b>4,553,567,874</b>	4,066,618,213
Amount due to a subsidiary	22	<b>1,587,813,368</b>	19,823,229	–	–
Amounts due to associates	23	<b>56,814,248</b>	56,823,480	<b>505,399,107</b>	1,420,298,993
Taxation payable		<b>78,616</b>	36,366,709	<b>728,117,650</b>	719,993,783
Current portion of long-term bank borrowings	31	–	–	<b>189,564,460</b>	364,384,245
Bank loans					
– secured	31	–	–	<b>6,541,151,569</b>	3,243,750,000
– unsecured	31	–	–	<b>1,198,662,306</b>	598,625,776
Financial guarantee contracts – current		<b>9,520,076</b>	6,509,932	<b>7,579,573</b>	6,509,932
		<b>1,660,092,981</b>	125,254,912	<b>13,724,042,539</b>	10,420,180,942
Net current assets		<b>32,363,153,030</b>	35,725,272,573	<b>18,459,132,816</b>	22,949,075,414
Total assets less current liabilities		<b>39,094,284,590</b>	40,986,560,941	<b>75,449,973,035</b>	75,813,504,000

## Balance Sheets (Continued)

At 30th June, 2009

	NOTES	THE COMPANY 2009 HK\$	2008 HK\$	THE GROUP 2009 HK\$	2008 HK\$
Capital and reserves					
Share capital	32	<b>4,839,469,538</b>	4,878,702,770	<b>4,839,469,538</b>	4,878,702,770
Share premium and reserves	33	<b>34,123,202,553</b>	36,097,380,006	<b>55,162,426,042</b>	53,844,551,716
Equity attributable to equity holders of the Company		<b>38,962,672,091</b>	40,976,082,776	<b>60,001,895,580</b>	58,723,254,486
Minority interests		–	–	<b>296,130,462</b>	263,646,073
Total equity		<b>38,962,672,091</b>	40,976,082,776	<b>60,298,026,042</b>	58,986,900,559
Non-current liabilities					
Long-term bank borrowings – due after one year	31	–	–	<b>10,114,137,928</b>	11,990,917,855
Financial guarantee contracts – non-current		<b>131,612,499</b>	10,478,165	<b>8,866,002</b>	10,478,165
Deferred taxation	34	–	–	<b>2,959,629,548</b>	2,827,559,787
Advances from associates	35	–	–	<b>2,067,188,354</b>	1,990,863,531
Advances from minority shareholders	36	–	–	<b>2,125,161</b>	6,784,103
		<b>131,612,499</b>	10,478,165	<b>15,151,946,993</b>	16,826,603,441
		<b>39,094,284,590</b>	40,986,560,941	<b>75,449,973,035</b>	75,813,504,000

The consolidated financial statements on pages 127 to 212 were approved and authorised for issue by the Board of Directors on 9th September, 2009 and are signed on its behalf by:

**Robert NG Chee Siong**  
Chairman

**Thomas TANG Wing Yung**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2009

	Attributable to equity holders of the Company							Minority 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)	Total HK\$		
At 1st July, 2007	4,610,386,667	15,299,377,551	367,958,000	807,869,700	143,749,668	26,351,534,359	47,580,875,945	184,850,571	47,765,726,516
Loss on fair value changes of available-for-sale investments	-	-	-	(101,347,498)	-	-	(101,347,498)	-	(101,347,498)
Exchange differences arising on translation of foreign operations	-	-	-	-	411,639,512	-	411,639,512	-	411,639,512
Net (expense) income recognised directly in equity	-	-	-	(101,347,498)	411,639,512	-	310,292,014	-	310,292,014
Profit for the year	-	-	-	-	-	7,720,997,490	7,720,997,490	90,995,502	7,811,992,992
Revaluation reserves released on disposals	-	-	-	(393,159,892)	-	-	(393,159,892)	-	(393,159,892)
Total recognised (expense) income for the year	-	-	-	(494,507,390)	411,639,512	7,720,997,490	7,638,129,612	90,995,502	7,729,125,114
Issue of shares by placement	220,000,000	4,085,400,000	-	-	-	-	4,305,400,000	-	4,305,400,000
Issue of shares in lieu of cash dividends	69,050,103	-	-	-	-	-	69,050,103	-	69,050,103
Premium on issue of shares upon scrip dividends	-	1,537,692,047	-	-	-	-	1,537,692,047	-	1,537,692,047
Share issue expenses	-	(90,972,639)	-	-	-	-	(90,972,639)	-	(90,972,639)
Cancellation upon repurchase of own shares	(20,734,000)	-	20,734,000	-	-	(387,498,312)	(387,498,312)	-	(387,498,312)
Dividend paid to minority shareholders	-	-	-	-	-	-	-	(12,200,000)	(12,200,000)
Final dividend – 2007	-	-	-	-	-	(1,443,681,200)	(1,443,681,200)	-	(1,443,681,200)
Interim dividend – 2008	-	-	-	-	-	(485,741,070)	(485,741,070)	-	(485,741,070)
At 30th June, 2008	4,878,702,770	20,831,496,959	388,692,000	313,362,310	555,389,180	31,755,611,267	58,723,254,486	263,646,073	58,986,900,559
Loss on fair value changes of available-for-sale investments	-	-	-	(309,632,471)	-	-	(309,632,471)	-	(309,632,471)
Exchange differences arising on translation of foreign operations	-	-	-	-	(131,057,905)	-	(131,057,905)	-	(131,057,905)
Net expense recognised directly in equity	-	-	-	(309,632,471)	(131,057,905)	-	(440,690,376)	-	(440,690,376)
Profit for the year	-	-	-	-	-	3,730,647,312	3,730,647,312	47,684,389	3,778,331,701
Impairment loss on available-for-sale investments recognised in consolidated income statement	-	-	-	190,000,000	-	-	190,000,000	-	190,000,000
Revaluation reserves released on disposals	-	-	-	24,921,186	-	-	24,921,186	-	24,921,186
Total recognised (expense) income for the year	-	-	-	(94,711,285)	(131,057,905)	3,730,647,312	3,504,878,122	47,684,389	3,552,562,511
Issue of shares in lieu of cash dividends	39,782,768	-	-	-	-	-	39,782,768	-	39,782,768
Premium on issue of shares upon scrip dividends	-	338,821,174	-	-	-	-	338,821,174	-	338,821,174
Share issue expenses	-	(40,983)	-	-	-	-	(40,983)	-	(40,983)
Cancellation upon repurchase of own shares	(79,016,000)	-	79,016,000	-	-	(673,755,737)	(673,755,737)	-	(673,755,737)
Dividend paid to minority shareholders	-	-	-	-	-	-	-	(15,200,000)	(15,200,000)
Final dividend – 2008	-	-	-	-	-	(1,449,941,031)	(1,449,941,031)	-	(1,449,941,031)
Interim dividend – 2009	-	-	-	-	-	(481,103,219)	(481,103,219)	-	(481,103,219)
At 30th June, 2009	4,839,469,538	21,170,277,150	467,708,000	218,651,025	424,331,275	32,881,458,592	60,001,895,580	296,130,462	60,298,026,042

Note: At 30th June, 2009, retained profits in the sum of HK\$2,547,587,104 (2008: HK\$2,638,975,753) of certain associates attributable to the Group are distributable by way of dividend subject to the prior consent of their bankers.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2009

	2009 HK\$	2008 HK\$
OPERATING ACTIVITIES		
Profit before taxation	<b>4,499,076,794</b>	8,766,785,283
Adjustments for:		
Finance costs	<b>354,611,412</b>	386,132,701
Depreciation	<b>37,130,536</b>	34,063,710
Release of prepaid lease payments	<b>5,096,684</b>	4,993,010
Loss (gain) on disposal of available-for-sale investments	<b>25,097,108</b>	(272,934,332)
Loss on disposal of property, plant and equipment	<b>415,665</b>	2,882,103
Cost of hotel property and investment properties written off	<b>5,111,954</b>	4,783,124
Impairment loss on trade receivables	<b>142,866,351</b>	3,767,191
Impairment loss on available-for-sale investments	<b>190,000,000</b>	–
Share of results of associates	<b>31,476,405</b>	(1,618,445,535)
Increase in fair value of investment properties	<b>(693,831,676)</b>	(3,909,016,692)
Finance income	<b>(226,201,947)</b>	(338,555,965)
Loss (gain) arising from change in fair value of trading securities	<b>192,591,768</b>	(71,164,433)
Loss on disposal of investment properties	<b>341,866</b>	133,343
(Reversal) recognition of impairment loss in respect of loans receivable	<b>(32,840)</b>	12,759
Operating cash flows before movements in working capital	<b>4,563,750,080</b>	2,993,436,267
Decrease (increase) in properties under development	<b>1,205,653,278</b>	(7,627,369,643)
Decrease in stocks of unsold properties	<b>41,832,476</b>	1,562,989,611
Decrease (increase) in hotel inventories	<b>2,907,208</b>	(1,745,705)
Increase in trading securities	<b>(1,398)</b>	(1,314)
(Increase) decrease in accounts and other receivables	<b>(694,507,407)</b>	3,137,637,287
Increase in accounts and other payables	<b>516,401,271</b>	866,953,414
Net cash from operations	<b>5,636,035,508</b>	931,899,917
Hong Kong Profits Tax paid	<b>(534,614,441)</b>	(824,403,777)
Hong Kong Profits Tax refunded	<b>131,890,863</b>	–
Taxation in other jurisdictions paid	<b>(39,283,146)</b>	(31,546,710)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>5,194,028,784</b>	75,949,430

## Consolidated Cash Flow Statement (Continued)

For the year ended 30th June, 2009

	NOTES	2009 HK\$	2008 HK\$
<b>INVESTING ACTIVITIES</b>			
Purchase of available-for-sale investments		<b>(70,766,567)</b>	(43,286,308)
Advances to associates		<b>(547,223,432)</b>	(3,553,864,948)
Acquisition of assets and liabilities through purchase of subsidiaries	38(a)	–	(2,147,095,962)
Acquisition of businesses	38(b)	–	47,517,183
Additions to investment properties		<b>(88,018,780)</b>	(86,945,700)
Capital contribution to associates		<b>(452,309)</b>	(2,092,470)
Increase in restricted bank deposits		<b>(32,201,604)</b>	(48,189,099)
Additions to hotel property		<b>(719,060)</b>	(2,101,082)
Purchase of property, plant and equipment		<b>(27,817,122)</b>	(39,882,560)
Dividends received from associates		<b>957,599,888</b>	560,256,275
(Increase) decrease in long-term loans receivable		<b>(27,141,839)</b>	45,090,466
Interest received		<b>122,836,572</b>	144,260,430
Proceeds from disposal of available-for-sale investments		<b>372,256,752</b>	1,622,176,640
Advance to investee companies		<b>(84,228)</b>	(5,663,935)
Proceeds from disposal of investment properties		<b>5,584,795</b>	3,751,870
Proceeds from disposal of property, plant and equipment		<b>248,635</b>	573,662
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>664,101,701</b>	(3,505,495,538)
<b>FINANCING ACTIVITIES</b>			
New bank loans		<b>5,134,771,538</b>	8,931,518,802
Proceeds from issue of shares		–	4,305,400,000
(Repayment to) advances from associates		<b>(865,186,081)</b>	653,420,687
Repayments of bank loans		<b>(3,174,071,250)</b>	(8,429,612,750)
Repurchase of own shares		<b>(673,755,737)</b>	(387,498,312)
Interest paid		<b>(478,048,724)</b>	(637,013,476)
Repayments to minority shareholders		<b>(4,658,942)</b>	(217,669,956)
Dividends paid		<b>(1,552,440,308)</b>	(322,680,120)
Dividends paid to minority shareholders		<b>(15,200,000)</b>	(12,200,000)
Shares issue expenses paid		<b>(40,983)</b>	(90,972,639)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		<b>(1,628,630,487)</b>	3,792,692,236
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>4,229,499,998</b>	363,146,128
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<b>3,580,766,208</b>	3,132,325,533
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>(12,099,239)</b>	85,294,547
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing time deposits, bank balances and cash</b>		<b>7,798,166,967</b>	3,580,766,208

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30th June, 2009

## 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 46.

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

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

In the current year, the Company and its subsidiaries (the "Group") have applied, for the first time, the following new amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1st July, 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

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

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective on 1st July, 2008.

HKFRSs (Amendments)	Improvements to HKFRSs 2008 <sup>1</sup>
HKFRSs (Amendments)	Improvements to HKFRSs 2009 <sup>2</sup>
HKAS 1 (Revised)	Presentation of Financial Statements <sup>3</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>3</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>4</sup>
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>3</sup>
HKAS 39 (Amendment)	Eligible Hedged Items <sup>4</sup>
HKFRS 1 (Amendment)	Additional Exemptions for First time Adopters <sup>5</sup>
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate <sup>3</sup>
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations <sup>3</sup>
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions <sup>5</sup>
HKFRS 3 (Revised)	Business Combinations <sup>4</sup>
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments <sup>3</sup>
HKFRS 8	Operating Segments <sup>3</sup>
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate <sup>3</sup>
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation <sup>6</sup>
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners <sup>4</sup>
HK(IFRIC) – Int 18	Transfers of Assets from Customers <sup>7</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2009, except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2009, 1st July, 2009 or 1st January, 2010, as appropriate

<sup>3</sup> Effective for annual periods beginning on or after 1st January, 2009

<sup>4</sup> Effective for annual periods beginning on or after 1st July, 2009

<sup>5</sup> Effective for annual periods beginning on or after 1st January, 2010

<sup>6</sup> Effective for annual periods beginning on or after 1st October, 2008

<sup>7</sup> Effective for transfers on or after 1st July, 2009

The application of the amendment to HKAS 40 *Investment Property* which is contained in HKFRSs (Amendments) *Improvements to HKFRSs* issued in 2008 will affect the accounting for the Group's investment properties under construction or development for future use as an investment property of the Group. The amendment to HKAS 40 brings such investment properties within the scope of HKAS 40. Such properties (including the leasehold land and building element) are currently measured at cost less impairment in accordance with HKAS 16 *Property, Plant and Equipment*.



## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

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

HKAS 23 (Revised) *Borrowing Costs* requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Directors believe that the adoption of HKAS 23 (Revised) will not have a significant impact to the Group as the Group has already applied the accounting policy of capitalising the borrowing costs under the current standard, which is consistent with HKAS 23 (Revised).

The adoption of HKFRS 3 (Revised) *Business Combinations* may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) *Consolidated and Separate Financial Statements* will affect the accounting treatment for changes in parent’s ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The Directors of the Company anticipate that the applications of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position 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. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited and by the Companies Ordinance.

#### **Basis of consolidation**

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

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

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

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

## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Basis of consolidation** *(Continued)*

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

#### **Business combinations**

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

#### **Investments in subsidiaries**

Investments in subsidiaries are included in the Company's balance sheet 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.

#### **Interests in associates**

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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 carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its 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. 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 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.

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**3. SIGNIFICANT ACCOUNTING POLICIES** *(Continued)***Interests in associates** *(Continued)*

In the Company's balance sheet, investments in associates are stated at cost, as reduced by any identified impairment loss. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year.

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

*Goodwill arising on acquisitions prior to 1st January, 2005*

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

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

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

**Jointly controlled operations**

When the Group undertakes its activities under joint venture arrangements directly, constituted as jointly controlled operations, the Group recognises in the consolidated financial statements the assets that it controls and the liabilities that it incurs; and the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operations.

**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.

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 consolidated income statement in the year in which the item is derecognised.

## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Hotel property and property, plant and equipment**

Hotel property and property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of items of property, plant and equipment and hotel property over their estimated useful lives and after taking into account of 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 consolidated income statement in the year in which the item is derecognised.

#### **Impairment losses on tangible assets**

At each balance sheet date, 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 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. Impairment loss is recognised as an expense immediately.

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 as income immediately.

#### **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 unsold properties**

Stocks of unsold 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 unsold properties.

#### **Hotel inventories**

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

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**3. SIGNIFICANT ACCOUNTING POLICIES** *(Continued)***Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when 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 capitalised.

All other borrowing costs are recognised as 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 consolidated income statement on a straight-line basis over the term of the relevant lease.

*The Group as lessee*

Rentals payable under operating leases are charged to profit or loss 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**

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases, except for those that are classified and accounted for as investment properties under the fair value model.

**Financial instruments**

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

## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Financial instruments** *(Continued)*

##### *Financial assets*

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

##### *Effective interest method*

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

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.

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

##### *Loans and receivables*

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

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**3. SIGNIFICANT ACCOUNTING POLICIES** *(Continued)***Financial instruments** *(Continued)**Financial assets (Continued)**Available-for-sale financial assets*

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

At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss (see accounting policy on impairment of financial assets below).

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

*Impairment of financial assets*

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

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

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

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

## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Financial instruments** *(Continued)*

##### Financial assets *(Continued)*

##### Impairment of financial assets *(Continued)*

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

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

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

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

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity.

##### Financial liabilities and equity

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

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

##### Effective interest method

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

Interest expense is recognised on an effective interest basis.



Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**3. SIGNIFICANT ACCOUNTING POLICIES** *(Continued)***Financial instruments** *(Continued)*Financial liabilities and equity *(Continued)*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/minority shareholders) are subsequently measured at amortised cost using the effective interest method.

Equity instruments

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

Financial guarantee contracts

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

Derecognition

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

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

## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### Revenue recognition

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

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

Payments received from the purchasers prior to the date of revenue recognition are recorded as deposits received on sales of properties and presented as current liabilities.

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

## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement 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 balance sheet date.

Deferred tax is recognised on 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which 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 tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### **Foreign currencies**

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. 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 differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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 balance sheet date, 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 as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

#### **Retirement benefits costs**

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

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**4. KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

**Estimated net realisable value on properties under development**

In determining whether allowances should be made to 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\$18,521,080,429 (2008: HK\$25,239,750,206).

**Allowance for stocks of unsold properties**

Management exercises its judgment in making allowance for stocks of unsold 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 unsold properties is made if the estimated market value of the property is lower than its carrying amount. The specific allowance for stocks of unsold properties is made based on the estimation of net realisable value on the unsold properties. If the actual net realisable values of the stocks of unsold 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 unsold properties is HK\$2,696,586,097 (2008: HK\$1,135,656,917).

**Depreciation on hotel property**

In determining the estimated useful life of the hotel property, the management makes reference to the relevant term of lease of the hotel property, which is 96 years. Any changes to the estimated useful life of the hotel property may cause a material adjustment to the carrying amount and the depreciation charge within the next financial year.

At 30th June, 2009, the carrying amount of the hotel property is HK\$866,755,233 net of accumulated depreciation of HK\$82,691,906 (2008: HK\$940,436,535, net of accumulated depreciation of HK\$78,119,291). Details of the movement of the hotel property are disclosed in Note 19.

## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

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

#### **Income taxes**

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

The Directors are of the opinion, together with the advice from the Company’s tax advisors, that the outcome of these assessments cannot presently be estimated. The Directors are also of the opinion that the payment of the additional taxes is not probable or it has reasonable ground to contest the assessments issued by the IRD and therefore, no provision has been made in the consolidated financial statements.

If the objections made to the IRD were unsuccessful, there would be an increase in the Group’s ultimate tax liability arising from subsidiaries and decrease in interests in associates in respect of the Group’s share of the ultimate tax liability.

#### **Fair value of investment properties**

Investment properties are carried in the consolidated balance sheet at 30th June, 2009 at their fair value of HK\$37,557,672,042 (2008: HK\$32,869,587,643). The fair value was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group’s investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated income statement.

### 5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, which includes bank borrowings, advances from associates and minority shareholders and equity attributable to equity holders of the Company, comprising issued share capital, retained profits and other reserves as disclosed in 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 consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new shares issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

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

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**6. FINANCIAL INSTRUMENTS****Categories of financial instruments**

	THE COMPANY		THE GROUP	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Financial assets				
Trading securities (fair value through profit or loss)	<b>747,979,115</b>	940,089,485	<b>750,652,115</b>	943,242,485
Available-for-sale investments	<b>897,039,870</b>	1,126,371,004	<b>1,002,562,938</b>	1,613,861,516
Loans and receivables (including cash and cash equivalents)	<b>38,414,815,712</b>	38,360,872,111	<b>21,563,113,467</b>	16,238,630,942
Financial liabilities				
Amortised cost	<b>1,648,775,427</b>	80,660,611	<b>21,652,453,331</b>	20,557,543,679
Financial guarantee contracts	<b>141,132,575</b>	16,988,097	<b>16,445,575</b>	16,988,097

**Financial risk management objectives and policies**

The Group's major financial instruments includes accounts and other receivables, advances to associates/ investee companies, available-for-sale investments, loans receivable, trading securities, amounts due from/to associates, restricted bank deposits, time deposits, bank balances and cash, accounts and other payables, financial guarantee contracts, bank borrowings and loans, advances from associates and minority shareholders.

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.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

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

The Group's activities expose 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 arises. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

The Company's transactions and balances are primarily denominated in Hong Kong dollars ("HKD"), 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 respective balance sheet dates are as follows:

	<b>THE GROUP</b>	
	<b>2009</b>	2008
	<b>HK\$</b>	HK\$
<b>Assets</b>		
Renminbi ("RMB")	<b>1,093,978,190</b>	1,322,915,752
United States Dollars ("USD")	<b>66,921,003</b>	826,468
<b>Liabilities</b>		
RMB	<b>287,854,079</b>	1,208,498,527

*Foreign currency sensitivity analysis*

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



Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

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

The sensitivity analysis below has been determined based on the exposure to 5% increase and decrease in RMB against HKD. 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 adjust their translation at the year end for a 5% change in foreign currency rates. A positive number indicates an increase in profit for the year where RMB strengthens against HKD. For a weakening of RMB against HKD, there would be an equal and opposite impact on the profit and the balances below would be negative.

	<b>THE GROUP</b>	
	<b>2009</b>	2008
	<b>HK\$</b>	HK\$
RMB	<b>40,219,136</b>	5,720,861

Certain available-for-sale investments are denominated in foreign currency of the group entities. For available-for-sale investments, an increase/decrease in 5% of Singaporean dollar against the functional currency of the relevant group entities would result in an increase/decrease of HK\$9,894,817 (2008: HK\$14,456,112) in the Group's investment revaluation reserve.

*Interest rate risk*

Loans, bank balances and bank borrowings at floating rates expose the Group to cash flow interest rate risk. Payables at fixed rates expose the Group to fair value interest rate risk (Note 30). The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

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

*Interest rate sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rates for the floating rate loans receivable and bank borrowings. The analysis is prepared assuming that the change in interest rate had occurred at respective balance sheet date and had been applied to the exposure to interest rate risk for these financial assets and 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 next balance sheet date.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

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

At the respective balance sheet dates, 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 approximately HK\$83,220,638 (2008: HK\$73,775,955). The Company has no 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 entity securities which are mainly concentrated on blue chip stocks quoted on the Stock Exchange. In this regard, the management considers the Group's exposure to equity price risk is reduced.

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 each balance sheet date while all other variables were held constant. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in equity price.

	THE COMPANY		THE GROUP	
	2009	2008	2009	2008
	HK\$	HK\$	HK\$	HK\$
Available-for-sale investments				
Increase (decrease) in investment revaluation reserve				
– as a result of increase in equity price	<b>43,839,528</b>	56,318,550	<b>48,568,199</b>	80,693,076
– as a result of decrease in equity price	<b>(43,839,528)</b>	(56,318,550)	<b>(48,568,199)</b>	(80,693,076)
Trading securities				
Increase (decrease) in profit for the year				
– as a result of increase in equity price	<b>31,228,128</b>	39,248,736	<b>31,339,727</b>	39,380,374
– as a result of decrease in equity price	<b>(31,228,128)</b>	(39,248,736)	<b>(31,339,727)</b>	(39,380,374)

## Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

### 6. FINANCIAL INSTRUMENTS *(Continued)*

#### **Financial risk management objectives and policies** *(Continued)*

##### Credit risk

At each balance sheet date, 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 balance sheets and the amount of contingent liabilities as disclosed in Note 41. In order to minimize the credit risk of trade receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

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

The credit risk on liquid fund is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

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

##### Liquidity risk

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

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

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

The following table details the Company's and the Group's contractual maturity for its non-derivative financial liabilities. 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 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\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
<b>2009</b>				
Accounts and other payables	N/A	4,147,812	4,147,812	4,147,812
Other non-interest bearing liabilities	N/A	<u>1,644,627,615</u>	<u>1,644,627,615</u>	<u>1,644,627,615</u>
		<u><b>1,648,775,427</b></u>	<u><b>1,648,775,427</b></u>	<u><b>1,648,775,427</b></u>
<b>2008</b>				
Accounts and other payables	N/A	4,013,902	4,013,902	4,013,902
Other non-interest bearing liabilities	N/A	<u>76,646,709</u>	<u>76,646,709</u>	<u>76,646,709</u>
		<u><b>80,660,611</b></u>	<u><b>80,660,611</b></u>	<u><b>80,660,611</b></u>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 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\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
<b>2009</b>								
Accounts and other payables								
– non-interest bearing	N/A	684,339,923	11,340,160	318,623,437	–	–	1,014,303,520	1,014,303,520
– fixed rate	7.00	116,205	232,411	20,850,570	–	–	21,199,186	19,920,926
Other liabilities								
– non-interest bearing	N/A	449,564,580	–	55,834,526	1,571,493,369	–	2,076,892,475	2,046,349,603
– fixed rate	1.98	285,789	571,578	2,572,102	271,208,853	260,585,750	535,224,072	528,323,858
– fixed rate	0.50	16	32	144	39,337	–	39,529	39,161
Borrowings								
– variable rate	1.98	26,460,752	3,969,779,118	4,472,501,243	5,030,368,208	6,443,075,898	19,942,185,219	18,043,516,263
		<u>1,160,767,265</u>	<u>3,981,923,299</u>	<u>4,870,382,022</u>	<u>6,873,109,767</u>	<u>6,703,661,648</u>	<u>23,589,844,001</u>	<u>21,652,453,331</u>
<b>2008</b>								
Accounts and other payables								
– non-interest bearing	N/A	296,002,690	47,603,316	571,721,483	–	–	915,327,489	915,327,489
– fixed rate	7.25	1,119,383	309,661	26,865,780	–	–	28,294,824	26,591,687
Other liabilities								
– non-interest bearing	N/A	1,420,298,993	–	–	1,567,499,380	–	2,987,798,373	2,930,644,483
– fixed rate	3.78	1,072,852	2,145,705	9,655,672	240,958,512	263,553,898	517,386,639	484,274,698
– fixed rate	0.50	1,261	2,522	11,349	3,027,446	–	3,042,578	3,027,446
Borrowings								
– variable rate	3.78	545,790,576	1,235,782,742	2,794,061,403	6,481,735,765	5,954,371,240	17,011,741,726	16,197,677,876
		<u>2,264,285,755</u>	<u>1,285,843,946</u>	<u>3,402,315,687</u>	<u>8,293,221,103</u>	<u>6,217,925,138</u>	<u>21,463,591,629</u>	<u>20,557,543,679</u>

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**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 values of financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices and rates from observable current market transactions as input.

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

**7. TURNOVER**

	<b>2009</b>	2008
	<i>HK\$</i>	<i>HK\$</i>
Sales of properties held for sale	<b>6,801,645,855</b>	3,625,415,758
Gross rental income from properties	<b>1,779,137,830</b>	1,437,535,177
Building management and service fee income	<b>598,622,219</b>	575,953,559
Hotel operations	<b>431,540,291</b>	487,126,108
Interest income from loans receivable	<b>2,767,393</b>	8,261,301
Dividend income		
listed investments	<b>56,064,658</b>	93,704,591
unlisted investments	<b>17,016,250</b>	19,197,004
Others	<b>5,902,000</b>	3,865,000
	<b><u>9,692,696,496</u></b>	<u>6,251,058,498</u>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 8. BUSINESS AND GEOGRAPHICAL SEGMENTS

## Business segments

For management purposes, the Group is currently organised into five operating divisions – property, investments in securities, financing, hotel and property management and services. These operating divisions are the basis on which the Group reports its primary segment information as follows:

## CONSOLIDATED INCOME STATEMENT

For the year ended 30th June, 2009

	Property HK\$	Investments in securities HK\$	Financing HK\$	Hotel HK\$	Property management and services HK\$	Elimination HK\$	Consolidated HK\$
TURNOVER							
Property rental	1,779,137,830	-	-	-	-	-	1,779,137,830
Property sales	6,807,547,855	-	-	-	-	-	6,807,547,855
Hotel operations	-	-	-	431,540,291	-	-	431,540,291
Management services	-	-	-	-	598,622,219	-	598,622,219
Dividend income from equity investments	-	73,080,908	-	-	-	-	73,080,908
Financing	-	-	2,767,393	-	-	-	2,767,393
	<u>8,586,685,685</u>	<u>73,080,908</u>	<u>2,767,393</u>	<u>431,540,291</u>	<u>598,622,219</u>	<u>-</u>	<u>9,692,696,496</u>
Inter-segment sales*	-	-	-	-	34,261,042	(34,261,042)	-
Segment revenue	<u>8,586,685,685</u>	<u>73,080,908</u>	<u>2,767,393</u>	<u>431,540,291</u>	<u>632,883,261</u>	<u>(34,261,042)</u>	<u>9,692,696,496</u>
Other income	<u>41,004,423</u>	<u>14,386,062</u>	<u>155,229</u>	<u>541,001</u>	<u>54,995,882</u>	<u>-</u>	<u>111,082,597</u>
	<u>8,627,690,108</u>	<u>87,466,970</u>	<u>2,922,622</u>	<u>432,081,292</u>	<u>687,879,143</u>	<u>(34,261,042)</u>	<u>9,803,779,093</u>
SEGMENT RESULT	<u>5,102,386,504</u>	<u>(320,329,129)</u>	<u>2,922,622</u>	<u>130,801,932</u>	<u>139,231,576</u>	<u>-</u>	<u>5,055,013,505</u>
Unallocated other income							4,983,914
Unallocated corporate expenses							(401,034,755)
Net finance costs							(128,409,465)
Share of results of associates	(73,146,630)	(831,883)	136,572	42,147,620	217,916	-	(31,476,405)
Profit before taxation							4,499,076,794
Income tax expense							(720,745,093)
Profit for the year							<u>3,778,331,701</u>

\* Inter-segment sales were charged at cost plus margin basis as agreed between both parties.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

## Business segments (Continued)

## CONSOLIDATED BALANCE SHEET

At 30th June, 2009

	Property	Investments in securities	Financing	Hotel	Property management and services	Consolidated
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
<b>ASSETS</b>						
Segment assets	59,166,440,803	1,770,272,544	122,918,162	2,226,163,730	213,919,491	63,499,714,730
Interests in associates	4,504,926,681	78,834,309	(607,189)	794,849,515	(56,787,621)	5,321,215,695
Advances to associates	8,547,634,085	1,373,812,531	–	–	1,728,002,900	11,649,449,516
Amounts due from associates	354,126,223	7,912,275	4,253,616	–	64,679,643	430,971,757
Unallocated corporate assets						<u>8,272,663,876</u>
Consolidated total assets						<u>89,174,015,574</u>
<b>LIABILITIES</b>						
Segment liabilities	4,202,245,560	24,830,548	80,452,312	100,106,375	164,503,815	4,572,138,610
Amounts due to associates	493,920,111	765,740	–	–	10,713,256	505,399,107
Advances from associates	1,806,751,114	–	–	260,437,240	–	2,067,188,354
Borrowings						18,043,516,263
Unallocated corporate liabilities						<u>3,687,747,198</u>
Consolidated total liabilities						<u>28,875,989,532</u>



## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

## Business segments (Continued)

## OTHER INFORMATION

For the year ended 30th June, 2009

	Property	Investments	Financing	Hotel	Property	Consolidated
	HK\$	in securities	HK\$	HK\$	management	HK\$
		HK\$			and services	
					HK\$	
Release of prepaid lease payments	-	-	-	5,096,684	-	5,096,684
Capital additions						
– Property, plant and equipment	2,416,761	-	-	18,055,881	7,344,480	27,817,122
– Investment properties	46,900,577	-	-	41,118,203	-	88,018,780
– Hotel properties	-	-	-	719,060	-	719,060
Depreciation	3,209,852	107,224	-	23,395,748	10,417,712	37,130,536
Cost of hotel property and investment properties written off	4,760,473	-	-	351,481	-	5,111,954
Fair value gain on investment properties	693,831,676	-	-	-	-	693,831,676
Fair value loss on trading securities	-	192,591,768	-	-	-	192,591,768
Impairment loss on available-for-sale investments	-	190,000,000	-	-	-	190,000,000
Impairment loss recognised on receivables	142,866,351	-	-	-	-	142,866,351
Loss on disposal of investment properties	341,866	-	-	-	-	341,866
Loss on disposal of property, plant and equipment	23,251	-	-	384,610	7,804	415,665
Loss on disposal of available-for-sale investments	-	25,097,108	-	-	-	25,097,108

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

## Business segments (Continued)

## CONSOLIDATED INCOME STATEMENT

For the year ended 30th June, 2008

	Property HK\$	Investments in securities HK\$	Financing HK\$	Hotel HK\$	Property management and services HK\$	Elimination HK\$	Consolidated HK\$
<b>TURNOVER</b>							
Property rental	1,437,535,177	-	-	-	-	-	1,437,535,177
Property sales	3,629,280,758	-	-	-	-	-	3,629,280,758
Hotel operations	-	-	-	487,126,108	-	-	487,126,108
Management services	-	-	-	-	575,953,559	-	575,953,559
Dividend income from equity investments	-	112,901,595	-	-	-	-	112,901,595
Financing	-	-	8,261,301	-	-	-	8,261,301
	<u>5,066,815,935</u>	<u>112,901,595</u>	<u>8,261,301</u>	<u>487,126,108</u>	<u>575,953,559</u>	<u>-</u>	<u>6,251,058,498</u>
Inter-segment sales*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,528,645</u>	<u>(25,528,645)</u>	<u>-</u>
Segment revenue	5,066,815,935	112,901,595	8,261,301	487,126,108	601,482,204	(25,528,645)	6,251,058,498
Other income	40,283,835	106,276	2,089,121	2,659,997	31,617,275	-	76,756,504
	<u>5,107,099,770</u>	<u>113,007,871</u>	<u>10,350,422</u>	<u>489,786,105</u>	<u>633,099,479</u>	<u>(25,528,645)</u>	<u>6,327,815,002</u>
<b>SEGMENT RESULT</b>	<u>6,769,964,530</u>	<u>456,999,411</u>	<u>10,350,422</u>	<u>176,951,493</u>	<u>106,106,983</u>	<u>-</u>	<u>7,520,372,839</u>
Unallocated other income							177,481,777
Unallocated corporate expenses							(501,938,132)
Net finance costs							(47,576,736)
Share of results of associates	1,552,101,036	(4,819)	310,542	66,254,743	(215,967)	-	1,618,445,535
Profit before taxation							8,766,785,283
Income tax expense							(954,792,291)
Profit for the year							<u>7,811,992,992</u>

\* Inter-segment sales were charged at cost plus margin basis as agreed between both parties.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

## Business segments (Continued)

## CONSOLIDATED BALANCE SHEET

At 30th June, 2008

	Property HK\$	Investments in securities HK\$	Financing HK\$	Hotel HK\$	Property management and services HK\$	Consolidated HK\$
<b>ASSETS</b>						
Segment assets	59,184,706,246	2,584,538,315	134,849,209	2,200,248,680	205,996,617	64,310,339,067
Interests in associates	5,620,136,046	52,436,133	(743,763)	752,701,894	(56,880,535)	6,367,649,775
Advances to associates	8,280,343,295	1,350,392,340	–	–	836,347,360	10,467,082,995
Amounts due from associates	856,481,074	8,237,396	4,915,187	–	64,027,072	933,660,729
Unallocated corporate assets						<u>4,154,952,376</u>
Consolidated total assets						<u>86,233,684,942</u>
<b>LIABILITIES</b>						
Segment liabilities	3,747,610,565	27,339,963	45,738,988	120,906,635	148,794,262	4,090,390,413
Amounts due to associates	1,408,777,360	777,242	–	–	10,744,391	1,420,298,993
Advances from associates	1,735,017,001	–	–	255,846,530	–	1,990,863,531
Borrowings						16,197,677,876
Unallocated corporate liabilities						<u>3,547,553,570</u>
Consolidated total liabilities						<u>27,246,784,383</u>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**8. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)****Business segments (Continued)****OTHER INFORMATION**

For the year ended 30th June, 2008

	Property HK\$	Investments in securities HK\$	Financing HK\$	Hotel HK\$	Property management and services HK\$	Consolidated HK\$
Release of prepaid lease payments	–	–	–	4,993,010	–	4,993,010
Capital additions						
– Property, plant and equipment	10,256,635	–	–	17,434,375	12,198,609	39,889,619
– Investment properties	4,965,784,729	–	–	12,004,472	–	4,977,789,201
– Hotel properties	–	–	–	2,101,082	–	2,101,082
Depreciation	2,528,188	107,225	–	21,890,203	9,538,094	34,063,710
Cost of hotel property and investment properties written off	1,052,286	–	–	3,730,838	–	4,783,124
Fair value gains						
– Investment properties	3,909,016,692	–	–	–	–	3,909,016,692
– Trading securities	–	71,164,433	–	–	–	71,164,433
Impairment loss recognised on receivables	3,767,191	–	–	–	–	3,767,191
Loss on disposal of investment properties	133,343	–	–	–	–	133,343
Loss on disposal of property, plant and equipment	821	–	–	2,645,835	235,447	2,882,103
Gain on disposal of available-for-sale investments	–	272,934,332	–	–	–	272,934,332

**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, assets and liabilities are derived from activities in Hong Kong.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**9. FINANCE INCOME**

	2009 HK\$	2008 HK\$
Interest income on:		
advances to associates	38,579,619	42,333,425
advances to investee companies	907,693	916,221
bank deposits	83,349,260	101,010,785
Imputed interest income on non-current interest-free		
advances to associates	88,801,853	189,303,393
Financial guarantee income	14,563,522	4,992,141
	<u>226,201,947</u>	<u>338,555,965</u>

**10. FINANCE COSTS**

	2009 HK\$	2008 HK\$
Interest and other finance costs on:		
bank loans wholly repayable within five years	424,905,765	570,802,265
other loans wholly repayable within five years	11,194,629	22,708,695
Imputed interest expense on non-current interest-free		
advances from associates	57,153,890	67,281,109
	<u>493,254,284</u>	<u>660,792,069</u>
Less: Amounts capitalised to properties under development	<u>(138,642,872)</u>	<u>(274,659,368)</u>
	<u>354,611,412</u>	<u>386,132,701</u>

**11. SHARE OF RESULTS OF ASSOCIATES**

	2009 HK\$	2008 HK\$
Share of results of associates comprises:		
Share of profits of associates	28,306,694	1,987,624,517
Share of taxation of associates	(59,783,099)	(369,178,982)
	<u>(31,476,405)</u>	<u>1,618,445,535</u>

The Group's share of profits of associates included the Group's share of a decrease in fair value of investment properties of the associates of HK\$415,179,334 (2008: Group's share of an increase of HK\$1,141,843,694) recognised in the income statements of the associates.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 12. PROFIT BEFORE TAXATION

	2009 HK\$	2008 HK\$
(a) Profit before taxation has been arrived at after charging (crediting):		
Staff costs including Directors' remuneration:		
Staff salaries and other benefits	764,334,999	790,347,529
Retirement benefit scheme contributions	29,627,956	29,394,951
Total staff costs	<u>793,962,955</u>	<u>819,742,480</u>
Release of prepaid lease payments (included in administrative expenses)	5,096,684	4,993,010
Auditor's remuneration		
– audit services		
– current year provision	3,341,454	3,305,540
– (over)under provision of previous years	(88,612)	317,953
– non audit services	610,580	609,500
Cost of hotel inventories consumed	55,634,006	50,235,740
Cost of properties sold	3,412,004,920	1,676,327,042
Depreciation	37,130,536	34,063,710
Loss on disposal of property, plant and equipment	415,665	2,882,103
Impairment loss recognised on receivables	142,866,351	3,767,191
Impairment loss on available-for-sale investments	190,000,000	–
Net exchange gain (included in other income)	(13,158,711)	(17,197,638)
Interest on deposit paid (Note b)	(4,983,914)	(177,481,777)
Loss on disposal of investment properties	341,866	133,343
Cost of hotel property and investment properties written off	<u>5,111,954</u>	<u>4,783,124</u>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 12. PROFIT BEFORE TAXATION (Continued)

- (b) In relation to the legal proceedings between the Company and its wholly-owned subsidiary, Mariner International Hotels Limited (collectively referred to as "Mariner") and Hang Lung Group Limited and its subsidiary, Atlas Limited (collectively referred to as "Hang Lung") to acquire a company which owned a property in Yau Kom Tau, Tsuen Wan, New Territories, which was to be developed into a hotel, the Court of Final Appeal on 5th February, 2007 handed down a judgment to allow the appeal by Mariner against Hang Lung so as to: (i) set aside the judgments of the High Court and the Court of Appeal; (ii) declare that Hang Lung repudiated the agreement; (iii) order repayment by Hang Lung to Mariner of its deposit with interest to be assessed by the High Court if not agreed; (iv) award Mariner damages to be assessed by the High Court; and (v) direct that costs in the proceedings (at all levels) to be dealt with on written submissions by the parties.

On 6th February, 2007, Hang Lung repaid the deposit sum of HK\$321,000,000 to Mariner. On 15th January, 2008, the High Court handed down a decision on the interest rate to be used to calculate the interest cost in relation to the deposit paid by Mariner. On 16th January, 2008, following the decision of the High Court, Hang Lung paid a sum of HK\$177,481,777 representing the interest cost to Mariner leaving the damages and costs to be agreed or decided by the courts. During the year, Hang Lung paid interest on legal costs, amounting to HK\$4,983,914, which was included in other income. Actions against Hang Lung for damages and costs are in progress.

## 13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the eleven (2008: ten) directors were as follows:

## 2009

	Mr. Raymond		Mr. Thomas		Mr. Daryl	Mr. Ringo	The Honourable	Mr. Adrian		Mr. Sunny		Total
	Mr. Robert	Tong	Mr. Yu	Tang	Ng Win	Chan Wing	Ronald	Dr. Allan	David	Dr. Fu	Yeung	
	Ng Chee	Kwok	Wai Wai	Wing Yung	Kong	Kwong	Joseph	Zeman	Li	Yuning	Kwong	
	Siong	Tung	Wai Wai	Wing Yung	Kong	Kwong	Arculli	Zeman	Man-kiu	Yuning	Kwong	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Fees	30,000	40,000	20,000	20,000	30,000	20,000	60,000	190,000	190,000	180,000	35,000	815,000
Other emoluments												
Salaries and other benefits	1,226,760	4,121,940	5,130,309	5,811,101	757,294	2,892,690	-	-	-	-	2,908,622	22,848,716
Retirement benefit scheme contributions	12,000	12,000	36,000	18,000	12,000	36,000	-	-	-	-	18,000	144,000
Discretionary bonus (Note i)	-	343,495	636,525	450,045	60,690	135,000	-	-	-	-	242,000	1,867,755
Total emoluments	1,268,760	4,517,435	5,822,834	6,299,146	859,984	3,083,690	60,000	190,000	190,000	180,000	3,203,622	25,675,471

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 13. DIRECTORS' EMOLUMENTS (Continued)

2008

	Mr. Robert Ng Chee Siong HK\$	Mr. Raymond Tong Kwok Tung HK\$	Mr. Yu Wai Wai HK\$	Mr. Thomas Tang Wing Yung HK\$	Mr. Daryl Ng Win Kong HK\$	Mr. Ringo Chan Wing Kwong HK\$	The Honourable Ronald Joseph Arculli HK\$ (Note ii)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Dr. Fu Yuning HK\$	Total HK\$
Fees	30,000	40,000	20,000	20,000	30,000	10,000	60,000	190,000	190,000	180,000	770,000
Other emoluments											
Salaries and other benefits	1,226,760	4,052,250	5,059,051	5,562,238	742,288	1,268,460	-	-	-	-	17,911,047
Retirement benefit scheme contributions	12,000	12,000	36,000	18,000	12,000	18,000	-	-	-	-	108,000
Discretionary bonus (Note i)	-	663,760	1,028,000	3,129,310	131,930	-	-	-	-	-	4,953,000
Total emoluments	<u>1,268,760</u>	<u>4,768,010</u>	<u>6,143,051</u>	<u>8,729,548</u>	<u>916,218</u>	<u>1,296,460</u>	<u>60,000</u>	<u>190,000</u>	<u>190,000</u>	<u>180,000</u>	<u>23,742,047</u>

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

Note ii: A consultancy fee of HK\$1,666,664 (2008: HK\$1,666,664) was paid to Ronald Arculli & Associates, of which The Honourable Ronald Joseph Arculli, GBS, CVO, OBE, JP, is the sole proprietor.

## 14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2008: three) are Executive Directors of the Company whose emoluments are included in Note 13 above. The emoluments of the remaining two (2008: two) individuals disclosed pursuant to the Listing Rules are as follows:

	2009 HK\$	2008 HK\$
Salaries and other emoluments (including basic salaries, housing allowances, other allowances and benefits in kind)	<b>7,649,148</b>	6,515,976
Retirement benefit scheme contributions	<b>36,000</b>	54,000
Discretionary bonus	<b>1,000,000</b>	1,454,017
	<u><b>8,685,148</b></u>	<u>8,023,993</u>



## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**14. EMPLOYEES' EMOLUMENTS** (Continued)

The emoluments were within the following bands:

<i>HK\$</i>	Number of individuals	
	2009	2008
3,500,001–4,000,000	1	1
4,000,001–4,500,000	–	1
4,500,001–5,000,000	1	–
	<u>1</u>	<u>–</u>

For the years ended 30th June, 2009 and 2008, no emoluments were paid by the Group to these five highest paid individuals, including Directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no Director waived any emoluments.

**15. INCOME TAX EXPENSE**

	2009	2008
	<i>HK\$</i>	<i>HK\$</i>
The charge comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% (2008: 16.5%)	543,492,572	383,690,926
Prior year tax reduction	–	(1,213,086)
Under(over)provision in previous years	950,030	(1,262,275)
	<u>544,442,602</u>	<u>381,215,565</u>
Taxation in other jurisdictions		
Provision for the year	30,600,859	37,316,971
Overprovision in previous years	(1,637,809)	(229,896)
	<u>573,405,652</u>	<u>418,302,640</u>
Deferred taxation (Note 34)		
Current year	147,339,441	660,967,047
Attributable to change in tax rate	–	(124,477,396)
	<u>147,339,441</u>	<u>536,489,651</u>
	<u>720,745,093</u>	<u>954,792,291</u>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**15. INCOME TAX EXPENSE** (Continued)

Taxation in other jurisdictions is provided for in accordance with the respective local requirements.

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

	<b>2009</b> <b>HK\$</b>	2008 <i>HK\$</i>
Profit before taxation	<b><u>4,499,076,794</u></b>	<u>8,766,785,283</u>
Tax at Hong Kong Profits Tax rate of 16.5% (2008: 16.5%)	<b>742,347,671</b>	1,446,519,572
Tax effect of share of results of associates	<b>5,193,607</b>	(267,043,514)
Tax effect of expenses not deductible for tax purpose	<b>59,291,880</b>	21,122,350
Tax effect of income not taxable for tax purpose	<b>(43,938,871)</b>	(107,475,465)
Overprovision in previous years	<b>(687,779)</b>	(1,492,171)
Effect of tax reduction	–	(1,213,086)
Tax effect of tax losses not recognised	<b>61,036,410</b>	11,919,211
Tax effect of deferred tax assets not recognised	<b>87,666,250</b>	80,022,402
Utilisation of tax losses previously not recognised	<b>(59,009,876)</b>	(59,966,581)
Utilisation of deferred tax assets previously not recognised	<b>(134,107,541)</b>	(56,001,999)
Decrease in opening deferred tax liabilities resulting from a decrease in Hong Kong Profits Tax rate	–	(124,477,396)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b><u>2,953,342</u></b>	<u>12,878,968</u>
Tax charge for the year	<b><u>720,745,093</u></b>	<u>954,792,291</u>

Details of deferred taxation are set out in Note 34.

The IRD initiated tax inquiries for the years of assessment 1995/96 to 2002/03 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\$515,464,000 were issued to Sing-Ho Finance for the years under review and objections were 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 "TRC") of approximately HK\$109,940,000 for those years of assessments. These TRC have been purchased by the Group. After considering the advice from the tax advisors and in view of the tax inquiries are still at the stage of collation of evidence, in the opinion of the Directors of the Company, the ultimate outcome of these tax inquiries cannot presently be determined. The Directors are also of the opinion that the payment of the additional taxes is not probable and therefore, no provision for any liabilities from the assessment that may result has been made.

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**15. INCOME TAX EXPENSE** *(Continued)*

The IRD also initiated a tax inquiry for the years of assessment 1998/99 to 2001/02 on another wholly-owned subsidiary, City Empire Limited ("City Empire"). Notices of assessment for additional tax of approximately HK\$263,438,000 were issued to City Empire for the years under review and objections were lodged with the IRD by City Empire. The IRD agreed to hold over the tax claim subject to the purchase of TRC of approximately HK\$131,719,000 for those years of assessments. In the current year, the tax case for City Empire has been settled in favour of City Empire. Accordingly, the full amount of the tax reserve certificate has been refunded by IRD.

**16. DIVIDENDS**

	<b>2009</b>	2008
	<b>HK\$</b>	HK\$
Dividends recognised as distribution during the year:		
Final dividend for the year ended 30th June, 2008: HK30 cents (2008: HK30 cents for the year ended 30th June, 2007) per share	<b>1,449,941,031</b>	1,443,681,200
Interim dividend for the year ended 30th June, 2009: HK10 cents (2008: HK10 cents for the year ended 30th June, 2008) per share	<b>481,103,219</b>	485,741,070
	<b><u>1,931,044,250</u></b>	<b><u>1,929,422,270</u></b>

During the year, scrip dividends were offered in respect of the 2008 final and 2009 interim dividends. These scrip alternatives were accepted by the majority of shareholders, as follows:

	2009	2008
	Interim	Final
	dividend	dividend
	HK\$	HK\$
Dividends:		
Cash	115,399,692	1,437,040,616
Scrip alternatives	365,703,527	12,900,415
	<b><u>481,103,219</u></b>	<b><u>1,449,941,031</u></b>

A final dividend of HK30 cents per share for the year ended 30th June, 2009 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming Annual General Meeting.

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**17. EARNINGS PER SHARE**

The calculation of the basic earnings per share is based on the following data:

	<b>2009</b>	2008
	<b>HK\$</b>	<i>HK\$</i>
Earnings for the purpose of basic earnings per share	<b><u>3,730,647,312</u></b>	<u>7,720,997,490</u>
	<b>Number</b>	Number
	<b>of shares</b>	of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b><u>4,841,434,303</u></b>	<u>4,790,072,940</u>

No diluted earnings per share has been presented for the years ended 30th June, 2009 and 2008 as there are no potential ordinary shares outstanding during the current and prior year.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 18. INVESTMENT PROPERTIES

	Investment properties in Hong Kong held under long leases HK\$	Investment properties in Hong Kong held under medium-term leases HK\$	Properties under redevelopment in Hong Kong HK\$	Investment property in Singapore held under a long lease HK\$	Total HK\$
<b>THE GROUP</b>					
<b>FAIR VALUE</b>					
At 1st July, 2007	2,071,805,803	21,108,353,980	217,000,000	409,280,000	23,806,439,783
Exchange realignment	–	–	–	60,671,600	60,671,600
Additions	13,464,098	59,469,222	2,007,908	12,004,472	86,945,700
Arising on acquisition of subsidiaries (Note 38a)	–	4,890,843,501	–	–	4,890,843,501
Transfer from properties under development upon completion	–	120,607,866	–	–	120,607,866
Disposals	–	(3,885,213)	–	–	(3,885,213)
Write off	–	–	–	(1,052,286)	(1,052,286)
Increase in fair value	<u>450,722,491</u>	<u>3,226,068,145</u>	<u>30,992,092</u>	<u>201,233,964</u>	<u>3,909,016,692</u>
At 30th June, 2008	2,535,992,392	29,401,457,501	250,000,000	682,137,750	32,869,587,643
Exchange realignment	–	–	–	(42,872,248)	(42,872,248)
Additions	300,000	44,849,462	1,751,115	41,118,203	88,018,780
Transfer from long lease to medium-term lease	(960,992,392)	960,992,392	–	–	–
Transfer from properties under development upon completion	362,709,477	3,351,886,390	–	245,197,458	3,959,793,325
Disposals	–	(5,926,661)	–	–	(5,926,661)
Write off	–	(4,760,473)	–	–	(4,760,473)
Increase (decrease) in fair value	<u>5,799,804</u>	<u>793,345,775</u>	<u>(1,751,115)</u>	<u>(103,562,788)</u>	<u>693,831,676</u>
<b>At 30th June, 2009</b>	<b><u>1,943,809,281</u></b>	<b><u>34,541,844,386</u></b>	<b><u>250,000,000</u></b>	<b><u>822,018,375</u></b>	<b><u>37,557,672,042</u></b>

The fair values of the Group's investment properties at 30th June, 2009 and 2008 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 were arrived at by reference to market evidence of recent transaction prices for similar properties and/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs.

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, 2009

**19. HOTEL PROPERTY**

	<b>Hotel property in Singapore held under a long lease</b> <i>HK\$</i>
<b>THE GROUP</b>	
<b>COST</b>	
At 1st July, 2007	910,698,888
Exchange realignment	109,486,694
Additions	2,101,082
Write off	<u>(3,730,838)</u>
At 30th June, 2008	1,018,555,826
Exchange realignment	(69,476,266)
Additions	719,060
Write off	<u>(351,481)</u>
<b>At 30th June, 2009</b>	<b><u>949,447,139</u></b>
<b>DEPRECIATION</b>	
At 1st July, 2007	60,237,390
Exchange realignment	7,827,097
Provided for the year	<u>10,054,804</u>
At 30th June, 2008	78,119,291
Exchange realignment	(5,690,964)
Provided for the year	<u>10,263,579</u>
<b>At 30th June, 2009</b>	<b><u>82,691,906</u></b>
<b>CARRYING AMOUNTS</b>	
<b>At 30th June, 2009</b>	<b><u>866,755,233</u></b>
At 30th June, 2008	<u>940,436,535</u>

The hotel property is depreciated on a straight-line basis over the relevant terms of the lease of 96 years.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 20. PROPERTY, PLANT AND EQUIPMENT

	Computer systems HK\$	Furniture, fixtures and equipment HK\$	Leasehold improvements HK\$	Motor vehicles HK\$	Plant and machinery HK\$	Total HK\$
<b>THE GROUP</b>						
<b>COST</b>						
At 1st July, 2007	47,327,240	104,332,849	28,985,658	14,531,838	9,144,106	204,321,691
Exchange realignment	1,289,037	9,996,452	–	317,164	–	11,602,653
Arising on acquisition of subsidiaries (Note 38a)	7,059	–	–	–	–	7,059
Additions	6,776,453	24,299,406	4,144,851	4,175,013	486,837	39,882,560
Disposals	(975,960)	(9,066,513)	(281,124)	(1,337,187)	(4,492,375)	(16,153,159)
At 30th June, 2008	54,423,829	129,562,194	32,849,385	17,686,828	5,138,568	239,660,804
Exchange realignment	(850,504)	(6,968,189)	(1,118)	(280,852)	–	(8,100,663)
Additions	9,234,838	15,634,519	1,939,761	466,628	541,376	27,817,122
Disposals	(743,234)	(1,962,442)	(55,880)	(543,800)	(22,092)	(3,327,448)
<b>At 30th June, 2009</b>	<b>62,064,929</b>	<b>136,266,082</b>	<b>34,732,148</b>	<b>17,328,804</b>	<b>5,657,852</b>	<b>256,049,815</b>
<b>DEPRECIATION</b>						
At 1st July, 2007	35,206,671	56,175,571	23,139,177	10,345,256	7,310,960	132,177,635
Exchange realignment	1,039,525	6,049,825	2,042	226,453	–	7,317,845
Provided for the year	4,384,059	13,993,237	2,930,272	1,840,332	861,006	24,008,906
Eliminated on disposals	(966,945)	(6,125,837)	(73,205)	(1,256,995)	(4,274,412)	(12,697,394)
At 30th June, 2008	39,663,310	70,092,796	25,998,286	11,155,046	3,897,554	150,806,992
Exchange realignment	(706,022)	(4,345,542)	(238)	(142,243)	–	(5,194,045)
Provided for the year	6,438,780	14,461,578	3,338,401	1,829,648	798,550	26,866,957
Eliminated on disposals	(531,818)	(1,517,361)	(48,429)	(543,800)	(21,740)	(2,663,148)
<b>At 30th June, 2009</b>	<b>44,864,250</b>	<b>78,691,471</b>	<b>29,288,020</b>	<b>12,298,651</b>	<b>4,674,364</b>	<b>169,816,756</b>
<b>CARRYING AMOUNTS</b>						
<b>At 30th June, 2009</b>	<b>17,200,679</b>	<b>57,574,611</b>	<b>5,444,128</b>	<b>5,030,153</b>	<b>983,488</b>	<b>86,233,059</b>
At 30th June, 2008	14,760,519	59,469,398	6,851,099	6,531,782	1,241,014	88,853,812

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**20. PROPERTY, PLANT AND EQUIPMENT (Continued)**

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Computer systems	20%–33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	10%–33 $\frac{1}{3}$ %
Leasehold improvements	20%
Motor vehicles	20%
Plant and machinery	10%–30%

**21. PREPAID LEASE PAYMENTS**

The Group's prepaid lease payments comprise:

Leasehold land outside Hong Kong – long lease	<b>430,213,043</b>	466,982,934
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Analysed for reporting purposes as:

	<b>THE GROUP</b>	
	<b>2009</b>	2008
	<b>HK\$</b>	<b>HK\$</b>
Current assets	<b>4,916,722</b>	5,276,645
Non-current assets	<b>425,296,321</b>	461,706,289
	<b>430,213,043</b>	466,982,934

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

	<b>THE COMPANY</b>	
	<b>2009</b>	2008
	<b>HK\$</b>	<b>HK\$</b>
Investments in subsidiaries:		
Unlisted shares, at cost	<b>219,775,471</b>	205,623,478
Less: impairment losses recognised	<b>(44,950,822)</b>	(44,950,822)
	<b>174,824,649</b>	160,672,656

The advance to a subsidiary is unsecured, bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and has no fixed repayment terms. In the opinion of the Directors, the Company will not demand for repayment within twelve months from the balance sheet date and the advance is therefore shown as non-current.



## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**22. INVESTMENTS IN SUBSIDIARIES/ADVANCE TO A SUBSIDIARY/AMOUNTS DUE FROM SUBSIDIARIES/TO A SUBSIDIARY (Continued)**

The amounts due from subsidiaries/to a subsidiary grouped under current assets/liabilities are unsecured, interest-free and are expected to be repaid within one year/repayable on demand.

Particulars of the Company's principal subsidiaries at 30th June, 2009 and 2008 are set out in Note 46.

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

	THE COMPANY		THE GROUP	
	2009	2008	2009	2008
	HK\$	HK\$	HK\$	HK\$
Interests in associates:				
Unlisted shares, at cost	<b>518,711,342</b>	518,711,342	<b>2,468,770,426</b>	2,531,271,191
Share of post-acquisition profits	–	–	<b>2,852,445,269</b>	3,836,378,584
	<b>518,711,342</b>	518,711,342	<b>5,321,215,695</b>	6,367,649,775

Included in the cost of investment in associates is goodwill of HK\$142,498,716 (2008: HK\$142,498,716) arising on acquisition of associates in prior years.

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 30th June, 2009, out of the Group's advances to associates, HK\$1,376,498,329 (2008: HK\$1,390,702,904) bears interest at effective rate determined based on the Group's cost-of-funds plus a margin per annum and the remaining balance of HK\$10,272,951,187 (2008: HK\$9,076,380,091) is interest-free. The effective interest rate for imputed interest income is determined based on the cost-of-fund plus a margin per annum. In the opinion of the Directors, the Group will not demand for repayment within twelve months from the balance sheet date and the advances are therefore shown as non-current.

The amounts due from associates of the Company and the Group grouped under current assets are unsecured and are expected to be repaid within one year. At 30th June, 2009, out of the Group's amounts due from associates, HK\$142,716,109 (2008: HK\$256,298,961) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$288,255,648 (2008: HK\$677,361,768) is interest-free. The Company's amounts due from associates are unsecured, interest-free and repayable on demand.

The amounts due to associates of the Company and the Group grouped under current liabilities are unsecured, interest-free and repayable on demand.

Particulars of the principal associates at 30th June, 2009 and 2008 are set out in Note 47.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

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

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

	<b>2009</b> <i>HK\$</i>	2008 <i>HK\$</i>
Total assets	<b>86,377,126,533</b>	88,322,850,052
Total liabilities	<b>(67,077,880,605)</b>	(68,163,759,775)
Net assets	<b>19,299,245,928</b>	20,159,090,277
Group's share of net assets of associates	<b>5,178,716,979</b>	6,225,151,059
Turnover	<b>3,708,403,984</b>	5,997,098,719
Profit for the year	<b>158,472,160</b>	3,783,467,778
Group's share of results of associates for the year	<b>(31,476,405)</b>	1,618,445,535

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 2002/03 on a wholly owned subsidiary, Wide Harvest Investment Limited ("WHI"), of the Group's associate, Million Success Limited and for the years of assessment 1994/95 to 2002/03 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\$396,088,000 and HK\$115,399,000 were issued to WHI and MII for the years under review, respectively, and objections were lodged with the IRD by WHI and MII. The IRD agreed to hold over the tax claim subject to the purchase of TRC of approximately HK\$212,061,000 and HK\$18,212,000 respectively, for those years of assessments. These TRC have been purchased by the corresponding companies. During the year ended 30th June, 2008, WHI reached a settlement agreement with the IRD to settle the tax inquiries for the years of assessment 1994/95 to 2002/03. The Group's share of additional tax amounted to approximately HK\$96,442,000 in prior year.

In respect of MII case, the effective share of the additional tax attributable to the Group as at 30th June, 2009 is estimated to be approximately HK\$51,929,000 (2008: HK\$46,359,000). Together with the advice from their tax advisors, management of MII confirmed that it is their intention to vigorously contest the relevant assessments issued by the IRD. The management of MII is of the opinion that the outcome of these assessments/objections cannot presently be estimated. The management is also of the opinion that the payment of the additional taxes is not probable and therefore, no provision for any liabilities has been made by MII.

The Directors of the Company have taken note of the above matters and have made due inquiries. Nothing has come to the attention of the Board of Directors of the Company which indicates that there has been material subsequent development or change in status in respect of the above matters.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**24. AVAILABLE-FOR-SALE INVESTMENTS**

Available-for-sale investments comprise:

	THE COMPANY		THE GROUP	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Listed investments:				
Equity securities listed in				
Hong Kong	<b>555,940,439</b>	667,894,966	<b>605,257,293</b>	1,025,346,738
Singapore	<b>320,850,126</b>	438,226,733	<b>366,106,693</b>	489,890,423
United States of America	–	–	–	67,425,403
	<b>876,790,565</b>	1,106,121,699	<b>971,363,986</b>	1,582,662,564
Unlisted securities:				
Equity securities	<b>19,949,305</b>	19,949,305	<b>30,898,952</b>	30,898,952
Club debenture	<b>300,000</b>	300,000	<b>300,000</b>	300,000
	<b>20,249,305</b>	20,249,305	<b>31,198,952</b>	31,198,952
Total	<b>897,039,870</b>	1,126,371,004	<b>1,002,562,938</b>	1,613,861,516

As at the balance sheet date, all available-for-sale investments are stated at fair value, except for those unlisted equity investments of which their fair values cannot be measured reliably.

The above unlisted investments are investments in unlisted equity securities issued by private entities incorporated in Hong Kong. They are measured at cost less impairment at each balance sheet date 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.

In the current year, the Group disposed of certain listed equity securities with carrying amount of HK\$397,353,860 (2008: HK\$1,349,242,308), which had been carried at fair value before the disposal. A loss on disposal of HK\$25,097,108 (2008: gain on disposal of HK\$272,934,332) has been recognised in profit or loss for the current year. Upon the disposal, the revaluation deficits of HK\$24,921,186 (2008: revaluation surplus of HK\$393,159,892) was released to profit or loss accordingly.

During the year, impairment loss of HK\$190,000,000 (2008: Nil) in respect of the equity securities listed in Hong Kong has been recognised in the consolidated income statement.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**25. TRADING SECURITIES**

Trading securities comprise:

	THE COMPANY		THE GROUP	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Listed investments:				
Equity securities listed in Hong Kong	<b>747,853,394</b>	939,951,337	<b>750,526,394</b>	943,104,337
Equity securities listed elsewhere	<b>125,721</b>	138,148	<b>125,721</b>	138,148
Total	<b>747,979,115</b>	940,089,485	<b>750,652,115</b>	943,242,485

**26. ADVANCES TO INVESTEE COMPANIES**

The advances to investee companies of the Group are unsecured and have no fixed repayment terms. At 30th June, 2009, out of the advances, HK\$18,114,871 (2008: HK\$17,904,819) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$Nil (2008: HK\$125,824) is interest-free. In the opinion of the Directors, the Group will not demand for repayment within twelve months from the balance sheet date and the advances are therefore shown as non-current.

**27. LONG-TERM LOANS RECEIVABLE**

	THE GROUP	
	2009 HK\$	2008 HK\$
Total long-term variable-rate loans receivable	<b>67,476,875</b>	40,302,196
Less: Current portion shown under current assets	<b>(3,936,331)</b>	(3,082,818)
	<b>63,540,544</b>	37,219,378

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.

Included in the carrying amount of loans receivable at 30th June, 2009 is accumulated impairment loss of HK\$12,242,722 (2008: HK\$12,275,562).

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**27. LONG-TERM LOANS RECEIVABLE** *(Continued)*

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

	<b>THE GROUP</b>	
	<b>2009</b>	2008
	<i>HK\$</i>	<i>HK\$</i>
Variable-rate loans receivable:		
Within one year	<b>3,936,331</b>	3,082,818
In more than one year but not more than five years	<b>13,458,692</b>	9,889,262
In more than five years	<b>50,081,852</b>	27,330,116
	<b>67,476,875</b>	40,302,196

The Group's long-term loans receivable are denominated in HKD 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 6 to 20 years (2008: ranging from 7 to 16 years).

Movements in the allowance for doubtful debts

	<b>2009</b>	2008
	<i>HK\$</i>	<i>HK\$</i>
Balance at beginning of the year	<b>12,275,562</b>	12,262,803
Impairment losses recognised	–	12,759
Impairment losses reversed	<b>(32,840)</b>	–
Balance at end of the year	<b>12,242,722</b>	12,275,562

At 30th June, 2009 and 2008, no balance is past due but not impaired. The Group has assessed the creditworthiness, past payment history and substantial settlement after the balance sheet date, 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.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**28. ACCOUNTS AND OTHER RECEIVABLES**

At 30th June, 2009, included in accounts and other receivables of the Group are trade receivables of HK\$903,664,894 (2008: HK\$482,755,164). Trade receivables mainly comprise rental receivables which are billed in advance and settlements are expected upon receipts of billings and properties sales proceeds receivables.

	<b>THE GROUP</b>	
	<b>2009</b>	2008
	<i>HK\$</i>	<i>HK\$</i>
Trade receivables	<b>1,064,784,891</b>	501,008,810
Less: Allowance for doubtful debts	<b>(161,119,997)</b>	(18,253,646)
	<b>903,664,894</b>	482,755,164
Other receivables	<b>577,108,783</b>	446,377,457
	<b>1,480,773,677</b>	929,132,621

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. Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sales and purchase agreements. Rents in respect of leased properties are payable in advance.

The following is an aged analysis of trade receivables net of allowance for doubtful debts at the reporting date:

	<b>2009</b>	2008
	<i>HK\$</i>	<i>HK\$</i>
0 – 30 days	<b>462,683,272</b>	429,458,607
31 – 60 days	<b>396,756,029</b>	17,469,414
61 – 90 days	<b>4,274,869</b>	6,296,745
Over 90 days	<b>39,950,724</b>	29,530,398
	<b>903,664,894</b>	482,755,164

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**28. ACCOUNTS AND OTHER RECEIVABLES** *(Continued)*

Movements in the allowance for doubtful debts

	<b>THE GROUP</b>	
	<b>2009</b>	2008
	<b>HK\$</b>	<b>HK\$</b>
Balance at beginning of the year	<b>18,253,646</b>	14,942,762
Impairment losses recognised on receivables	<b>142,866,351</b>	3,767,191
Amounts written off as uncollectible	–	(456,307)
	<hr/>	<hr/>
Balance at end of the year	<b>161,119,997</b>	18,253,646
	<hr/>	<hr/>
Ageing of trade receivables which are past due but not impaired		
	<b>2009</b>	2008
	<b>HK\$</b>	<b>HK\$</b>
Overdue within 30 days	<b>462,581,482</b>	76,692,397
Overdue between 31 days to 60 days	<b>396,756,029</b>	17,469,414
Overdue between 61 days to 90 days	<b>4,274,869</b>	6,296,745
Overdue more than 90 days	<b>39,950,724</b>	29,530,398
	<hr/>	<hr/>
	<b>903,563,104</b>	129,988,954
	<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 substantial settlement after the balance sheet date, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Trade receivables over 90 days amounting to HK\$39,950,724 (2008: HK\$29,530,398) 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 which are neither overdue nor impaired are in good quality.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**29. RESTRICTED BANK DEPOSITS/TIME DEPOSITS, BANK BALANCES AND CASH**

The restricted bank deposits of the Group represent rental income received from certain properties which have been charged but can be applied for settlement of property expenses, interest payment and principal repayment of the corresponding secured bank loans. The restricted bank deposits and time deposits carry floating interest rates, ranging from 0.0001% to 4.78% (2008: 0.675% to 5.875%) per annum.

**30. ACCOUNTS AND OTHER PAYABLES**

At 30th June, 2009, included in accounts and other payables of the Group are trade payables of HK\$106,833,637 (2008: HK\$560,367,720).

The accounts and other payables of the Group are unsecured and repayable on demand. At 30th June, 2009, out of the payables, HK\$19,920,927 (2008: HK\$26,591,687) bear interest at 7% (2008: 7.25%) per annum and the remaining balance of HK\$4,533,646,947 (2008: HK\$4,040,026,526) is interest-free. The interest bearing payables represent the amount due to a related company, in which Mr. Robert Ng Chee Siong, Director of the Company, holds share interest and directorship of the related company.

Customer's deposits, in relation to the Group's sales of properties, included in other payable, amounted to approximately HK\$1,061,718,000 as at 30th June, 2009 (2008: approximately HK\$1,841,785,000).

The following is an aged analysis of trade payables at the reporting date:

	<b>THE GROUP</b>	
	<b>2009</b>	2008
	<b>HK\$</b>	<b>HK\$</b>
0 – 30 days	<b>72,371,006</b>	202,549,442
31 – 60 days	<b>9,351,768</b>	20,169,066
61 – 90 days	<b>5,490,893</b>	1,952,953
Over 90 days	<b>19,619,970</b>	335,696,259
	<b>106,833,637</b>	560,367,720



## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**31. BANK BORROWINGS**

	<b>THE GROUP</b>	
	<b>2009</b>	2008
	<b>HK\$</b>	<b>HK\$</b>
Short-term bank loans		
Secured	<b>6,541,151,569</b>	3,243,750,000
Unsecured	<b>1,198,662,306</b>	598,625,776
	<b><u>7,739,813,875</u></b>	<u>3,842,375,776</u>
Total short-term bank loans		
Long-term unsecured bank loans		
More than one year but not exceeding two years	–	498,842,806
Long-term secured bank loans		
Within one year	<b>189,564,460</b>	364,384,245
More than one year but not exceeding two years	<b>3,742,148,396</b>	5,729,692,712
More than two years but not exceeding three years	<b>4,638,248,721</b>	3,949,332,217
More than three years but not exceeding four years	<b>1,733,740,811</b>	618,309,309
More than four years but not exceeding five years	–	1,194,740,811
	<b><u>10,303,702,388</u></b>	11,856,459,294
Less: Current portion shown under current liabilities	<b><u>(189,564,460)</u></b>	<u>(364,384,245)</u>
	<b><u>10,114,137,928</u></b>	<u>11,492,075,049</u>
Total banks loans – due after one year	<b><u>10,114,137,928</u></b>	<u>11,990,917,855</u>
Total bank loans	<b><u>18,043,516,263</u></b>	<u>16,197,677,876</u>

The Company does not have any borrowings at the balance sheet date.

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

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 32. SHARE CAPITAL

	2009		2008	
	Number of ordinary shares of HK\$1.00 each	Nominal value HK\$	Number of ordinary shares of HK\$1.00 each	Nominal value HK\$
Authorised:				
At 1st July and at 30th June	<u>6,000,000,000</u>	<u>6,000,000,000</u>	<u>6,000,000,000</u>	<u>6,000,000,000</u>
Issued and fully paid:				
At 1st July	4,878,702,770	4,878,702,770	4,610,386,667	4,610,386,667
Issue of shares in lieu of cash dividends	39,782,768	39,782,768	69,050,103	69,050,103
Cancellation upon repurchase of own shares	(79,016,000)	(79,016,000)	(20,734,000)	(20,734,000)
Issue of shares by placement	—	—	220,000,000	220,000,000
At 30th June	<u>4,839,469,538</u>	<u>4,839,469,538</u>	<u>4,878,702,770</u>	<u>4,878,702,770</u>

During the year, 79,016,000 (2008: 20,734,000) ordinary shares repurchased on the Stock Exchange were cancelled. The nominal value of HK\$79,016,000 (2008: HK\$20,734,000) of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$673,755,737 (2008: HK\$387,498,312) was paid out from the Company's retained profits.

On 11th December, 2008 and 14th May, 2009, the Company issued and allotted a total of 1,917,421 ordinary shares and 37,865,347 ordinary shares of HK\$1.00 each at an issue price of HK\$6.728 and HK\$9.658 per share, respectively, in lieu of cash for the 2008 final and 2009 interim dividends.

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, 2009

## 33. SHARE PREMIUM AND RESERVES

	Share premium <i>HK\$</i>	Investment revaluation reserve <i>HK\$</i>	Capital redemption reserve <i>HK\$</i>	Retained profits <i>HK\$</i>	Total <i>HK\$</i>
<b>THE COMPANY</b>					
At 1st July, 2007	15,299,377,551	397,404,849	367,958,000	13,080,327,336	29,145,067,736
Loss on fair value changes of available-for-sale investments	–	(17,569,434)	–	–	(17,569,434)
Profit for the year	–	–	–	3,733,948,878	3,733,948,878
Total recognised (expenses) income for the year	–	(17,569,434)	–	3,733,948,878	3,716,379,444
Premium on issue of shares by placement	4,085,400,000	–	–	–	4,085,400,000
Premium on issue of shares upon scrip dividends	1,537,692,047	–	–	–	1,537,692,047
Shares issue expenses	(90,972,639)	–	–	–	(90,972,639)
Cancellation upon repurchase of own shares	–	–	20,734,000	(387,498,312)	(366,764,312)
Final dividend – 2007	–	–	–	(1,443,681,200)	(1,443,681,200)
Interim dividend – 2008	–	–	–	(485,741,070)	(485,741,070)
At 30th June, 2008	20,831,496,959	379,835,415	388,692,000	14,497,355,632	36,097,380,006
Loss on fair value changes of available-for-sale investments	–	(292,499,704)	–	–	(292,499,704)
Impairment loss on available-for-sale investments transfer to income statement	–	97,000,000	–	–	97,000,000
Profit for the year	–	–	–	408,326,047	408,326,047
Total recognised (expenses) income for the year	–	(195,499,704)	–	408,326,047	212,826,343
Premium on issue of shares upon scrip dividends	338,821,174	–	–	–	338,821,174
Shares issue expenses	(40,983)	–	–	–	(40,983)
Cancellation upon repurchase of own shares	–	–	79,016,000	(673,755,737)	(594,739,737)
Final dividend – 2008	–	–	–	(1,449,941,031)	(1,449,941,031)
Interim dividend – 2009	–	–	–	(481,103,219)	(481,103,219)
<b>At 30th June, 2009</b>	<b>21,170,277,150</b>	<b>184,335,711</b>	<b>467,708,000</b>	<b>12,300,881,692</b>	<b>34,123,202,553</b>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**34. DEFERRED TAXATION**

The following are the major deferred tax 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, 2007	230,447,776	2,090,357,452	–	(79,543,180)	613,698	2,241,875,746
Exchange realignment	–	–	–	–	9,446,831	9,446,831
Acquisition of subsidiaries (Note 38a)	39,747,559	–	–	–	–	39,747,559
Charged (credited) to income for the year	103,276,733	652,318,853	18,156,344	(102,334,072)	(10,450,811)	660,967,047
Effect of change in tax rate	(11,328,850)	(117,658,803)	–	4,545,325	(35,068)	(124,477,396)
At 30th June, 2008	362,143,218	2,625,017,502	18,156,344	(177,331,927)	(425,350)	2,827,559,787
Exchange realignment	–	–	(11,889)	–	(6,641,989)	(6,653,878)
Charged (credited) to income for the year	20,705,678	93,075,341	(7,492,388)	34,488,881	6,561,929	147,339,441
Settlement on withholding tax	–	–	(8,615,802)	–	–	(8,615,802)
<b>At 30th June, 2009</b>	<b>382,848,896</b>	<b>2,718,092,843</b>	<b>2,036,265</b>	<b>(142,843,046)</b>	<b>(505,410)</b>	<b>2,959,629,548</b>

For the purpose of balance sheet presentation, the deferred tax assets and liabilities have been offset.

At 30th June, 2009, the Group had unused tax losses of HK\$2,082,641,931 (2008: HK\$2,279,383,489) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$865,715,430 (2008: HK\$1,074,738,952) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$1,216,926,501 (2008: HK\$1,204,644,537) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 30th June, 2009, the Group had deductible temporary differences of HK\$2,043,116,079 (2008: HK\$2,324,578,448). No deferred tax 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 balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was HK\$213,612,692 (2008: HK\$185,848,052). 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, 2009

**35. ADVANCES FROM ASSOCIATES**

The advances from associates of the Group are unsecured and have no fixed repayment terms but are not repayable within twelve months from the balance sheet date. At 30th June, 2009, HK\$526,237,857 (2008: HK\$480,518,041) of the advances bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$1,540,950,497 (2008: HK\$1,510,345,490) is interest-free. The effective interest rate for imputed interest expense is determined based on the cost-of-funds plus a margin per annum.

**36. ADVANCES FROM MINORITY SHAREHOLDERS**

The advances from minority shareholders of the Group are unsecured, bear interest at effective rate determined based on the cost-of-funds plus a margin per annum and have no fixed repayment terms. The minority shareholders agreed not to demand repayment within the next twelve months from the balance sheet date and the advances are therefore shown as non-current.

**37. JOINTLY CONTROLLED OPERATIONS**

The Group has entered into joint venture agreements ("Agreements") in the form of jointly controlled operations to jointly develop residential/commercial projects in Hong Kong. Under the Agreements, the Group is responsible for the development of the projects.

At 30th June, 2009 and 2008, 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:

	<b>2009</b>	2008
	<i>HK\$</i>	<i>HK\$</i>
Assets	<b><u>21,711,910,845</u></b>	<u>22,501,834,861</u>
Liabilities	<b><u>8,914,394,375</u></b>	<u>8,802,621,086</u>
Income	<b><u>6,498,568,009</u></b>	<u>3,427,719,900</u>
Expense	<b><u>4,133,559,017</u></b>	<u>1,076,341,314</u>

**38. ACQUISITION OF SUBSIDIARIES****(a) Acquisition of assets and liabilities through purchase of subsidiaries**

During the year ended 30th June, 2008, the Group acquired additional 57.5% and 70% equity interest of Benefit Bright (B.V.I.) Limited and Harvest Sun (B.V.I.) Limited respectively, for a total consideration of HK\$2,399,007,743. These companies hold investment properties. Prior to the acquisition, the Group held 42.5% interest in Benefit Bright (B.V.I.) Limited, 30% interest in Harvest Sun (B.V.I.) Limited and these 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, 2009

**38. ACQUISITION OF SUBSIDIARIES (Continued)****(a) Acquisition of assets and liabilities through purchase of subsidiaries (Continued)**

The net assets acquired in the transaction are as follows:

	<b>Benefit Bright (B.V.I.) Limited</b>	<b>Harvest Sun (B.V.I.) Limited</b>	<b>Total</b>
	<b>Acquiree's carrying amount before combination and fair value</b>	<b>Acquiree's carrying amount before combination and fair value</b>	<b>HK\$</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Net assets acquired:			
Investment properties	4,402,797,500	488,046,001	4,890,843,501
Property, plant and equipment	–	7,059	7,059
Mortgage loans receivable	–	1,320,975	1,320,975
Stock of unsold properties	161,700,000	15,420,000	177,120,000
Accounts and other receivables	47,863,804	10,920,604	58,784,408
Bank balances	130,241,742	121,670,039	251,911,781
Accounts and other payables	(50,822,387)	(98,881,661)	(149,704,048)
Unsecured loans payable	(5,404,914,222)	–	(5,404,914,222)
Taxation payable	–	(32,775)	(32,775)
Deferred taxation	(24,816,243)	(14,931,316)	(39,747,559)
	(737,949,806)	523,538,926	(214,410,880)
Assignment of unsecured loans payable	3,107,771,227	–	3,107,771,227
			2,893,360,347
Interests in associates held prior to the acquisition	(284,188,055)	(210,164,549)	(494,352,604)
	<u>2,085,633,366</u>	<u>313,374,377</u>	<u>2,399,007,743</u>
Total cash consideration paid for acquisition of assets and liabilities through purchase of subsidiaries			<u>2,399,007,743</u>
Net cash outflow arising on acquisition:			
Cash consideration paid			(2,399,007,743)
Bank balances acquired			<u>251,911,781</u>
			<u>(2,147,095,962)</u>

The companies acquired contributed HK\$994,692,829 to the Group's profit for the period between the date of acquisition and the balance sheet date at 30th June, 2008.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**38. ACQUISITION OF SUBSIDIARIES (Continued)****(b) Acquisition of businesses**

During the year ended 30th June, 2008, the Group acquired 50% and 57.5% of the issued share capital of Olympian City 2 Finance Company Limited and Olympian City 2 Management Company Limited respectively, for a total consideration of HK\$5,382,016. Prior to the acquisition, the Group held 50% interest in Olympian City 2 Finance Company Limited, 42.5% interest in Olympian City 2 Management Company Limited and these have been accounted for as interests in associates. These companies then became subsidiaries subsequent to the acquisition. The acquisition of Olympian City 2 Finance Company Limited and Olympian City 2 Management Company Limited has been accounted for using the purchase method.

The net assets acquired in the transaction are as follows:

	<b>Olympian City 2 Finance Company Limited</b>	<b>Olympian City 2 Management Company Limited</b>	<b>Total</b>
	<b>Acquiree's carrying amount before combination and fair value</b>	<b>Acquiree's carrying amount before combination and fair value</b>	<b>HK\$</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Net assets acquired:			
Mortgage loans receivable	3,243,331	–	3,243,331
Accounts and other receivables	6,849,649	–	6,849,649
Bank balances	777,420	52,121,779	52,899,199
Accounts and other payables	(119,006)	(52,109,922)	(52,228,928)
Unsecured loans payable	(14,334,149)	–	(14,334,149)
Taxation payable	–	(648)	(648)
	<u>(3,582,755)</u>	11,209	<u>(3,571,546)</u>
Assignment of unsecured loans payable	7,167,296	–	<u>7,167,296</u>
			3,595,750
Interests in associates held prior to the acquisition	<u>1,791,030</u>	<u>(4,764)</u>	<u>1,786,266</u>
	<u>5,375,571</u>	<u>6,445</u>	<u>5,382,016</u>
Total cash consideration paid for acquisition of business			<u>5,382,016</u>
Net cash inflow arising on acquisition:			
Cash consideration paid			(5,382,016)
Bank balances acquired			<u>52,899,199</u>
			<u>47,517,183</u>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**38. ACQUISITION OF SUBSIDIARIES (Continued)****(b) Acquisition of businesses (Continued)**

The companies acquired contributed HK\$1,202 to the Group's profit for the period between the date of acquisition and the balance sheet date at 30th June, 2008.

If the acquisition had been completed on 1st July, 2007, total group revenue for the year ended 30th June, 2008 would have been HK\$6,251,491,208, and profit for the year ended 30th June, 2008 would have been HK\$7,720,996,255, as restated. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st July, 2007, nor is it intended to be a projection of future results.

**39. MAJOR NON-CASH TRANSACTIONS**

On 11st December, 2008 and 14th May, 2009, the Company issued and allotted a total of 1,917,421 (2008: 46,266,032) ordinary shares and 37,865,347 (2008: 22,784,071) ordinary shares of HK\$1.00 at HK\$6.728 (2008: HK\$25.87) and HK\$9.658 (2008: HK\$17.988) per share, respectively, in the Company in lieu of cash for the 2008 final and 2009 interim dividends (2008: 2007 final and 2008 interim dividends).

**40. PLEDGE OF ASSETS**

(a) At 30th June, 2009, the aggregate facilities of bank loans amounting to approximately HK\$18,995,755,000 (2008: HK\$20,233,413,000) were secured by certain of the Group's properties, restricted bank deposits and floating charges on bank balances, amounting to a total of HK\$45,899,792,579 (2008: HK\$49,848,006,159). At that date, the facilities were utilised to the extent of approximately HK\$16,888,808,000 (2008: HK\$15,130,473,000).

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

	<b>2009</b>	2008
	<b>HK\$</b>	HK\$
Investment properties	<b>25,594,058,275</b>	32,202,496,824
Property, plant and equipment	<b>666,837</b>	525,702
Properties under development	<b>18,109,155,455</b>	16,255,016,367
Stocks of unsold properties	<b>626,473,450</b>	1,062,648,005
Accounts and other receivables	<b>15,534,709</b>	9,790,533
Pledged bank balances	<b>1,351,917,434</b>	286,470,794
Others	<b>201,986,419</b>	31,057,934
	<b>45,899,792,579</b>	49,848,006,159



## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**40. PLEDGE OF ASSETS (Continued)**

- (b) At 30th June, 2009, investments in and advances to certain associates amounting to approximately HK\$5,862,035,000 (2008: HK\$6,164,802,000), in addition to certain assets pledged by the associates, were pledged to or assigned to secure loan facilities made available by banks or financial institutions to such associates. The Group's attributable portion of these facilities amounted to HK\$10,313,300,000 (2008: HK\$10,415,450,000), of which HK\$7,233,300,000 (2008: HK\$7,191,850,000) was utilised by the associates and guaranteed by the Company.

**41. COMMITMENTS AND CONTINGENT LIABILITIES**

- (a) Other than as disclosed in Note 15, at the balance sheet date, the Company and the Group had commitments and contingent liabilities as follows:

	THE COMPANY		THE GROUP	
	2009	2008	2009	2008
	HK\$	HK\$	HK\$	HK\$
(i) Commitments in respect of land premium payable	-	-	-	835,100,000
(ii) Guarantees in respect of banking facilities of:				
Subsidiaries				
– Utilised	17,718,908,000	15,843,173,000	-	-
– Unutilised	2,526,947,000	5,686,940,000	-	-
	<u>20,245,855,000</u>	<u>21,530,113,000</u>	<u>-</u>	<u>-</u>
Associates				
– Utilised	7,233,300,000	7,191,850,000	7,233,300,000	7,191,850,000
– Unutilised	3,080,000,000	3,223,600,000	3,080,000,000	3,223,600,000
	<u>10,313,300,000</u>	<u>10,415,450,000</u>	<u>10,313,300,000</u>	<u>10,415,450,000</u>

As at 30th June, 2009, the Company issued corporate financial guarantees to banks in respect of banking facilities granted to associates. At the balance sheet date, an amount of HK\$16,445,575 (2008: HK\$16,988,097) has been recognised in the consolidated balance sheet as liabilities.

As at 30th June, 2009, the Company issued corporate financial guarantees to banks in respect of banking facilities granted to subsidiaries and associates. At the balance sheet date, an amount of HK\$124,687,000 (2008: Nil) and HK\$16,445,575 (2008: HK\$16,988,097), respectively, has been recognised in the Company balance sheet as liabilities.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**41. COMMITMENTS AND CONTINGENT LIABILITIES** (Continued)

(b) At the balance sheet date, share of commitments and contingent liabilities of associates are as follows:

	THE COMPANY		THE GROUP	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
(i) Share of commitments in respect of land premium payable	-	-	<b>931,116,625</b>	1,290,211,250
(ii) Share of contingent liabilities (Note 23)	-	-	<b>51,929,000</b>	46,359,000

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

Property rental income earned during the year, net of outgoings of HK\$280,410,519 (2008: HK\$234,092,718), was HK\$1,498,727,311 (2008: HK\$1,203,442,459). Most of the properties held have committed tenants with rental fixed for an average term of two years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments, which fall due:

	2009 HK\$	2008 HK\$
Within one year	<b>1,232,359,602</b>	1,362,839,101
In the second to fifth year inclusive	<b>1,281,916,996</b>	1,619,686,705
After five years	<b>33,343,259</b>	21,051,170
	<b>2,547,619,857</b>	3,003,576,976

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

**42. OPERATING LEASE ARRANGEMENTS** *(Continued)***The Group as lessee**

Minimum lease payments paid under operating leases during the year was HK\$47,323,831 (2008: HK\$46,051,786).

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>2009</b> <i>HK\$</i>	2008 <i>HK\$</i>
Within one year	<b>33,476,845</b>	23,762,768
In the second to fifth year inclusive	<b>14,249,521</b>	6,590,852
	<b>47,726,366</b>	30,353,620

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.

The Company did not have any significant commitments either as a lessor or a lessee at the balance sheet date.

**43. RETIREMENT BENEFIT SCHEME**

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The Group is also required to make contributions to state pension scheme, the Central Provident Fund, based on certain percentages of the monthly salaries of the employees of the Company's subsidiaries operating in Singapore. The Group has no other obligations under this state pension scheme other than the contribution payments.

**44. POST BALANCE SHEET EVENT**

Subsequent to the year end, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement to purchase a company, which holds a property in Wan Chai for investment purpose, at a consideration of approximately HK\$585,000,000. The transaction will be completed in October 2009.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**45. RELATED PARTY DISCLOSURES**

The Group had the following transactions with related parties:

**(a) Related companies**

	2009 HK\$	2008 HK\$
Service fee received therefrom (Note i)	121,961,295	117,313,286
Rental paid thereto (Note i)	47,366,409	46,051,786
Consultancy fee paid thereto (Note ii)	<u>1,666,664</u>	<u>1,666,664</u>

Note i: Mr. Robert Ng Chee Siong, Director of the Company, was interested in these transactions as he holds share interests and directorships of the related companies.

Note ii: The consultancy fee was paid to Ronald Arculli & Associates, of which The Honourable Ronald Joseph Arculli, GBS, CVO, OBE, JP, Non-Executive Director of the Company, was interested in this transaction as a sole proprietor.

**(b) Associates**

	2009 HK\$	2008 HK\$
Service fees paid thereto	14,470,022	12,285,907
Management fees received therefrom	23,522,625	21,535,260
Interest income received therefrom	38,579,619	42,333,425
Interest expenses paid thereto	9,594,265	18,733,689
Imputed interest income on non-current interest-free advances to associates	88,801,853	189,303,393
Imputed interest expense on non-current interest-free advances from associates	<u>57,153,890</u>	<u>67,281,109</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 53 to 60 in the Directors' report.

Details of the outstanding balances with subsidiaries, associates, a related company and minority shareholders at the balance sheet date are set out in the balance sheet and in Notes 22, 23, 30, 35 and 36.

In addition, as set out in Notes 40 and 41, the Company and the Group have granted guarantees and pledged certain assets to banks and financial institutions for facilities granted to the group entities and associates.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

**45. RELATED PARTY DISCLOSURES (Continued)****Compensation of key management personnel**

The remuneration of Directors during the year was as follows:

	<b>2009</b>	2008
	<b>HK\$</b>	HK\$
Short-term benefits	<b>25,531,471</b>	23,634,047
Retirement benefit scheme contributions	<b>144,000</b>	108,000
	<b>25,675,471</b>	23,742,047

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

**46. 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, 2009 and 2008 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
				2009 %	2008 %	
<b>Direct:</b>						
Best Result Cleaning Services Limited	Hong Kong	Ordinary	HK\$2	100	100	Cleaning services
Fu King Investment Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Investment holding
Glorypark Limited	Hong Kong	Ordinary	HK\$1,000	100	100	Property investment
Hong Kong Elite Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<b>Direct:</b> (Continued)						
King Chance Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Landscape Investment Limited	Hong Kong/ The People's Republic of China, other than Hong Kong ("PRC")	Ordinary	HK\$2	100	100	Property development
Prime Reward Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Serenity Park Building Management Limited	Hong Kong	Ordinary	HK\$10	100	100	Building management
Sharp Rise Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Sing-Ho Finance Company Limited	Hong Kong	Ordinary	HK\$30,000,000	100	100	Financing
Sino Administration Services Limited	Hong Kong	Ordinary	HK\$3	100	100	Administration services
Sino Estates Management Limited	Hong Kong	Ordinary	HK\$5,500,000	100	100	Building management
Sino Estates Services Limited	Hong Kong	Ordinary	HK\$20	100	100	Building management
Sino Land (Fuzhou) Co., Ltd. (Note i)	PRC	Registered	HK\$50,000,000	100	100	Property development

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Direct: (Continued)</i>						
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
<i>Indirect:</i>						
Ackerley Estates Limited	Hong Kong	Ordinary	HK\$20,000,000	100	100	Property investment
Active Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Advance Profit Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Alfaso Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Allways Success Finance Limited	Hong Kong	Ordinary	HK\$10	100	100	Mortgage loan financing
Ample Way Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Apex Speed Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Beauty Plaza Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Benefit Bright Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Best Origin Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
Bestone Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Century Profit Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Cheer Result Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Champion Rise Limited	Hong Kong	Ordinary	HK\$2	100	N/A	Property investment
Champion Top Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Citywalk Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Building management
Dragon (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
e.Sino Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Elegant Lane Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Entertainment City Limited	Hong Kong	Ordinary	HK\$4,500,000	100	100	Property investment
Ever Champion Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Falcon City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment



## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
Famous General Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Famous Palace Properties Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Far Gain Limited	Hong Kong	Ordinary	HK\$10,000	100	100	Property investment
Firm Wise Investment Limited	Hong Kong	Ordinary	HK\$10	70	70	Property investment
Forlink Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Fortune Garden Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	100	100	Share investment
Free Champion Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Full Fair Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Fullerton Hotels & Resorts Pte. Ltd.	Singapore	Ordinary	S\$10,000	100	100	Management services
Fung Yuen Construction Company Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Building construction
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

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
Golden Leaf Investment Limited	Hong Kong	Ordinary	HK\$20,000	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
Grandeal Limited	Hong Kong/PRC	Ordinary	HK\$2	100	100	Property trading
Great Land (HK) Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Property trading and investment
Handsome Lift Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Hang Hau Station (Project Management) Limited	Hong Kong	Ordinary	HK\$2	60	60	Project management
Harvest Sun Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Harvestrade Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
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
Jade Pine Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Jade Queen Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jet Rise Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
King Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Kingdom Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Kingsfield International Investments Limited	Hong Kong	Ordinary	HK\$1	100	N/A	Property investment
Land Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
Lucky Fortress Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	100	100	Share investment
Mackey Limited	Hong Kong	Ordinary	HK\$100	100	100	Property trading
Mander Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Share investment
Mega Sino Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	N/A	Investment holding
Morbest Profits Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Share investment
Multipurpose Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment
Nice Scene International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Ocean Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Ocean Treasure (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Octerworth Enterprises Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
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 Harvest International Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Parason Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Share investment
Peace Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Perfect Sun Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Precious Land Pte. Limited	Singapore	Ordinary	S\$2	100	100	Property investment
Precious Quay Pte. Ltd.	Singapore	Ordinary	S\$10,000	100	100	Property investment and development
Precious Treasure Pte Ltd	Singapore	Ordinary	S\$20,000,000	100	100	Hotel operation and property investment

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
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
Profit Land Limited	Hong Kong	Ordinary	HK\$2	100	100	Decoration services provider
Rainbow City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Rankchief Company Limited	Hong Kong	Ordinary	HK\$200	100	100	Property trading
Real Maker Development Limited	Hong Kong	Ordinary	HK\$200,000	90	90	Property investment
Regent Profit Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Region One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Residence Oasis Finance Company Limited	Hong Kong	Ordinary	HK\$2	60	60	Mortgage loan financing

Notes to the Consolidated Financial Statements *(Continued)*

For the year ended 30th June, 2009

46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
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	N/A	Mortgage loan financing
Richtune Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Share investment
Rickson Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Roystar Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Ruddiman Trading Company Limited	Hong Kong	Ordinary	HK\$100,000	100	100	Investment holding
Saky Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Shine Harvest International Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Sidak Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
Silver Palm Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Silver Target Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Sincere Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
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 trading and investment
Sino Land (Zhangzhou) Company Limited (Note i)	PRC	Registered	HK\$94,150,000	100	100	Property development
Sino Land Investment (Holdings) Ltd.	Cayman Islands/ Hong Kong	Ordinary	US\$6,000,000	100	100	Investment holding
Standard Union Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Share investment
Success One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Success United Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Sunny Force Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
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



## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
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
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 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 Treasure Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Union Vision Limited	Hong Kong	Ordinary	HK\$2	100	N/A	Property investment
Vasilon Pte Ltd	Singapore	Ordinary	S\$2	100	100	Investment holding
Weiland Development Company Limited	Hong Kong	Ordinary	HK\$33,140,000	100	100	Property investment
Well Growth International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 46. 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
				2009 %	2008 %	
<i>Indirect: (Continued)</i>						
Wendia Limited	Hong Kong	Ordinary	HK\$20	100	100	Property investment
Will Glory Company (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Win Harvest (HK) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Winchamp Limited	Hong Kong	Ordinary	HK\$2	100	N/A	Property investment
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\$3,122,000,000	100	100	Property development
成都信和佳景房地產開發有限公司 (Note i)	PRC	Registered	HK\$700,000,000	100	100	Property development
成都信和萬景房地產開發有限公司 (Note i)	PRC	Registered	HK\$700,000,000	100	100	Property development

## Notes:

- (i) Wholly foreign owned enterprises established in the PRC.
- (ii) None of the subsidiaries had issued any debt securities at 30th June, 2009 and 2008.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 47. 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, 2009 and 2008 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
			2009		2008 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 development
Better Chief Limited	Hong Kong	Ordinary	50	–	50	50	Property investment
Beverhill Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Boatswain Enterprises Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Brisbane Trading Company Limited	Hong Kong	Ordinary and non-voting deferred	–	50	50	50	Property trading
Century Rise Limited	Hong Kong	Ordinary	–	50	50	50	Property development
Cheer City Properties Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Chongqing Champion Globe Company Limited	PRC	Registered	–	50	50	50	Property development
Chongqing Champion King Company Limited	PRC	Registered	–	50	50	50	Property development

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 47. 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
			2009		2008 Total %		
			Directly %	Indirectly %		Total %	
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
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

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 47. 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
			2009		2008 Total	2008 Total	
			Directly %	Indirectly %			
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
Grand Rise Investments Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Grand Site Development Limited	Hong Kong	Ordinary	–	50	50	N/A	Property development
Greenroll Limited	Hong Kong	Ordinary	–	30	30	30	Hotel operation
Hue Qing Holdings Pte Ltd	Singapore	Ordinary	–	23.5	23.5	23.5	Investment holding
Island Resort Estate Management Company Limited	Hong Kong	Ordinary	–	40	40	40	Building management
Jet Fames (Hong Kong) Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Lead Bright Finance Limited	Hong Kong	Ordinary	–	20	20	20	Mortgage loan financing
Lead Bright Limited	Hong Kong	Ordinary	–	20	20	20	Property trading
Million Success Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
More Treasure Company Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
Murdoch Investments Inc.	Republic of Panama/ Hong Kong	Ordinary	–	45	45	45	Property investment
Nimble Limited	British Virgin Islands/ Hong Kong	Ordinary	–	45	45	45	Investment holding
Pacific Bond Limited	Hong Kong	Ordinary	–	35	35	35	Property development

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30th June, 2009

## 47. 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
			2009		2008 Total %		
			Directly %	Indirectly %		Total %	
Prime Force Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Pui Hay Enterprises Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Rich Century Investment Limited	Hong Kong	Ordinary	50	–	50	50	Property investment
Silver Link Investment Limited	Hong Kong	Ordinary	–	40	40	40	Property trading and investment
Sino Parking Services Limited	Hong Kong	Ordinary	50	–	50	50	Carpark operation
Sino Real Estate Agency Limited	Hong Kong	Ordinary	50	–	50	50	Real estate agency
Tat Lee Construction Company Limited	Hong Kong	Ordinary	25	–	25	25	Building construction
Teamer International Limited	Hong Kong	Ordinary	–	35	35	35	Property development
Union King (Hong Kong) Limited	Hong Kong	Ordinary	–	45	45	45	Property development
Victory World Limited	Hong Kong	Ordinary	–	50	50	50	Property trading and investment
Wide Harvest Investment Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
Win Chanford Enterprises Limited	Hong Kong	Ordinary	5	45	50	50	Property investment
Wisekey Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	–	50	50	50	Investment holding
深圳中海信和地產開發有限公司	PRC	Registered	–	50	50	50	Property trading
中海信和(成都)物業發展有限公司	PRC	Registered	–	20	20	20	Property development and trading

## DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

In accordance with Rule 13.22 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies as at the end of the most recent financial period. This information has been extracted from the relevant audited financial statements of the affiliated companies.

	<b>At 30th June, 2009 HK\$</b>	At 30th June, 2008 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	<b>8,113,068,694</b>	8,171,329,718
Advances from the Group	<b>12,291,766,209</b>	11,744,542,777
	<b><u>20,404,834,903</u></b>	<u>19,915,872,495</u>
The Group's share of commitments of land premium payable of its affiliated companies	<b><u>931,116,625</u></b>	<u>1,290,211,250</u>
The Group's share of contingent liabilities of its affiliated companies	<b><u>51,929,000</u></b>	<u>46,359,000</u>

Note: "Affiliated companies" mentioned above refers to associates of the Group.

# MAJOR PROPERTIES HELD BY THE GROUP

Dated at 30th June, 2009

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
<b>Properties for investment/own use</b>							
<b>HONG KONG</b>							
1. No. 1 Chatham Path Mid-levels, Hong Kong	2072	100.0%	–	7,800	R	Completed	Existing
2. 15 Shek O Headland, Hong Kong	2047	100.0%	2,970	2,228	R	Completed	Existing
3. 20-24 Staunton Street Central, Hong Kong	2844	100.0%	3,313	22,098 8,283 <u>30,381</u>	R C	Completed	Existing
4. 148 Electric Road North Point, Hong Kong	2047	100.0%	13,160	197,400	C	Completed	Existing
5. Bayview Park 3 Hong Man Street, Chai Wan, Hong Kong	2047	100.0%	17,122	82,260	R	Completed	Existing
6. Central Plaza 18 Harbour Road, Wan Chai, Hong Kong	2047	10.0%	77,824	140,000	C	Completed	Existing
7. The Centrium 60 Wyndham Street, Central, Hong Kong	2047	70.0%	17,061	179,138	C	Completed	Existing



## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties for investment/own use</b>							
<b>HONG KONG</b>							
8. Conrad Hong Kong Pacific Place, 88 Queensway, Hong Kong	2047	30.0%	–	165,506	H	Completed	Existing
9. Harbour Centre Harbour Road & Fleming Road, Hong Kong	2128	16.7%	32,626	40,167	C	Completed	Existing
10. The Hennessy 256 Hennessy Road, Wan Chai, Hong Kong	2127	100.0%	4,791	71,862	C	Completed	Existing
11. Hollywood Centre 233 Hollywood Road, Hong Kong	2128	50.0%	6,706	47,705	C	Completed	Existing
12. Island Resort Mall 28 Siu Sai Wan Road, Chai Wan, Hong Kong	2047	40.0%	275,470	75,676 53,602* <u>129,278</u>	C P	Completed	Existing
* 480 carparks							
13. Marina House 68 Hing Man Street, Shau Kei Wan, Hong Kong	2047	100.0%	7,818	119,298	C	Completed	Existing
14. One Capital Place 18 Luard Road, Wan Chai, Hong Kong	2127	100.0%	5,315	73,443	C	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties for investment/own use</b>							
<b>HONG KONG</b>							
15. Pacific Palisades 1 Braemar Hill Road, Hong Kong	2047	20.0%	165,550	93,550	R	Completed	Existing
16. Pacific Plaza 418 Des Voeux Road West, Hong Kong	2860	100.0%	9,450	164,460	C	Completed	Existing
17. 25/F United Centre Queensway, Hong Kong	2128	50.0%	–	10,225	C	Completed	Existing
<b>KOWLOON</b>							
18. No. 1 Hung To Road Kwun Tong, Kowloon	2047	33.3%	60,970	179,404	I	Completed	Existing
19. No.12,14,16 & 18 Hau Wong Road, Kowloon City, Kowloon	2047	100.0%	3,967	27,206 8,497 <u>35,703</u>	R C	Completed	Existing
20. The Astrid 180 Argyle Street, Kowloon	2047	100.0%	61,118	17,467	R	Completed	Existing
21. Cameron Plaza 23 Cameron Road, Tsim Sha Tsui, Kowloon	2038	100.0%	5,413	65,550	C	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties for investment/own use</b>							
<b>KOWLOON</b>							
22. China Hong Kong City 33 Canton Road, Tsim Sha Tsui, Kowloon	2135	25.0%	165,334	359,433	C	Completed	Existing
23. Corporation Square 8 Lam Lok Street, Kowloon Bay, Kowloon	2047	100.0%	21,745	155,910	I	Completed	Existing
24. Exchange Tower 33 Wang Chiu Road, Kowloon Bay, Kowloon	2055	100.0%	50,752	609,027	C	Completed	Existing
25. Fullerton Centre 19 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,394	114,334	I	Completed	Existing
26. Futura Plaza 111-113 How Ming Street, Kwun Tong, Kowloon	2047	100.0%	18,783	225,396	C	Completed	Existing
27. Hong Kong Pacific Centre 28 Hankow Road, Tsim Sha Tsui, Kowloon	2039	100.0%	18,028	232,606	C	Completed	Existing
28. Kent Court 137 Boundary Street, Kowloon	2047	100.0%	–	3,072	R	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties for investment/own use</b>							
<b>KOWLOON</b>							
29. Kwun Tong Harbour Plaza 182 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	31,018	156,770 198,758* <u>355,528</u>	C P	Completed	Existing
* 474 carparks							
30. Kwun Tong Plaza 68 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	25,995	941 192,694* <u>193,635</u>	C P	Completed	Existing
* 366 carparks							
31. Olympian City 1 Shopping Mall, 11 Hoi Fai Road, MTR Olympic Station, Kowloon	2047	Joint Venture	712,614	139,931 <sup>†</sup>	C	Completed	Existing
32. Olympian City 2 Shopping Mall, 18 Hoi Ting Road, MTR Olympic Station, Kowloon	2047	Joint Venture	708,577	511,287 <sup>†</sup>	C	Completed	Existing
33. Omega Plaza 32 Dundas Street, Kowloon	2047	100.0%	5,385	80,775	C	Completed	Existing
34. One Madison 305 Castle Peak Road, Kowloon	2047	100.0%	7,200	12,800	C	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties for investment/own use</b>							
<b>KOWLOON</b>							
35. One New York 468 Castle Peak Road, Kowloon	2047	100.0%	6,448	9,621	C	Completed	Existing
36. One SilverSea 18 Hoi Fai Road, Kowloon	2052	100.0%	112,484	112,483	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, 2009

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
<b>Properties for investment/own use</b>							
<b>KOWLOON</b>							
42. Vista 188 Fuk Wa Street, Sham Shui Po, Kowloon	2054	Joint Venture	14,895	22,335 <sup>†</sup>	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
<b>NEW TERRITORIES</b>							
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 <sup>†</sup>	C	Completed	Existing
47. Citywalk 2 18 Yeung Uk Road, Tsuen Wan, New Territories	2054	Joint Venture	77,823	191,568 <sup>†</sup>	C	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties for investment/own use</b>							
<b>NEW TERRITORIES</b>							
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. Mansfield Industrial Centre 19 Hong Yip Street, Tung Tau, Yuen Long, New Territories	2047	100.0%	52,582	111,253	I	Completed	Existing
51. Maritime Bay Shopping Mall, 18 Pui Shing Road, Tseung Kwan O, New Territories	2047	100.0%	64,261	57,316	C	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, 2009

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
<b>Properties for investment/own use</b>							
<b>NEW TERRITORIES</b>							
53. The Palazzo 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	21,528 <sup>†</sup>	C	Completed	Existing
54. Parklane Centre 25 Kin Wing Street, Tuen Mun, New Territories	2047	100.0%	26,522	84,988 166,976* <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	20,401 173,267* <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 93,691* <u>362,489</u>	C P	Completed	Existing
* 268 carparks							



## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties for investment/own use</b>							
<b>NEW TERRITORIES</b>							
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, 2009

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
<b>Properties for investment/own use</b>							
<b>MAINLAND CHINA</b>							
62. Greenfields Chuangye Road, Guangzhou Economic & Technology Development District, Guangzhou	2054	100.0%	53,131	14,931 12,861* <u>27,792</u>	C P	Completed	Existing
							* 52 carparks
63. 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
<b>OVERSEAS – SINGAPORE</b>							
64. The Fullerton Hotel Singapore 1 Fullerton Square, Singapore	2096	100.0%	139,469	466,423	H	Completed	Existing
65. One Fullerton 1 Fullerton Road, Singapore	2096	100.0%	92,646	80,433	C	Completed	Existing
66. The Fullerton Waterboat House 3 Fullerton Road, Singapore	2032	100.0%	16,921	21,743	C	Completed	Existing
67. Clifford Pier 80 Collyer Quay, Singapore	2067	100.0%	70,397	11,393	C	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties held for sale</b>							
<b>HONG KONG</b>							
1. Far East Finance Centre 16 Harcourt Road, Hong Kong	2130	19.1%	34,595	9,869	C	Completed	Existing
2. Island Resort 28 Siu Sai Wan Road, Chai Wan, Hong Kong	2047	40.0%	275,470	6,279	R	Completed	Existing
<b>KOWLOON</b>							
3. Chevalier Commercial Centre Wang Hoi Road, Kowloon Bay, Kowloon	2047	33.3%	44,350	11,588	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
7. One Madison 305 Castle Peak Road, Kowloon	2047	100.0%	7,200	51,579	R	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties held for sale</b>							
<b>KOWLOON</b>							
8. One New York 468 Castle Peak Road, Kowloon	2047	100.0%	6,448	24,172	R	Completed	Existing
9. One SilverSea 18 Hoi Fai Road, Kowloon	2052	100.0%	112,484	8,493	R	Completed	Existing
10. Pan Asia Centre 137 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	5,760	66,512	I	Completed	Existing
11. Vista 188 Fuk Wa Street, Sham Shui Po, Kowloon	2054	Joint Venture	14,895	29,730 <sup>†</sup>	R	Completed	Existing
12. Westin Centre 26 Hung To Road, Kwun Tong, Kowloon	2047	50.0%	17,280	103,576	I	Completed	Existing
<b>NEW TERRITORIES</b>							
13. Cambridge Plaza 188 San Wan Road, Sheung Shui, New Territories	2047	100.0%	–	174,358	I	Completed	Existing
14. The Dynasty 18 Yeung Uk Road, Tsuen Wan, New Territories	2054	Joint Venture	77,823	88,654 <sup>†</sup>	R	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties held for sale</b>							
<b>NEW TERRITORIES</b>							
15. Goodwood Park 138 Hang Tau Road, Kwu Tung, Sheung Shui, New Territories	2054	100.0%	61,032	23,638	R	Completed	Existing
16. Lincoln Centre 20 Yip Fung Street, Fanling, New Territories	2047	100.0%	21,163	61,144	I	Completed	Existing
17. The Palazzo 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	404,679 <sup>†</sup>	R	Completed	Existing
18. Poly Centre 15 Yip Fung Street, Fanling, New Territories	2047	100.0%	18,191	10,430	I	Completed	Existing
19. Raleigh Centre 9 Yip Cheong Street, Fanling, New Territories	2047	100.0%	10,194	8,386	I	Completed	Existing
20. Sea Crest Terrace Mui Wo, Lantau Island, New Territories	2047	100.0%	7,976	800 7,498 <u>8,298</u>	R C	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties held for sale</b>							
<b>NEW TERRITORIES</b>							
21. St. Andrews Place 38 Kam Chui Road, Beas Stable, Sheung Shui, New Territories	2050	100.0%	247,281	9,696	R	Completed	Existing
22. Technology Plaza 29-35 Sha Tsui Road, Tsuen Wan, New Territories	2047	100.0%	20,000	15,468	I	Completed	Existing
23. Vision City 1 Yeung Uk Road, Tsuen Wan, New Territories	2052	Joint Venture	207,659	43,290 <sup>†</sup>	R	Completed	Existing
<b>MAINLAND CHINA</b>							
24. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074	20.0%	14,253,628	124,757	R	Completed	Existing
25. Park Place 130 Jia He Lu, Xiamen	2069 2039	100.0%	44,118	112,439 10,689 <u>123,128</u>	R C	Completed	Existing

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties under development</b>							
<b>HONG KONG</b>							
1. 38 Repulse Bay Road, Hong Kong Rural Building Lot No. 380 (*)	2084	100.0%	16,176	12,132	R	Demolition works completed	February 2011
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	Planning stage	March 2012
3. Aberdeen, Hong Kong Aberdeen Inland Lot. 451	2057	35.0%	68,922	225,359	R	Foundation works in progress	July 2012
4. Lee Tung Street/ McGregor Street Project, Wan Chai, Hong Kong	2059	Joint Venture	88,500	731,392 86,318 <u>817,710<sup>†</sup></u>	R C	Planning stage	June 2015
<b>KOWLOON</b>							
5. The Hermitage Junction of Hoi Wang Road and Hoi Ting Road, Kowloon Kowloon Inland Lot No. 11167	2055	50.0%	66,510	216,156 33,255 <u>249,411</u>	R C	Superstructure works in progress	September 2010
6. The Hermitage Hoi Ting Road, Kowloon Kowloon Inland Lot No. 11168	2055	50.0%	79,621	258,765 39,810 <u>298,575</u>	R C	Superstructure works in progress	September 2010

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties under development</b>							
<b>KOWLOON</b>							
7. 270-274 Cheung Sha Wan Road, Kowloon Remaining Portion of New Kowloon Inland Lot No. 1069	2047	100.0%	4,490	31,885 <u>7,558</u> <u>39,443</u>	R C	Superstructure works in progress	September 2010
8. 18 Wang Chiu Road, Kowloon Bay, Kowloon New Kowloon Inland Lot No. 5856 (*)	2047	50.0%	29,063	174,376	C	Sub-structure & Superstructure works in progress	December 2010
9. Baker Court Hung Hom, Kowloon Kowloon Inland Lot No. 11181	2058	Joint Venture	2,982	22,357 <u>4,467</u> <u>26,824<sup>†</sup></u>	R C	Foundation works in progress	June 2011
10. 1 Broadcast Drive, Kowloon Tong, Kowloon New Kowloon Inland Lot No. 6374	2056	100.0%	65,531	196,592	R	Foundation works in progress	September 2011
11. Junction of Hoi Wang Road, Yan Cheung Road and Yau Cheung Road, West Kowloon Reclamation Area, Kowloon Kowloon Inland Lot No. 11073	2057	45.0%	86,757	253,767 <u>39,041</u> <u>292,808</u>	R C	Basement works in progress	December 2011



## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties under development</b>							
<b>KOWLOON</b>							
12. Beech Street/Ivy Street, West Kowloon, Kowloon Kowloon Inland Lot No. 11192	2058	Joint Venture	25,058	187,939 <u>37,588</u> 225,527 <sup>†</sup>	R C	Foundation works in progress	June 2012
<b>NEW TERRITORIES</b>							
13. Lake Silver 599 Sai Sha Road MTR Wu Kai Sha Station Development, Shatin, New Territories Shatin Town Lot No.530	2055	Joint Venture	367,601	1,815,349 <u>43,056</u> 1,858,405 <sup>†</sup>	R C	Superstructure works in progress	July 2009
14. Ma Wo Tai Po, New Territories Tai Po Town Lot No. 179	2055	100.0%	63,603	114,486	R	Superstructure works in progress	November 2009
15. Cheung Sha Lantau Island Lot No. 245 in DD331	2057	100.0%	178,542	71,417	R	Ground investigation works completed	March 2011
16. Pak Shek Kok Reclamation Phase I Site A, Tai Po, New Territories Tai Po Town Lot No. 187	2057	50.0%	107,941	161,912 <u>10,791</u> 172,703	R C	Foundation works in progress	July 2011

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties under development</b>							
<b>NEW TERRITORIES</b>							
17. Pak Shek Kok Reclamation Phase I Site B, Tai Po, New Territories Tai Po Town Lot No. 186	2057	35.0%	238,164	250,072	R	Foundation works in progress	August 2011
18. Pak Shek Kok Reclamation Phase I Site C, Tai Po, New Territories Tai Po Town Lot No. 188	2057	25.0%	214,225	187,447	R	Foundation works in progress	January 2012
<b>MAINLAND CHINA</b>							
19. Sino International Plaza 137 Wu Xi Lu, Fuzhou	2059	100.0%	58,126	499,158	C	Superstructure completed	October 2009
20. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074 2044	20.0%	14,253,628	616,981 144,236 38,750 <u>799,967</u>	R C H	Foundation works in progress	December 2010
21. Mandarin Garden West Side of Jia He Lu & North of Song Bai Zhong Lu, Xiamen Lot No. 89-C2	2061 2041	100.0%	33,188	109,119 15,872 <u>124,991</u>	R C	Foundation works in progress	October 2011

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties under development</b>							
<b>MAINLAND CHINA</b>							
22. Central Park Jia He Lu, South-East Side of Lu Ling Lu, Xiamen Lot No. 90-C5, C6	2068 2046	100.0%	113,904	466,894 <u>51,246</u> 518,140	R C	Foundation works in progress	May 2012
23. West of Cheng Kun Railway, East of Sha He, South of Cheng Luo Road, North of Ying Hui Road, Cheng Hua District, Chengdu	2078 2048	100.0%	2,630,308	11,909,442 <u>1,200,000</u> 13,109,442	R C	Planning stage	September 2012
24. Regency Park Hu Bin Bei Lu, Xiamen Lot No. 88-C5	2066 2046	100.0%	64,882	494,205 <u>13,129</u> 507,334	R C	Planning stage	January 2013
25. 1 Zhong Xing Duan, Qiao Bei Cun, Hua Xin Street, Jiang Bei District, Chongqing	2058 2048	50.0%	2,206,725	4,565,460 461,286 <u>317,538</u> 5,344,284	R C H	Planning stage	June 2013
26. 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	5,118,234 <u>193,750</u> 5,311,984	R C	Planning stage	June 2013

## Major Properties Held by the Group (Continued)

Dated at 30th June, 2009

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
<b>Properties under development</b>							
<b>OVERSEAS – SINGAPORE</b>							
27. The Fullerton Bay Hotel and Customs House 70 & 80 Collyer Quay, Singapore	2067	100.0%	83,313	79,087 <u>14,822</u> <u>93,909</u>	H C	Superstructure works in progress	November 2009

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.

# Sino Land Company Limited

## Proxy Form for use at the Annual General Meeting

(or at any adjournment thereof)

I/We <sup>(Note 1)</sup> \_\_\_\_\_

of \_\_\_\_\_

being the registered holder(s) of <sup>(Note 2)</sup> \_\_\_\_\_

ordinary shares of HK\$1.00 each in the capital of the above-named Company, **HEREBY APPOINT** the Chairman of the Meeting or <sup>(Note 3)</sup> \_\_\_\_\_

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 Thursday, the 5th day of November, 2009 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 <sup>(Note 4)</sup>	Against <sup>(Note 4)</sup>
1. To receive and consider the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2009.		
2. To declare a final dividend of HK\$0.3 per ordinary share with an option for scrip dividend.		
3. (i) To re-elect Mr. Robert Ng Chee Siong as Director.		
(ii) To re-elect Dr. Allan Zeman, GBS, JP as Director.		
(iii) To re-elect Mr. Yu Wai Wai as Director.		
(iv) To authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2010.		
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).		
6. To approve the amendments to the Articles of Association and adopt the new Articles of Association (Special Resolutions on item 6 of the Notice of Annual General Meeting).		

Dated \_\_\_\_\_ Signature <sup>(Note 5)</sup> \_\_\_\_\_

### Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of ordinary shares of HK\$1.00 each registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares of the Company registered in your name(s).
3. If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the Chairman of the Meeting or" herein inserted and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "AGAINST".** Failure to complete the boxes will entitle your proxy to cast his vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
6. In order to be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notially 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 exercise his power under Article 74 of the Company's Articles of Association to 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.



