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(An exempted company incorporated in the Cayman Islands with limited liability)

(Stock Code: 1221)

CHAIRMAN'S STATEMENT

I am pleased to present the 2009/2010 Annual Report to shareholders.

FINAL RESULTS

The Group achieved net profit attributable to shareholders of HK\$131.2 million for the financial year ended 30th June, 2010, representing an increase of 69.5% from HK\$77.4 million in the previous financial year. Earnings per share for the financial year 2009/2010 were 15.08 cents, an increase of 67.9% when compared with the previous financial year (2009: 8.98 cents).

The turnover of the Group for the financial year ended 30th June, 2010 was HK\$214.2 million. (2009 : HK\$217.8 million).

DIVIDENDS

The Directors recommend a final dividend in respect of the year ended 30th June 2010 of 3.4 cents per share to shareholders whose names appear on the Register of Members of the Company on 28th October, 2010. Together with the interim dividend of 2.6 cents per share, the total dividend for the full financial year is 6.0 cents per share.

The Directors propose that shareholders be given the option of electing to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on 28th October, 2010;

and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be despatched to shareholders together with the form of election for the scrip dividend on or about 3rd November, 2010. It is expected that the final dividend warrants and share certificates will be despatched to shareholders on or about 30th November, 2010.

REVIEW OF OPERATIONS

The world economy has showed signs of recovery since the second half of 2009. Despite the sovereign debt crisis in Eurozone, the trend has sustained throughout 2010 benefiting the world tourism and hospitality industry. According to UNWTO, international tourism demand has been on an upward trend. Hong Kong's tourism and hospitality industry is well positioned to gain, capitalising on the improvement in the world economies, Mainland China's growing influence in the world markets, as well as its comparative advantages in terms of its history, diverse culture, rich heritage sites and as global business and financial centre.

Business Activities

City Garden Hotel

City Garden Hotel is a wholly-owned subsidiary of Sino Hotels (Holdings) Limited.

The average room occupancy rate of City Garden Hotel for the year ended 30th June, 2010 was 86.4% compared with 83.8% in the previous financial year. The average room rate decreased slightly by 4.2%. Room sales for the financial year 2009/2010 were HK\$133.1 million (2009 : HK\$134.8 million). Food and beverage sales for the year were HK\$55.8 million (2009: HK\$60.1 million).

Conrad Hong Kong

Conrad Hong Kong is 50% owned by Sino Hotels (Holdings) Limited and 30% owned by Sino Land Company Limited (Hong Kong stock code : 0083). These two companies together own a total of 80% equity interest in Conrad Hong Kong.

The average room occupancy of Conrad Hong Kong for the financial year 2009/2010 was 74.4% compared with 69.4% in the previous financial year. The average room rate for the same financial year decreased by 1.8%. Room sales were HK\$325.2 million which was 5.2% higher than HK\$309.0 million of the previous financial year, while income from food and beverage sales for the year was HK\$282.9 million, representing an increase of 3.0% from HK\$274.5 million in the previous financial year.

Royal Pacific Hotel & Towers

Royal Pacific Hotel & Towers is 25% owned by Sino Hotels (Holdings) Limited and the remaining 75% interest is owned by a private company, wholly owned by the Ng family, the controlling shareholder of Sino Hotels (Holdings) Limited.

The average occupancy rate of Royal Pacific Hotel & Towers for the financial year 2009/2010 increased to 94.5% from 88.0% in the previous financial year with average room rate decreasing slightly by 0.8%. Room sales for the financial year totalled HK\$216.6 million, representing an increase of 6.6% when compared with HK\$203.2 million for the previous financial year. Revenue from food and beverage sales was HK\$80.3 million, an increase of 3.0% from HK\$77.9 million for the previous financial year.

Other than that mentioned above, there was no material change from the information published in the report and accounts for the year ended 30th June, 2009.

Finance

As at 30th June, 2010, the Group's gearing ratio, expressed as a percentage of bank and other borrowings net of cash and bank balances over shareholders' equity, was at approximately 8.5%. Of the total borrowings, 18.6% was repayable within one year and the remaining repayable after one year. The Group, including the attributable shares of its associates, held cash resources of approximately HK\$187.6 million, comprising cash on hand of approximately HK\$167.6 million together with committed undrawn facilities of approximately HK\$20.0 million. Our cash on hand is deposited in reputable banks with high credit ratings.

There was no material change in the capital structure of the Group for the financial year ended 30th June, 2010. Foreign exchange exposure is kept at a minimal level. The majority of the Group's borrowings are subject to floating interest rates.

As at 30th June, 2010, the Group did not have any foreign currency borrowings and contingent liabilities.

Other than the above mentioned, there was no material change from the information published in the report and accounts for the financial year ended 30th June, 2009.

Employee Programmes

To cultivate service excellence, the Group is dedicated to providing the entire workforce with quality-oriented training programmes throughout the year. Team members of all levels are

constantly encouraged to take part in a diverse range of service training programmes. Popular programmes include customer service training, language training and communications workshops. Team members are also positively motivated to interact with guests in a natural and engaging manner. The Group ultimately benefits from developing a quality-conscious service team and building a growing group of appreciative and loyal patrons.

Service efficiency and effectiveness are important criteria to measure customer satisfaction. The Group is committed to monitoring and improving this with feedback from Mystery Calls Surveys and Mystery Shoppers Surveys continuously conducted under the Sino Excellence Programme.

To recognise and encourage outstanding performances among team members, the Group will reward “The Best Performer”, “Employee of the Year” and “Manager of the Year” while honouring long serving employees with the “Long Service Award”.

The Group places great importance on building effective internal communications, and regularly organises staff meetings and experience sharing sessions. The Group is highly active in participating in territory-wide community and volunteer programmes that build stronger external relationships.

In short, believing strongly in the benefits of nurturing, developing and retaining a skilled and professional workforce, the Group focuses on providing team members with ongoing career development and succession opportunities.

CORPORATE SOCIAL RESPONSIBILITY

The Group recognises that long-term shareholder value can best be optimised by operating and performing in a socially responsible manner. Corporate integrity, ethics, governance and citizenship are important considerations in the Group’s daily operations and management. As a committed and responsible corporate citizen, the Group has been working closely with various charitable organisations to support community services for the needy, and with conservation groups to promote a better environment and healthy living.

INDUSTRY OUTLOOK AND PROSPECTS

The global tourism industry started to recover since the second half of 2009. This trend has continued in 2010, with a 7% increase in international tourist arrivals for the first four months based on a year-on-year comparison. In the June issue of its World Tourism Barometer, UNWTO reaffirmed the recovery of the industry, and indicated a positive outlook, forecasting global tourist arrivals to increase 3% to 4% for the full year of 2010. The Tourism Confidence Index for the world tourism industry compiled by UNWTO for the first four months of 2010 also shows much improved figures. The Panel of Tourism Experts' expectations for the recovery of the sector for the May through August period are also positive, underpinning a growth trend.

Much of the growth was from the Asia and the Pacific region, which has benefited from the improving economic environment and the stability of Mainland China and Hong Kong. Business and leisure travel by Mainland Chinese is also on the rise, due to China's growing worldwide economic and political influence, the rise of China's affluent class, the expansion of Chinese businesses, increasing trade flows and an increasing interest in leisure travel.

China is an exciting visitor destination renowned for its ancient civilisation, history, rich culture and traditions, abundant natural attractions and variety of cuisines. It is also increasingly attractive to businesspeople and visiting academics. In 2009, UNWTO ranked China fourth in terms of worldwide tourism arrivals. As an international financial centre and a city with easy ground and air connections to other major Chinese cities, Hong Kong is poised to benefit further from China's growing economy.

The HKSAR Government has taken further advantage of these factors by positioning the city as an essential component in regional multi-destination tours. Hong Kong's tourism authorities are strengthening Hong Kong's tourism, hospitality, transportation and retail industries in collaboration with the tourism administrations of selected cities in Mainland China. The development of the global cruise ship business in recent years further complements Hong Kong tourism and adds exciting possibilities to the itinerary of multi-destination travellers. Initiatives are also being introduced to develop Hong Kong as a Meeting and Incentives, Conventions and Exhibitions (MICE) hub, and to attract more trade events, international conferences and bilateral promotions. It is encouraging to hear from the Hong Kong Tourism Board (HKTB) that Hong Kong has been voted the "Favourite City in the World" and "Best Business City in the World" in a number of polls organised by Asia's MICE trade media, demonstrating that Hong Kong is truly Asia's World City and the Events Capital of Asia.

Further initiatives supporting the multi-destination travelling concept include the 'Hong Kong Plus: Two Wonders. One Trip', which encourages travellers to discover more wonders in China, and the '144-hour Convenient Visa', which allows foreigners to visit Guangdong Province for up to 144 hours (six days) via entry ports in nine cities within the Pearl River Delta Area, including Guangzhou, Shenzhen, Zhuhai and Zhongshan. The continuous efforts by HKTB to develop travel campaigns to attract a spectrum of travellers with different interests have also helped Hong Kong appeal more to travellers. This year's Festive Hong Kong 2010 is highlighting Hong Kong's cultural heritage by showcasing local traditional festivals that promote the culture and heritage of Hong Kong. Following the 2009 East Asian Games held in Hong Kong in December 2009, the upcoming sixteenth Asian Games to be hosted in Guangzhou in November 2010 will be another good opportunity for Hong Kong to benefit from multi-destination travellers.

It is also encouraging that visitor arrivals in Hong Kong is estimated to grow for the full calendar year of 2010, with the number exceeding 31 million, representing an increase of 5.2% over 2009. The total inbound tourism revenue is estimated to reach approximately HK\$174 billion, a 6.9% growth over last year.

Hotel positioning and branding are important to the Group. Management has dedicated significant efforts and resources to ensuring that our discerning guests enjoy pleasant stays. To

accomplish this objective, good quality hardware, including décor and guestroom ambience, facilities and restaurants must be complemented by good, caring services. The Group continues to review and plan renovation works where necessary to enhance hardware value for the benefit of the hotel guests and customers.

All three hotels under the Group will continue their respective asset enhancement works in 2010. The renovations of the Garden Café, health club and the Cake Shop in Conrad Hong Kong have commenced and they are expected to be re-opened in September 2010. As for City Garden Hotel, further upgrade of facilities is expected to be carried out in the next financial year 2010/2011. Renovation of guest rooms in the Royal Pacific Hotel & Towers commenced during the financial year 2009/2010 and modernisation of guest elevators will commence in September 2010. The Group will continue its efforts in asset enhancement and branding so that the Group can serve the customers better.


The prospects of tourism and hospitality industries remain positive as global economic conditions follow an improving trend. Management will continue to plan and exercise asset enhancement initiatives as well as review and upgrade service quality, which will ultimately enable the Group to serve its customers better. The Directors are confident in the medium to long term prospects of the Group.

STAFF AND MANAGEMENT

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

Robert NG Chee Siong
Chairman

Hong Kong, 2nd September, 2010



Sino Hotels (Holdings) Limited

(An exempted company incorporated in the Cayman Islands with limited liability)

(Stock Code: 1221)

FINAL RESULTS

The audited results of the Group for the year ended 30th June, 2010 are as follows:

Consolidated Income Statement

	<i>Notes</i>	2010 HK\$	2009 HK\$
Revenue	2	214,289,735	217,833,350
Cost of sales		<u>(72,434,063)</u>	<u>(61,651,380)</u>
Gross profit		141,855,672	156,181,970
Marketing costs		(9,199,678)	(6,652,267)
Administrative expenses		(20,229,878)	(17,967,789)
Impairment loss on available-for-sale financial assets		-	(41,100,000)
Other expenses		(70,373,329)	(79,915,190)
Finance income		2,200,581	3,868,653
Finance costs		(6,547,293)	(17,174,245)
Finance costs net of finance income		(4,346,712)	(13,305,592)
Share of results of associates		103,755,411	89,589,260
Profit before taxation	3	141,461,486	86,830,392
Income tax expense	4	(10,191,637)	(9,401,762)
Profit for the year attributable to owners of the Company		<u>131,269,849</u>	<u>77,428,630</u>
Interim dividend at HK2.6 cents (2009: HK1.8 cents) per share		<u>22,654,139</u>	<u>15,568,177</u>
Proposed final dividend at HK3.4 cents (2009: HK2.4 cents) per share		<u>29,937,221</u>	<u>20,766,933</u>
Earnings per share - basic	5	<u>15.08 cents</u>	<u>8.98 cents</u>

Consolidated Statement of Comprehensive Income
For the year ended 30th June, 2010

	2010	2009
	HK\$	HK\$
Profit for the year	<u>131,269,849</u>	<u>77,428,630</u>
Other comprehensive income (expense)		
Gain (loss) on fair value changes on available-for-sale financial assets	278,071,913	(212,155,072)
Reclassification adjustment for investment revaluation reserve upon impairment on available-for-sale financial assets	<u>-</u>	<u>41,100,000</u>
Other comprehensive income (expense) for the year	<u>278,071,913</u>	<u>(171,055,072)</u>
Total comprehensive income (expense) for the year attributable to owners of the Company	<u>409,341,762</u>	<u>(93,626,442)</u>

**Consolidated Statement of Financial Position
At 30th June, 2010**

	<i>Notes</i>	2010 HK\$	2009 HK\$
Non-current assets			
Property, plant and equipment		335,134,624	344,972,626
Prepaid lease payments – non-current		1,179,403,593	1,201,621,557
Interests in associates		1,359,012,059	1,255,256,648
Available-for-sale financial assets		701,182,148	418,262,369
Pledged fixed deposit		1,557,934	1,557,504
		<u>3,576,290,358</u>	<u>3,221,670,704</u>
Current assets			
Hotel inventories		666,443	598,955
Trade and other receivables	6	9,000,492	5,865,692
Prepaid lease payments – current		22,217,964	22,217,964
Amounts due from associates		239,325,277	233,441,953
Bank balances and cash		36,653,452	31,042,249
		<u>307,863,628</u>	<u>293,166,813</u>
Current liabilities			
Trade and other payables	7	11,535,485	9,748,170
Amount due to an associate		-	64,359
Tax payable		10,363,916	8,863,807
Bank loans and other borrowings		56,713,221	96,968,204
		<u>78,612,622</u>	<u>115,644,540</u>
Net current assets		<u>229,251,006</u>	<u>177,522,273</u>
Total assets less current liabilities		<u>3,805,541,364</u>	<u>3,399,192,977</u>
Capital and reserves			
Share capital		880,506,492	865,288,863
Reserves		2,235,615,167	1,849,699,717
Equity attributable to owners of the Company		<u>3,116,121,659</u>	<u>2,714,988,580</u>
Non-current liabilities			
Bank loans and other borrowings		247,724,227	244,743,463
Amount due to an associate		435,526,705	434,062,067
Deferred taxation		6,168,773	5,398,867
		<u>689,419,705</u>	<u>684,204,397</u>
Total equity and liabilities		<u>3,805,541,364</u>	<u>3,399,192,977</u>

Notes:

1. Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current year, the Company and its subsidiaries (“the Group”) have applied the following new and revised Hong Kong Accounting Standards (“HKAS”), Amendments and Hong Kong (IFRIC) Interpretations (“HK(IFRIC) - Int”) (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 3 (Revised 2008)	Business Combinations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) - Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendments to HKFRS 2, HKAS 38, Paragraph 80 of HKAS 39, HK(IFRIC) - Int 9 and HK(IFRIC) - Int 16

Except as described below, the adoption of other new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) *Presentation of Financial Statements*

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 *Operating Segments*

HKFRS 8 is a disclosure Standard that has resulted in a redesignation of the Group’s reportable segments (see note 2) and changes in the basis of measurement of segment profit or loss and segment assets.

2. Segment information

The Group had adopted HKFRS 8 *Operating Segments* with effect from 1st July, 2009. HKFRS 8 is a disclosure Standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers for the purposes of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was by business segments. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

The adoption of HKFRS 8 has changed the basis of measurement of segment profit (loss) and segment assets. For segment profit (loss), the basis of measurement has been changed by including share of results of associates – hotel operation and certain expenses. In addition, the basis of measurement of segment assets has been changed by including interest in associates – hotel operation.

In prior years, segment information reported externally was analysed on the basis of the operation of the Group's businesses, including hotel operations and management, club operations and investment holding provided by the Group's operating divisions. However, information reported to the chief operating decision makers, for the purposes of resources allocation and performance assessment specifically focuses on four main segments including hotel operation – City Garden Hotel, investment holding – holding strategic available-for-sale investments, hotel operation – operated through investments in associates of the Group, including Conrad Hong Kong and Royal Pacific Hotel and others – club operations and hotel management. The identification of the Group's reportable segments under HKFRS 8 is consistent with the prior year's presentation of business segments under HKAS 14 except that the club operations and hotel management are considered as a single operating segment and hotel operation – operated through investments in associates of the Group, including Conrad Hong Kong and Royal Pacific Hotel is being identified as an operating segment in the current year. In the prior year's presentation of business segments under HKAS 14, hotel operations and management were considered as a single reportable business segment and hotel operation (including Conrad Hong Kong and Royal Pacific Hotel), operated by associates of the Group, was not considered as a reportable business segment of the Group. The segment financial information for the year ended 30th June, 2009 has been restated to conform to the requirements of HKFRS 8.

2. Segment information (continued)

The following is an analysis of the Group's revenue and results by reportable segments for the years:

	Segment revenue		Segment profit (loss)	
	2010 HK\$	2009 HK\$	2010 HK\$	2009 HK\$
Hotel operation				
- City Garden Hotel	192,313,679	198,659,445	40,724,153	42,123,963
Investment holding	4,847,866	9,002,181	4,844,081	(32,103,530)
Others - Club operations and hotel management	17,128,190	10,171,724	1,904,625	3,658,076
Share of results of associates - hotel operation	-	-	126,317,271	107,608,455
	214,289,735	217,833,350	173,790,130	121,286,964
Share of results of associates - others			(36,728)	(132,434)
Share of income tax expenses of associates			(22,525,132)	(17,886,761)
Corporate expenses			(5,420,072)	(3,131,785)
Finance income			2,200,581	3,868,653
Finance costs			(6,547,293)	(17,174,245)
Profit before taxation			141,461,486	86,830,392

Segment profit (loss) represents the profit or loss incurred by each segment without allocation of corporate expenses, finance income, finance costs and share of results of associates - others and share of income tax expenses of associates. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

All of the segment revenue reported above is from external customers. There was no inter-segment revenue for the year (2009: nil).

Geographical information

All of the activities of the Group are based in Hong Kong and all of the Group's revenue and contribution to profit for the year are derived from Hong Kong. All the assets of the Group are located in Hong Kong.

3. Profit before taxation

	2010 HK\$	2009 HK\$
Profit before taxation has been arrived at after charging:		
Cost of hotel inventories consumed	18,307,798	17,254,338
Depreciation of property, plant and equipment	17,402,745	15,671,254
Loss on write-off of property, plant and equipment	-	14,087,970
Release of prepaid lease payments	<u>22,217,964</u>	<u>22,217,964</u>

4. Income tax expense

	2010 HK\$	2009 HK\$
Income tax expense comprises:		
Hong Kong Profits Tax calculated at 16.5% (2009: 16.5%) on estimated assessable profit		
Current year	9,421,731	8,458,296
Overprovision in prior years	-	(276)
	<u>9,421,731</u>	<u>8,458,020</u>
Deferred tax		
Current year	<u>769,906</u>	<u>943,742</u>
	<u>10,191,637</u>	<u>9,401,762</u>

5. Earnings per share - basic

The calculation of basic earnings per share is based on the profit for the year of HK\$131,269,849 (2009: HK\$77,428,630) and on the weighted average number of 870,375,522 (2009: 862,628,188) shares in issue during the year.

No diluted earnings per share has been presented as there were no potential ordinary shares in both years.

6. Trade and other receivables

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 receivables.

The following is an aged analysis of trade receivables based on the invoice dates at the end of the reporting period:

	2010	2009
	HK\$	HK\$
Trade receivables		
0-30 days	5,109,160	2,872,896
31-60 days	1,448,359	733,235
61-90 days	120,540	682,095
over 90 days	-	33,077
	6,678,059	4,321,303
Other receivables	2,322,433	1,544,389
	9,000,492	5,865,692

7. Trade and other payables

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

	2010	2009
	HK\$	HK\$
Trade payables		
0-30 days	5,688,155	3,962,919
31-60 days	84,545	192,641
	5,772,700	4,155,560
Renovation cost payable	212,677	2,148,365
Other payables	5,550,108	3,444,245
	11,535,485	9,748,170

8. Pledge of assets

- (a) The Group has pledged its hotel properties and prepaid lease payments having carrying amounts of HK\$277,961,206 (2009: HK\$283,529,080) and HK\$1,201,621,557 (2009: HK\$1,223,839,521), and available-for-sale financial assets at fair value of HK\$102,687,906 (2009: HK\$299,841,052) and pledged by way of floating charges over other assets of HK\$80,678,674 (2009: HK\$90,700,137) to banks to secure long-term loan facilities granted to the Group;
- (b) The Group has pledged its time deposit of HK\$1,557,934 (2009: HK\$1,557,504) to secure a letter of guarantee issuance facility; and
- (c) The investments in certain subsidiaries of the Company have been pledged to banks or financial institutions to secure the loan facilities granted to the Group.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 25th October, 2010 to Thursday, 28th October, 2010, both dates inclusive, during which period no transfer of shares will be effected. The record date for the proposed final dividend is at the close of business on Thursday, 28th October, 2010.

In order to qualify for the proposed final dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Principal Registrars, Tricor Friendly Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 22nd October, 2010.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted its own Code on Corporate Governance Practices and during the year has complied with all code provisions of the Code on Corporate Governance Practices 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") except that there was no separation of the roles of the chairman and the chief executive officer, both of the roles are currently undertaken by the Chairman of the Board.

The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each business unit are overseen and monitored by designated responsible Executive Directors. The Board 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.

REVIEW OF AUDITED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Group for the year ended 30th June, 2010 have been reviewed by the audit committee of the Company.

2010 ANNUAL REPORT

The 2010 annual report containing all the information required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited and the Company's website www.sino.com while printed copies will be sent to shareholders on or about Monday, 27th September, 2010.

By Order of the Board
Eric IP Sai Kwong
Secretary

Hong Kong, 2nd September, 2010

As at the date hereof, the Executive Directors of the Company are Mr. Robert Ng Chee Siong, Mr. Thomas Tang Wing Yung, Mr. Daryl Ng Win Kong and Mr. Nicholas Yim Kwok Ming, the Non-Executive Directors are The Honourable Ronald Joseph Arculli and Mr. Gilbert Lui Wing Kwong and the Independent Non-Executive Directors are Mr. Peter Wong Man Kong, Mr. Adrian David Li Man-kiu and Mr. Steven Ong Kay Eng.