

18 KOWLOON EAST



ANNUAL REPORT 2011



Tsim Sha Tsui Properties Limited

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 Friendly Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong.

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

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

Shareholders may at any time choose to change their choice of language and means of receipt (i.e. in printed form or by electronic means through the Company’s website) of all future Corporate Communications from the Company by giving reasonable notice in writing by post to the Company’s Registrars, Tricor Friendly Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong or by email at tst247-ecom@hk.tricorglobal.com.

CONTENTS

CORPORATE INFORMATION	2
NOTICE OF ANNUAL GENERAL MEETING	3
GROUP FINANCIAL SUMMARY	6
CHAIRMAN'S STATEMENT	7
BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT	19
CORPORATE GOVERNANCE REPORT	22
DIRECTORS' REPORT	33
INDEPENDENT AUDITOR'S REPORT	47
CONSOLIDATED INCOME STATEMENT	48
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	49
STATEMENTS OF FINANCIAL POSITION	50
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	52
CONSOLIDATED STATEMENT OF CASH FLOWS	53
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	55
DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES	149
MAJOR PROPERTIES HELD BY THE GROUP	150
PROXY FORM	

CORPORATE INFORMATION

Board of Directors

Robert Ng Chee Siong, Chairman
Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP[#]
Allan Zeman, GBM, GBS, JP*
Adrian David Li Man-kiu, JP*
Steven Ong Kay Eng*
Daryl Ng Win Kong

([#] Non-Executive Director)

(* Independent Non-Executive Directors)

Audit Committee

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

Remuneration Committee

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

Authorized Representatives

Robert Ng Chee Siong
Daryl Ng Win Kong

Secretary

Eric Ip Sai Kwong

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants, Hong Kong

Solicitors

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

Shareholders' Calendar

Closure of Register of Members for entitlement to attend and vote at Annual General Meeting 26th October, 2011 to 28th October, 2011 (both dates inclusive)

Annual General Meeting 28th October, 2011

Closure of Register of Members for dividend entitlement 3rd November, 2011 to 4th November, 2011 (both dates inclusive)

Record Date for dividend entitlement 4th November, 2011

Last Date for lodging scrip dividend election forms 28th November, 2011 4:30 p.m.

Interim Dividend Paid HK10 cents per share 29th April, 2011

Final Dividend Payable HK35 cents per share 9th December, 2011

Principal Bankers

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

Investor Relations Contact

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

Registered Office

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

Registrars

Tricor Friendly Limited
26th Floor, Tesbury Centre,
28 Queen's Road East,
Hong Kong
Telephone : (852) 2980 1333
Fax : (852) 2861 1465
Email : tst247-ecom@hk.tricorglobal.com

Listing Information

Stock Code 247

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of **Tsim Sha Tsui Properties Limited** will be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon, on Friday, the 28th day of October, 2011 at 10:00 a.m. or as soon as the annual general meeting of Sino Land Company Limited closes, whichever is the later, for the following purposes:

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

Ordinary Resolutions

- (i) **"THAT:**
 - (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 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.”

By Order of the Board
Eric IP Sai Kwong
Secretary

Hong Kong, 26th September, 2011

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

Notes:

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

GROUP FINANCIAL SUMMARY

	Year ended 30th June,				
	2007 HK\$	2008 HK\$	2009 HK\$	2010 HK\$	2011 HK\$
Turnover	<u>7,598,901,347</u>	<u>6,338,666,190</u>	<u>9,783,329,056</u>	<u>7,776,569,089</u>	<u>6,010,307,935</u>
Profit attributable to owners of the Company	<u>3,357,484,479</u>	<u>4,678,945,536</u>	<u>1,818,627,113</u>	<u>3,287,255,658</u>	<u>5,436,560,830</u>
Non-current assets	44,290,694,830	53,846,737,050	57,916,675,050	66,977,309,765	75,600,492,535
Current assets	30,428,854,016	34,657,588,930	33,332,598,559	30,188,439,417	34,848,556,954
Current liabilities	<u>(11,031,295,823)</u>	<u>(13,167,516,026)</u>	<u>(15,919,724,169)</u>	<u>(11,963,033,959)</u>	<u>(10,202,905,229)</u>
	<u>63,688,253,023</u>	<u>75,336,809,954</u>	<u>75,329,549,440</u>	<u>85,202,715,223</u>	<u>100,246,144,260</u>
Share capital	286,315,877	290,187,562	293,220,023	296,461,354	301,127,280
Reserves	<u>19,823,674,870</u>	<u>24,461,383,732</u>	<u>25,949,725,481</u>	<u>29,223,577,249</u>	<u>35,242,831,647</u>
Shareholders' funds	20,109,990,747	24,751,571,294	26,242,945,504	29,520,038,603	35,543,958,927
Non-controlling interests	22,713,593,244	29,257,946,975	29,403,898,799	31,625,356,065	41,259,240,229
Non-current liabilities	<u>20,864,669,032</u>	<u>21,327,291,685</u>	<u>19,682,705,137</u>	<u>24,057,320,555</u>	<u>23,442,945,104</u>
	<u>63,688,253,023</u>	<u>75,336,809,954</u>	<u>75,329,549,440</u>	<u>85,202,715,223</u>	<u>100,246,144,260</u>
Shareholders' funds at book value per share	14.05	17.06	17.90	19.91	23.61
Basic earnings per share (cents)	236.58	324.91	124.64	223.01	364.07
Dividend per share (cents)	38.50	40.00	40.00	40.00	45.00

CHAIRMAN'S STATEMENT

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

FINAL RESULTS

For the financial year ended 30th June, 2011, the Group's net profit attributable to shareholders was HK\$5,436.5 million, representing an increase of 65.3% compared with HK\$3,287.2 million in the last financial year. Excluding revaluation surplus (net of deferred taxation) on investment properties of HK\$3,165.8 million, the underlying net profit from operations was HK\$2,270.7 million, an increase of 16.5% compared with HK\$1,948.0 million in the last financial year.

The turnover of the Group for the financial year 2010/2011 was HK\$6,010.3 million (2009/2010: HK\$7,776.5 million).

Earnings per share was HK\$3.64, an increase of 63.2% when compared with HK\$2.23 in the last financial year.

DIVIDENDS

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

The Directors propose that shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on 28th October, 2011; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

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 14th November, 2011. It is expected that the final dividend warrants and share certificates will be despatched to shareholders on or about 9th December, 2011.

REVIEW OF OPERATIONS

The operations under Sino Land Company Limited ("Sino Land") represent a substantial portion of the operations of the Group as a whole. As at 30th June, 2011 Tsim Sha Tsui Properties Limited (the "Company") had 49.7% interest in Sino Land. Therefore, for discussion purposes, we have focused on the operations of Sino Land.

To celebrate Sino Land's 30th anniversary of listing on the stock exchange in Hong Kong, the Directors of Sino Land propose a bonus issue of shares on the basis of one new ordinary share for every ten ordinary shares held. The bonus issue of shares is subject to approval at the Sino Land's Annual General Meeting and to the listing of and permission to deal in the new shares being granted by The Stock Exchange of Hong Kong Limited.

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS

(Continued)

Sales Activities

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

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS

(Continued)

Land Bank

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

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

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS *(Continued)*

Property Development

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

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
1. Providence Bay TPTL 186, Pak Shek Kok, Tai Po, New Territories	Residential	35%	250,072
2. One Mayfair 1 Broadcast Drive, Kowloon Tong, Kowloon	Residential	100%	196,592
3. Providence Bay TPTL 188, Pak Shek Kok, Tai Po, New Territories	Residential	25%	187,447
4. Providence Bay TPTL 187, Pak Shek Kok, Tai Po, New Territories	Residential/ Commercial	50%	172,703
5. Baker Residences Baker Court, Hung Hom, Kowloon, Hong Kong	Residential/ Commercial	Joint Venture	26,824
6. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	Residential/ Commercial/ Hotel	20%	191,344
7. Le Sommet West Side of Jia He Lu & North of Song Bai Zhong Lu, Xiamen	Residential/ Commercial	100%	124,535
			1,149,517

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS *(Continued)*

Property Development *(Continued)*

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

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

Rental Activities

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

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS *(Continued)*

Rental Activities *(Continued)*

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

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

Hotels

The Fullerton Hotel Singapore and The Fullerton Bay Hotel

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

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS *(Continued)*

Hotels *(Continued)*

Conrad Hong Kong

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

Mainland China Business

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

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

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS *(Continued)*

Mainland China Business *(Continued)*

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

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

FINANCE

As at 30th June, 2011, the Group's gearing ratio was at approximately 18.5%, expressed as a percentage of total borrowings to the total assets. Of the total borrowings, 20.6% was repayable within one year, 34.2% repayable between one and two years and 45.2% repayable between two and five years. The Group, including the attributable share of its associates, had cash resources of approximately HK\$20,081.7 million, comprising cash on hand of approximately HK\$9,008.0 million together with committed undrawn facilities of approximately HK\$11,073.7 million. All the cash on hand is in the form of deposits in banks of high credit ratings.

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

CORPORATE GOVERNANCE

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

CUSTOMER SERVICE

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

Delivering high-quality customer service has long been one of Sino Land's key business objectives. During the financial year 2010/2011, Sino Property Services received a number of awards from 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. Sino Land will continue to make improvements in its quality of service to ensure customer satisfaction.

CHAIRMAN'S STATEMENT *(Continued)*

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS *(Continued)*

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

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

STAFF AND MANAGEMENT

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, 1st September, 2011

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

(I) EXECUTIVE DIRECTORS

Mr. Robert Ng Chee Siong, aged 59, an Executive Director since 1978 and Chairman of the Group since 1991, was called to the Bar in 1975. He has been actively engaged in property investment and development in Hong Kong during the last 35 years and is also a director of a number of subsidiaries and associated companies of the Company. Mr. Ng is the Chairman of Sino Land Company Limited (“Sino Land”), the subsidiary company of the Company, and the Chairman of Sino Hotels (Holdings) Limited (“Sino Hotels”). In addition, he is an Independent Non-Executive Director of The Hongkong and Shanghai Hotels, Limited, a Director of The Real Estate Developers Association of Hong Kong and a Member of the 11th National Committee of the Chinese People’s Political Consultative Conference. Mr. Ng is the father of Mr. Daryl Ng Win Kong, an Executive Director of the Company, the son of the late substantial shareholder Mr. Ng Teng Fong and the brother of Mr. Philip Ng Chee Tat, the co-executor of the estate of the late Mr. Ng Teng Fong.

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

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

(II) NON-EXECUTIVE DIRECTOR

The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP, aged 72, has been a Director of the Company since 1994 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 Sino Land and Sino Hotels. The Honourable Ronald Arculli is the Independent Non-Executive Chairman of Hong Kong Exchanges and Clearing Limited. He has a long and distinguished record of public service on numerous government committees and advisory bodies. He was the Chairman of The Hong Kong Jockey Club from 2002 to August 2006. He is a practising solicitor and has served on the Legislative Council from 1988 to 2000. He is currently a non-official member of the Executive Council of The Hong Kong Special Administrative Region Government, the Chairman of the Honorary Advisory Committee of SVHK Foundation Limited, a member of the board of West Kowloon Cultural District Authority (“WKCD”) and a member of the Consultation Panel appointed under WKCD. The Honourable Ronald Arculli is an Independent Non-Executive Director of Hang Lung Properties Limited and SCMP Group Limited, and a Non-Executive Director of Power Assets Holdings Limited, Hutchison Harbour Ring Limited and HKR International Limited, all companies listed on The Stock Exchange of Hong Kong Limited.

(III) INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

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

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

Mr. Steven Ong Kay Eng, aged 65, an Independent Non-Executive Director since July 2005. He is also an Independent Non-Executive Director of Sino Hotels. He is a Director of Altrade Investments Pte. Ltd. in Singapore and a substantial shareholder of Hwa Hong Corporation Limited, which is listed on the main board of the Singapore Stock Exchange. Mr. Ong has been a veteran banker with extensive experience in banking and finance over 43 years. He was the General Manager and Country Head for American Express Bank in Singapore for nearly 10 years and also the Chief Representative and Country Manager in China for Banca Monte dei Paschi di Siena S.p.A. for 16 years. Mr. Ong remained as the Bank's advisor and consultant for 2 years after he left China in 2006 having resided in the country for over 16 years. He was the Chairman of Foreign Bankers' Association in Beijing, People's Republic of China from 1999 to 2000.

(IV) SENIOR MANAGEMENT

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

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board”) is committed to providing effective management and sound control of the Company for maximizing the shareholders’ value. The corporate governance principles of the Company emphasize the attainment and maintenance of a high standard of corporate governance practices and procedures, a quality Board, sound internal controls and high transparency and accountability to the shareholders. The Company has adopted its own Code on Corporate Governance Practices and has complied with all code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) (the “Code”) except that there was no separation of the roles of the chairman and the chief executive officer. The corporate governance practices of the Company in compliance with the Code during the financial year ended 30th June, 2011 with explanation of the abovementioned deviation are set out below in this report.

CORPORATE GOVERNANCE PRACTICES

DIRECTORS

Corporate Governance Principle

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

Board Composition

The current Board has 6 Directors which composes of two Executive Directors including the Chairman of the Board, one Non-Executive Director and three Independent Non-Executive Directors. The Company has maintained on its website an updated list of its directors identifying their roles and functions and whether they are Independent Non-Executive Directors. Independent Non-Executive Directors are identified as such in all corporate communications that disclose the names of Directors of the Company.

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Board Composition *(Continued)*

The current Board members are:

Executive Directors

Mr. Robert Ng Chee Siong (*Chairman*)

Mr. Daryl Ng Win Kong

Non-Executive Director

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

Independent Non-Executive Directors

Dr. Allan Zeman, GBM, GBS, JP

Mr. Adrian David Li Man-kiu, JP

Mr. Steven Ong Kay Eng

Biographical details of the Directors and their relationships, where applicable, are contained on pages 19 to 21 “Biographical Details of Directors & Senior Management”.

Division of Responsibilities

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

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

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Division of Responsibilities *(Continued)*

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

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

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

Board Meetings and Supply of and Access to Information

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

Directors	Meetings attended/Total
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	4/4
Mr. Daryl Ng Win Kong	4/4
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP	2/4
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman, GBM, GBS, JP	4/4
Mr. Adrian David Li Man-kiu, JP	4/4
Mr. Steven Ong Kay Eng	4/4

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Board Meetings and Supply of and Access to Information *(Continued)*

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

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

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

Directors' Appointment, Re-election and Removal

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

The rotating Directors who are subject to retirement and re-election at the 2011 annual general meeting are set out on page 34.

The Company has not established a nomination committee. The Board is collectively responsible for appointing new Directors either to fill causal vacancies or as additional Board members. The Board is empowered under the Company's articles of association to appoint any person as a Director either to fill a causal vacancy or as an additional Board member. Only the most suitable candidates who are experienced and competent and able to fulfil the fiduciary duties and duties of skill, care and diligence would be selected for directorship.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

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

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

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

Confirmation of Independence

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

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

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

Remuneration Committee

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Remuneration Committee *(Continued)*

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

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

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

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

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for the Financial Statements

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

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

The auditor is responsible for auditing and reporting his opinion on the financial statements of the Group and the independent auditor's report for the financial year ended 30th June, 2011 is set out on page 47.

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

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Audit Committee

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

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

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

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

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

Committee members	Meetings attended/Total
Mr. Adrian David Li Man-kiu, JP	4/4
Dr. Allan Zeman, GBM, GBS, JP	3/4
Mr. Steven Ong Kay Eng	4/4

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Compliance Committee

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

Codes for Dealing in the Company's Securities

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

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

Auditors' Remuneration

The fees in respect of audit and non-audit services provided to the Company and its subsidiaries by the auditors for the year ended 30th June, 2011 amounted to HK\$4,694,778 and HK\$840,261 respectively. The non-audit services mainly consist of taxation, review and other reporting services.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS

Annual General Meeting

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

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

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

Timely Performance Information

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

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

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 51 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 48.

An interim dividend of HK10 cents per share amounting to HK\$716,324 by way of cash dividends and HK\$149,203,088 by way of scrip alternatives were paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK35 cents per share to the shareholders on the Register of Members on 4th November, 2011, amounting to HK\$526,972,739.

INVESTMENT PROPERTIES

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

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

PROPERTY, PLANT AND EQUIPMENT

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

MAJOR PROPERTIES

Details of the major properties of the Group at 30th June, 2011 are set out on pages 150 to 170.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and associates at 30th June, 2011 are set out in Notes 51 to 52 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 36 to the consolidated financial statements.

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.

DIRECTORS' REPORT *(Continued)*

DISTRIBUTABLE RESERVE OF THE COMPANY

The Company's reserve available for distribution to shareholders as at 30th June, 2011 were the retained profits of HK\$1,655,804,499 (2010: HK\$829,891,001).

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 and other loans repayable on demand or within one year are classified as current liabilities. Repayment analysis of bank borrowings and other loans as at 30th June, 2011 are set out in Notes 34 and 35 to the consolidated financial statements.

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

DIRECTORS

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

Executive Directors

Mr. Robert Ng Chee Siong
Mr. Daryl Ng Win Kong

Non-Executive Director

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

Independent Non-Executive Directors

Dr. Allan Zeman, GBM, GBS, JP
Mr. Adrian David Li Man-kiu, JP
Mr. Steven Ong Kay Eng

In accordance with the provisions of the Company's Articles of Association and pursuant to Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Mr. Adrian David Li Man-kiu, JP and Mr. Steven Ong Kay Eng 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, 2011, the interests and short positions held by the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

(a) Long Positions in Shares of the Company

Name of Directors	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	1,083,916,165 <i>(Note)</i>	Beneficial owner of 582,099 shares and trustee interest in 1,083,334,066 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	71.99%
The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP	60,000	Beneficial owner	=0%
Dr. Allan Zeman, GBM, GBS, JP	-	-	-
Mr. Adrian David Li Man-kiu, JP	-	-	-
Mr. Steven Ong Kay Eng	-	-	-
Mr. Daryl Ng Win Kong	-	-	-

Note:

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

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

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS (Continued)

(b) Long Positions in Shares of Associated Corporations

(i) Subsidiary Company

Sino Land Company Limited

Name of Directors	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	2,736,494,410 (Note)	Beneficial owner of 141,629 shares, spouse interest in 3,030,403 shares and trustee interest in 2,733,322,378 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	51.83%
The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP	1,044,095	Beneficial owner	0.01%
Dr. Allan Zeman, GBM, GBS, JP	–	–	–
Mr. Adrian David Li Man-kiu, JP	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Daryl Ng Win Kong	81,186	Beneficial owner	≈0%

Note:

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

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

DIRECTORS' REPORT *(Continued)*

DIRECTORS' INTERESTS *(Continued)*

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

(ii) Associated Companies

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

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

DIRECTORS' REPORT *(Continued)*

DIRECTORS' INTERESTS *(Continued)*

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

(ii) Associated Companies *(Continued)*

Notes:

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

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

SHARE OPTION SCHEMES

The Company and its subsidiaries have no share option schemes.

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' REPORT *(Continued)*

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

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

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

As the Board of Directors of the Company is independent of the boards of the aforesaid companies and maintains 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 50 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).

CONNECTED TRANSACTIONS

Existing Continuing Connected Transactions up to 30th June, 2011

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

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

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

(A) Building Cleaning Services

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

(B) Car Park Management Services

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

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

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

(C) Estate Management and General Administrative Services

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

(D) Security Guard Services

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

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

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

(E) Lease of Premises

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

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

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

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

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

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

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

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

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

DIRECTORS' REPORT (Continued)

CONNECTED TRANSACTIONS (Continued)

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

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

Details of other related party transactions are set out in Note 50 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

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

Long Positions in Shares of the Company

Name of Substantial Shareholders	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Philip Ng Chee Tat	1,085,630,444 <i>(Notes 1, 2, 3 and 4)</i>	Interest of controlled corporations in 2,296,378 shares and trustee interest in 1,083,334,066 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.10%
Mr. Robert Ng Chee Siong	1,083,916,165 <i>(Notes 2, 3 and 4)</i>	Beneficial owner of 582,099 shares and trustee interest in 1,083,334,066 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	71.99%
Tamworth Investment Limited	411,357,647 <i>(Note 3)</i>	Beneficial owner	27.32%
Strathallan Investment Limited	275,658,701 <i>(Note 3)</i>	Beneficial owner	18.30%

DIRECTORS' REPORT *(Continued)*

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

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

Name of Other Shareholders	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Nippomo Limited	140,156,686 <i>(Note 3)</i>	Beneficial owner	9.30%
Fanlight Investment Limited	103,425,535 <i>(Note 3)</i>	Beneficial owner	6.86%

Notes:

- 2,296,378 shares were held through companies which were 100% controlled by Mr. Philip Ng Chee Tat – 2,000,636 shares by Bestdeal Contractors Pte Ltd and 295,742 shares by Western Properties Pte Ltd.
- As regards trustee interest in 1,083,334,066 shares:
 - 997,834,575 shares were held through companies which were 100% controlled by the executors of the estate of the late Mr. Ng Teng Fong – 103,425,535 shares by Fanlight Investment Limited, 140,156,686 shares by Nippomo Limited, 3,220,659 shares by Orient Creation Limited, 275,658,701 shares by Strathallan Investment Limited, 411,357,647 shares by Tamworth Investment Limited and 64,015,347 shares by Transpire Investment Limited; and
 - 85,499,491 shares were held by the executors of the estate of the late Mr. Ng Teng Fong.
- The interests of Tamworth Investment Limited, Strathallan Investment Limited, Nippomo Limited and Fanlight Investment Limited were duplicated in the interests of the executors of the estate of the late Mr. Ng Teng Fong.
- The interests of Mr. Philip Ng Chee Tat and Mr. Robert Ng Chee Siong as the co-executors of the estate of the late Mr. Ng Teng Fong were duplicated.

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

DIRECTORS' REPORT *(Continued)*

DONATIONS

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

MAJOR SUPPLIERS AND CUSTOMERS

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

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

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

CORPORATE GOVERNANCE

The corporate governance report is set out on pages 22 to 32.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

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

On behalf of the Board
Robert NG Chee Siong
Chairman

Hong Kong
1st September, 2011

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF TSIM SHA TSUI PROPERTIES LIMITED

尖沙咀置業集團有限公司

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Tsim Sha Tsui Properties Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 48 to 148, which comprise the consolidated and the Company's statements of financial position as at 30th June, 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
1st September, 2011

CONSOLIDATED INCOME STATEMENT

For the year ended 30th June, 2011

	NOTES	2011 HK\$	2010 HK\$
Turnover	7	6,010,307,935	7,776,569,089
Cost of sales		(1,076,645,840)	(2,261,293,907)
Direct expenses		(1,459,500,161)	(1,368,335,442)
Gross profit		3,474,161,934	4,146,939,740
Increase in fair value of investment properties	18	5,999,114,359	2,562,741,141
Other income		90,338,038	254,285,478
Fair value gain on non-current interest-free unsecured other loans		50,650,084	64,990,283
Gain on disposal of available-for-sale investments		131,076,070	4,538,434
Gain arising from change in fair value of trading securities		192,335,668	196,440,452
Gain on disposal of investment properties		15,364,869	–
Administrative expenses		(738,413,346)	(543,093,155)
Other operating expenses		(169,281,503)	(86,914,042)
Finance income	9	153,396,824	138,954,901
Finance costs	10	(338,736,518)	(365,944,103)
Less: Interest capitalised	10	81,118,571	53,211,025
Finance costs net of finance income		(104,221,123)	(173,778,177)
Share of results of associates	11	3,627,544,720	904,972,687
Profit before taxation	12	12,568,669,770	7,331,122,841
Income tax expense	15	(1,656,310,424)	(989,952,779)
Profit for the year		10,912,359,346	6,341,170,062
Attributable to:			
Owners of the Company		5,436,560,830	3,287,255,658
Non-controlling interests		5,475,798,516	3,053,914,404
		10,912,359,346	6,341,170,062
Earnings per share	17		
Basic		3.64	2.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June, 2011

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Profit for the year	<u>10,912,359,346</u>	<u>6,341,170,062</u>
Other comprehensive income (expense)		
Gain on fair value changes of available-for-sale investments	188,605,106	96,759,062
Exchange differences arising on translation of foreign operations to the Group's presentation currency	571,100,346	127,414,313
Reclassification adjustments upon disposal of available-for-sale investments	<u>(132,018,435)</u>	<u>(4,721,865)</u>
Other comprehensive income for the year	<u>627,687,017</u>	<u>219,451,510</u>
Total comprehensive income for the year	<u>11,540,046,363</u>	<u>6,560,621,572</u>
Total comprehensive income attributable to:		
Owners of the Company	5,751,198,752	3,397,913,634
Non-controlling interests	<u>5,788,847,611</u>	<u>3,162,707,938</u>
	<u>11,540,046,363</u>	<u>6,560,621,572</u>

STATEMENTS OF FINANCIAL POSITION

At 30th June, 2011

	NOTES	THE COMPANY		THE GROUP	
		2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Non-current assets					
Investment properties	18	–	–	47,773,861,006	41,327,376,460
Hotel properties	19	–	–	1,657,579,976	1,416,100,684
Property, plant and equipment	20	–	7,735	150,596,151	161,695,043
Goodwill	21	–	–	739,233,918	739,233,918
Prepaid lease payments – non-current	22	–	–	1,261,852,876	1,123,367,152
Investments in subsidiaries	23	4,873,320,153	4,542,269,487	–	–
Interests in associates	24	–	–	11,217,192,063	7,745,445,630
Interest in a jointly controlled entity	25	–	–	55,792,466	70,251,382
Available-for-sale investments	26	–	–	1,259,919,936	1,259,735,585
Advances to subsidiaries	23	4,151,346,197	3,193,277,915	–	–
Advances to associates	24	–	–	9,578,579,709	11,472,718,600
Advance to a jointly controlled entity	25	–	–	1,697,282,249	1,599,853,118
Advance to non-controlling interests	27	–	–	162,149,657	–
Advances to investee companies	28	–	–	17,179,670	17,632,820
Long-term loans receivable	29	–	–	29,272,858	43,899,373
		9,024,666,350	7,735,555,137	75,600,492,535	66,977,309,765
Current assets					
Properties under development	49	–	–	22,812,356,603	20,800,713,801
Stocks of completed properties		–	–	1,160,982,428	2,022,430,753
Hotel inventories		–	–	27,271,674	22,630,641
Prepaid lease payments – current	22	–	–	19,809,674	17,363,023
Trading securities	30	–	–	1,305,491,817	1,119,205,831
Amounts due from associates	24	–	–	25,733,746	86,757,552
Accounts and other receivables	31	1,552	32,148	1,285,264,962	1,008,789,448
Current portion of long-term loans receivable	29	–	–	1,237,374	1,619,111
Taxation recoverable		–	–	6,092,665	115,946,793
Restricted bank deposits	32	–	–	273,972,025	372,604,974
Time deposits, bank balances and cash	32	7,610,175	122,635,000	7,930,343,986	4,620,377,490
		7,611,727	122,667,148	34,848,556,954	30,188,439,417
Current liabilities					
Accounts and other payables	33	2,407,526	2,280,496	3,499,227,204	3,530,617,792
Amounts due to associates	24	–	–	1,728,128,683	592,285,885
Taxation payable		–	–	768,397,511	997,147,314
Current portion of long-term bank borrowings	34	–	–	202,212,486	212,416,918
Bank loans					
– secured	34	–	–	3,562,429,107	6,262,896,494
– unsecured	34	–	–	–	200,000,000
Other loans					
– secured	35	–	–	247,484,250	13,371,976
– unsecured	35	–	–	193,380,119	147,074,915
Financial guarantee contracts – current	46	17,809,000	25,679,617	1,645,869	7,222,665
		20,216,526	27,960,113	10,202,905,229	11,963,033,959
Net current (liabilities) assets		(12,604,799)	94,707,035	24,645,651,725	18,225,405,458
Total assets less current liabilities		9,012,061,551	7,830,262,172	100,246,144,260	85,202,715,223

STATEMENTS OF FINANCIAL POSITION (Continued)

At 30th June, 2011

	NOTES	THE COMPANY		THE GROUP	
		2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Capital and reserves					
Share capital	36	301,127,280	296,461,354	301,127,280	296,461,354
Share premium and reserves	37	7,208,083,648	5,795,244,311	35,242,831,647	29,223,577,249
Equity attributable to owners of the Company		7,509,210,928	6,091,705,665	35,543,958,927	29,520,038,603
Non-controlling interests		–	–	41,259,240,229	31,625,356,065
Total equity		7,509,210,928	6,091,705,665	76,803,199,156	61,145,394,668
Non-current liabilities					
Long-term bank borrowings					
– due after one year	34	–	–	12,501,197,133	14,356,972,700
Other loans – due after one year	35	–	–	3,729,105,012	3,636,866,389
Financial guarantee contracts					
– non-current	46	7,650,000	15,980,000	948	1,646,817
Deferred taxation	38	–	–	4,590,535,092	3,524,805,068
Advances from subsidiaries	39	1,495,200,623	1,722,576,507	–	–
Advances from associates	40	–	–	2,188,632,210	2,130,277,184
Advances from non-controlling interests	41	–	–	433,474,709	406,752,397
		1,502,850,623	1,738,556,507	23,442,945,104	24,057,320,555
		9,012,061,551	7,830,262,172	100,246,144,260	85,202,715,223

The consolidated financial statements on pages 48 to 148 were approved and authorised for issue by the Board of Directors on 1st September, 2011 and are signed on its behalf by:

Robert NG Chee Siong
Chairman

Daryl NG Win Kong
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2011

	Attributable to owners of the Company							Total HK\$	Non- controlling interests HK\$	Total HK\$
	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Capital reserve HK\$	Investment revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$ (Note)			
At 1st July, 2009	293,220,023	4,460,092,775	224,000	-	157,497,992	237,808,894	21,094,101,820	26,242,945,504	29,403,898,799	55,646,844,303
Profit for the year	-	-	-	-	-	-	3,287,255,658	3,287,255,658	3,053,914,404	6,341,170,062
Other comprehensive income for the year	-	-	-	-	49,960,281	60,697,695	-	110,657,976	108,793,534	219,451,510
Total comprehensive income for the year	-	-	-	-	49,960,281	60,697,695	3,287,255,658	3,397,913,634	3,162,707,938	6,560,621,572
Shares issued in lieu of cash dividends	3,241,331	-	-	-	-	-	-	3,241,331	-	3,241,331
Premium on issue of shares upon scrip dividends	-	505,096,535	-	-	-	-	-	505,096,535	-	505,096,535
Share issue expenses	-	(60,000)	-	-	-	-	-	(60,000)	-	(60,000)
Acquisition of additional interest in a listed subsidiary	-	-	-	(41,541,317)	-	-	-	(41,541,317)	(503,621,991)	(545,163,308)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	-	-	519,927,614	519,927,614
Deemed capital contribution from non-controlling interests in relation to interest-free advances from non-controlling interests	-	-	-	-	-	-	-	-	5,155,878	5,155,878
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	117	117
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(962,712,290)	(962,712,290)
Final dividend – 2009	-	-	-	-	-	-	(439,830,035)	(439,830,035)	-	(439,830,035)
Interim dividend – 2010	-	-	-	-	-	-	(147,727,049)	(147,727,049)	-	(147,727,049)
At 30th June, 2010	296,461,354	4,965,129,310	224,000	(41,541,317)	207,458,273	298,506,589	23,793,800,394	29,520,038,603	31,625,356,065	61,145,394,668
Profit for the year	-	-	-	-	-	-	5,436,560,830	5,436,560,830	5,475,798,516	10,912,359,346
Other comprehensive income for the year	-	-	-	-	49,623,972	265,013,950	-	314,637,922	313,049,095	627,687,017
Total comprehensive income for the year	-	-	-	-	49,623,972	265,013,950	5,436,560,830	5,751,198,752	5,788,847,611	11,540,046,363
Shares issued in lieu of cash dividends	4,665,926	-	-	-	-	-	-	4,665,926	-	4,665,926
Premium on issue of shares upon scrip dividends	-	586,985,839	-	-	-	-	-	586,985,839	-	586,985,839
Share issue expenses	-	(60,000)	-	-	-	-	-	(60,000)	-	(60,000)
Dilution of interest in a listed subsidiary as a result of the share placement by the subsidiary (Note 1)	-	-	-	388,434,040	-	-	-	388,434,040	4,678,806,070	5,067,240,110
Acquisition of additional interest in a listed subsidiary	-	-	-	(112,692,790)	-	-	-	(112,692,790)	(129,368,834)	(242,061,624)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	-	-	345,492,744	345,492,744
Deemed capital contribution from non-controlling interests in relation to interest-free advances from non-controlling interests	-	-	-	-	-	-	-	-	4,251,651	4,251,651
Non-controlling interests written off upon deregistration of a subsidiary	-	-	-	-	-	-	-	-	(610,026)	(610,026)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,053,535,052)	(1,053,535,052)
Final dividend – 2010	-	-	-	-	-	-	(444,692,031)	(444,692,031)	-	(444,692,031)
Interim dividend – 2011	-	-	-	-	-	-	(149,919,412)	(149,919,412)	-	(149,919,412)
At 30th June, 2011	301,127,280	5,552,055,149	224,000	234,199,933	257,082,245	563,520,539	28,635,749,781	35,543,958,927	41,259,240,229	76,803,199,156

Note: At 30th June, 2011, retained profits of the Group include a sum of HK\$1,741,912,331 (2010: HK\$1,494,510,257) relating to certain associates attributable to the Group which are distributable by way of dividend subject to the prior consent of their bankers.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30th June, 2011

	2011 HK\$	2010 HK\$
OPERATING ACTIVITIES		
Profit before taxation	12,568,669,770	7,331,122,841
Adjustments for:		
Finance costs	257,617,947	312,733,078
Depreciation	93,213,329	38,402,836
Release of prepaid lease payments	18,586,349	5,018,324
Gain on disposal of available-for-sale investments	(131,076,070)	(4,538,434)
(Gain) loss on disposal of property, plant and equipment	(150,816)	887,608
Adjustments to construction costs of investment properties	32,637,868	10,279,060
Cost of hotel properties written off	–	175,915
Cost of property, plant and equipment written off	1,549,966	–
Recognition (reversal) of impairment loss on trade receivables	1,487,421	(137,383,448)
Share of results of associates	(3,627,544,720)	(904,972,687)
Increase in fair value of investment properties	(5,999,114,359)	(2,562,741,141)
Finance income	(153,396,824)	(138,954,901)
Gain on disposal of investment properties	(15,364,869)	(2,187,416)
Gain arising from change in fair value of trading securities	(192,335,668)	(196,440,452)
Fair value gain on non-current interest-free unsecured other loans	(50,650,084)	(64,990,283)
(Reversal) recognition of impairment loss on loans receivable	(786,387)	1,285,937
Non-controlling interests written off upon deregistration of a subsidiary	(610,026)	–
Operating cash flows before movements in working capital	2,802,732,827	3,687,696,837
Increase in properties under development	(1,940,698,352)	(4,333,654,680)
Decrease in stocks of completed properties	1,058,180,604	1,355,991,273
Increase in hotel inventories	(4,641,033)	(1,036,290)
Decrease in trading securities	32,157,152	831,365,190
(Increase) decrease in accounts and other receivables	(277,962,935)	613,723,320
Increase (decrease) in accounts and other payables	26,255,730	(1,102,349,260)
Net cash generated from operations	1,696,023,993	1,051,736,390
Hong Kong Profits Tax paid	(667,412,679)	(255,510,463)
Hong Kong Profits Tax refunded	–	28,467,219
Taxation in other jurisdictions paid	(65,999,993)	(32,902,418)
NET CASH FROM OPERATING ACTIVITIES	962,611,321	791,790,728

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 30th June, 2011

	NOTE	2011 HK\$	2010 HK\$
INVESTING ACTIVITIES			
Repayments from associates		2,529,294,420	1,421,189,029
Proceeds from disposal of available-for-sale investments		208,081,890	12,819,866
Dividends received from associates		184,509,621	93,309,684
Decrease (increase) in restricted bank deposits		98,632,949	(8,174,708)
Interest received		70,180,774	57,491,218
Proceeds from disposal of investment properties		68,299,439	10,539,695
Decrease in long-term loans receivable		15,794,639	20,672,454
Proceeds from disposal of property, plant and equipment		1,448,043	584,613
Repayments from investee companies		453,150	482,051
Advances to associates		(494,798,208)	(2,440,854,858)
Additions to investment properties		(327,457,503)	(236,637,262)
Advance to non-controlling interests		(162,149,657)	–
Advance to a jointly controlled entity		(83,050,000)	(1,645,174,999)
Additions to hotel properties		(65,331,304)	(88,297)
Additions to property, plant and equipment		(50,217,569)	(90,139,729)
Additions to available-for-sale investments		(20,603,500)	(20,345,000)
Acquisition of assets and liabilities through purchase of subsidiary	43	–	(573,693,868)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		1,973,087,184	(3,398,020,111)
FINANCING ACTIVITIES			
Proceeds from issue of shares by a listed subsidiary		5,139,250,000	–
New bank and other loans		4,287,852,532	9,232,518,998
Advances from associates		1,572,303,724	269,901,502
Advances from non-controlling interests		19,720,223	409,783,114
Dividends paid to non-controlling interests		(708,042,344)	(442,784,692)
Repayments of bank and other loans		(9,042,510,121)	(9,135,535,029)
Repayments to associates		(375,221,123)	(137,746,186)
Interest paid		(283,839,055)	(200,300,985)
Acquisition of additional interest in a listed subsidiary		(139,447,227)	(57,524,904)
Repurchase of its own shares by a listed subsidiary		(101,700,094)	(487,757,764)
Share issue expenses paid		(72,133,890)	–
Dividends paid		(2,959,678)	(79,279,218)
Capital contributions from non-controlling interests		–	117
NET CASH FROM (USED IN) FINANCING ACTIVITIES		293,272,947	(628,725,047)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3,228,971,452	(3,234,954,430)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		4,620,377,490	7,829,850,333
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		80,995,044	25,481,587
CASH AND CASH EQUIVALENTS CARRIED FORWARD		7,930,343,986	4,620,377,490
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Time deposits, bank balances and cash		7,930,343,986	4,620,377,490

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30th June, 2011

1. GENERAL

The Company is a public listed limited liability company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). 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 51.

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

As more fully described in a joint announcement made by the Company and Sino Land Company Limited ("Sino Land") dated 9th November, 2010, Sino Land placed an aggregate of 305,000,000 shares pursuant to the Placing Agreement. Upon completion of the Placing and the Subscription, the shareholdings of the Group in Sino Land decreased to below 50%.

Notwithstanding the said reduction in shareholdings in Sino Land, the Directors of the Company are of the view that the Group continues to control the financial and operating decisions of Sino Land, after taking into consideration the professional advice and the voting power relating to shares of Sino Land which are held by certain beneficial shareholders who have agreed to exercise their voting rights in accordance with the direction of the Company. The voting rights of these beneficial shareholders together with the existing voting rights of the Group in Sino Land account for more than 50% of shareholdings in Sino Land. Accordingly, Sino Land continues to be a subsidiary of the Company immediately upon completion of the Placing and the Subscription and as at 30th June, 2011.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

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

Improvements to HKFRSs 2009

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

Improvements to HKFRSs 2010

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

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

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

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

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

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

Allocation of total comprehensive income to non-controlling interests

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Changes in the Group's ownership interests in existing subsidiaries

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

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

Business combinations

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill

Goodwill arising on acquisitions prior to 1st January, 2005

Goodwill arising on an acquisition of net assets and operations of another entity for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

For previously capitalised goodwill arising on acquisitions of net assets and operations of another entity after 1st July, 2001, the Group has discontinued amortisation from 1st July, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

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

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in subsidiaries

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates

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

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

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

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

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

Goodwill arising on acquisitions prior to 1st January, 2005

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates *(Continued)*

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

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

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

Jointly controlled entities

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Jointly controlled operations

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

Investment properties

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

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

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

Hotel properties and property, plant and equipment

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment losses on tangible assets

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

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

Properties under development

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

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

Stocks of completed properties

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

Hotel inventories

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

Borrowing costs

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing

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

The Group as lessor

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

The Group as lessee

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

Leasehold land and building

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

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

Financial instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets

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

Effective interest method

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

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

Financial assets at fair value through profit or loss

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Loans and receivables

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

Available-for-sale financial assets

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

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

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

Impairment of financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

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 the financial liabilities on initial recognition.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

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

Equity instruments

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

Financial guarantee contracts

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition

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

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

Revenue recognition

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

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

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

- (b) Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.
- (c) Property management and service fee income is recognised when the services are rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

- (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.

Taxation

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

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

Foreign currencies

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

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

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

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

Retirement benefits costs

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimated net realisable value on properties under development

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

Allowance for stocks of completed properties

Management exercises its judgment in making allowance for stocks of completed properties with reference to the existing market environment, the sales performance in previous years and estimated market value of the properties, i.e. the estimated selling price less estimated costs of selling expenses. A specific allowance for stocks of completed properties is made if the estimated market value of the property is lower than its carrying amount. The specific allowance for stocks of completed properties is made based on the estimation of net realisable value on the completed properties. If the actual net realisable values of the stocks of completed properties are less than expected as a result of change in market condition, material provision for impairment losses may result. The carrying amount of the stocks of completed properties is HK\$1,160,982,428 (2010: HK\$2,022,430,753).

Depreciation on hotel properties

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

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

Income taxes

As detailed in Notes 15 and 24, the Inland Revenue Department (“IRD”) had initiated tax inquiries and issued notices of assessment for additional taxes against a wholly-owned subsidiary of the Group and a wholly-owned subsidiary of the Group’s associate in respect of the deductions on certain loan interest and related expenses.

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

Fair value of investment properties

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

5. CAPITAL RISK MANAGEMENT

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

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

The management of the Group reviews the capital structure periodically. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share 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 risk management during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	THE COMPANY		THE GROUP	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Financial assets				
Trading securities (fair value through profit or loss)	–	–	1,305,491,817	1,119,205,831
Available-for-sale investments	–	–	1,259,919,936	1,259,735,585
Loans and receivables (including cash and cash equivalents)	4,158,957,924	3,315,914,465	20,669,730,782	19,016,945,361
Financial liabilities				
Amortised cost	1,497,263,949	1,724,857,003	26,862,773,899	29,025,411,222
Financial guarantee contracts	25,459,000	41,659,617	1,646,817	8,869,482

Financial risk management objectives and policies

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

The Company's major financial instruments include accounts and other receivables, advances to/from subsidiaries, 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, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk

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

Currency risk

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

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

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

	THE GROUP	
	2011 HK\$	2010 HK\$
Assets		
Renminbi ("RMB")	922,297,901	1,058,024,736
United States Dollars ("USD")	17,177,733	37,668,217
Liabilities		
RMB	177,722,195	362,634,114
USD	142,048,752	156,601,625

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency sensitivity analysis

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

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

	THE GROUP	
	2011 HK\$	2010 HK\$
RMB	<u>26,929,224</u>	<u>34,224,979</u>

Certain available-for-sale investments and trading securities are denominated in foreign currency of the group entities. For available-for-sale investments, an increase/decrease in 5% of Singaporean dollar against the functional currency of the relevant group entities would result in an increase/decrease of HK\$11,505,556 (2010: HK\$9,277,786) in the Group's investment revaluation reserve. For trading securities, an increase/decrease in 5% of HK\$ against the functional currency of the relevant group entities would result in an increase/decrease of HK\$11,059,878 (2010: HK\$9,712,506) in the Group's profit for the year.

Interest rate risk

Loans, bank balances and bank borrowings at floating rates expose the Group to cash flow interest rate risk. Accounts and other payables and advances from non-controlling interests at fixed rates expose the Group to fair value interest rate risk (Notes 33 and 41 respectively). The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate sensitivity analysis

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

At the end of the respective reporting periods, if interest rates had increased/decreased by 50 basis points and all other variables were held constant, the Group's profit for the year would have decreased/increased by HK\$44,889,206 (2010: HK\$100,141,624). The Company has no other significant interest rate risk.

Other price risk

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

Other price risk sensitivity analysis

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

Available-for-sale investments

	THE GROUP	
	2011 HK\$	2010 HK\$
Increase (decrease) in investment revaluation reserve		
– as a result of increase in equity price	61,420,323	61,413,055
– as a result of decrease in equity price	(61,420,323)	(61,413,055)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk sensitivity analysis (Continued)

Trading securities

	THE GROUP	
	2011 HK\$	2010 HK\$
Increase (decrease) in profit for the year		
– as a result of increase in equity price	54,411,814	46,648,294
– as a result of decrease in equity price	(54,411,814)	(46,648,294)

Credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk in the event of the counterparties failure to discharge their obligations are in relation to each class of recognised financial assets as stated in the Group's and the Company's statements of financial position and the amount of contingent liabilities as disclosed in Note 46. In order to minimise the credit risk of trade receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

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

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

THE COMPANY

	Weighted average effective interest rate %	Repayable on demand or less than 1 month HK\$	1-3 months HK\$	3 months to 1 year HK\$	1 – 2 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2011							
Accounts and other payables	N/A	2,063,326	-	-	-	2,063,326	2,063,326
Advances from subsidiaries	1.30	-	-	-	1,514,676,108	1,514,676,108	1,495,200,623
Financial guarantee contracts	N/A	-	520,000,000	1,010,071,500	200,000,000	1,730,071,500	25,459,000
		<u>2,063,326</u>	<u>520,000,000</u>	<u>1,010,071,500</u>	<u>1,714,676,108</u>	<u>3,246,810,934</u>	<u>1,522,722,949</u>
2010							
Accounts and other payables	N/A	2,280,496	-	-	-	2,280,496	2,280,496
Advances from subsidiaries	1.91	-	-	-	1,755,477,718	1,755,477,718	1,722,576,507
Financial guarantee contracts	N/A	100,000,000	550,000,000	1,330,000,000	155,705,000	2,135,705,000	41,659,617
		<u>102,280,496</u>	<u>550,000,000</u>	<u>1,330,000,000</u>	<u>1,911,182,718</u>	<u>3,893,463,214</u>	<u>1,766,516,620</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

THE GROUP

	Weighted average effective interest rate %	Repayable on demand or less than 1 month HK\$	1-3 months HK\$	3 months to 1 year HK\$	1 - 2 years HK\$	2 - 5 years HK\$	Over 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2011									
Accounts and other payables									
– non-interest bearing	N/A	577,858,363	62,893,175	187,732,829	278,234,979	951,490,330	–	2,058,209,676	2,058,209,676
– variable rate	7.00	18,520,514	–	–	–	–	–	18,520,514	18,520,514
Other liabilities									
– non-interest bearing	N/A	276,748,032	–	49,901,498	2,968,912,122	422,557,938	–	3,718,119,590	3,702,512,233
– variable rate	1.01	535,570	1,071,139	4,820,128	642,299,768	–	–	648,726,605	637,467,156
– fixed rate	1.50	–	–	–	10,256,213	–	–	10,256,213	10,256,213
Borrowings									
– non-interest bearing	N/A	–	–	–	3,729,105,012	–	–	3,729,105,012	3,729,105,012
– variable rate	1.01	727,180,703	572,140,801	3,060,522,250	3,384,153,020	9,285,023,168	–	17,029,019,942	16,706,703,095
Financial guarantee contracts	N/A	–	–	4,328,900,000	3,569,800,000	1,159,300,000	–	9,058,000,000	1,646,817
		<u>1,600,843,182</u>	<u>636,105,115</u>	<u>7,631,876,705</u>	<u>14,582,761,114</u>	<u>11,818,371,436</u>	<u>–</u>	<u>36,269,957,552</u>	<u>26,864,420,716</u>
2010									
Accounts and other payables									
– non-interest bearing	N/A	340,462,654	90,777,486	335,114,403	133,242,129	139,333,331	1,180,634	1,040,110,637	1,040,110,637
– variable rate	7.00	88,270	176,540	15,838,146	–	–	–	16,102,956	15,131,987
– fixed rate	2.00	–	–	11,478,815	–	–	–	11,478,815	11,253,740
Other liabilities									
– non-interest bearing	N/A	539,670,794	–	52,615,091	1,561,895,145	396,510,678	–	2,550,691,708	2,537,969,128
– variable rate	0.82	393,533	787,066	3,541,799	585,208,404	–	–	589,930,802	581,770,703
– fixed rate	0.50	3,990	7,980	35,910	9,575,635	–	–	9,623,515	9,575,635
Borrowings									
– non-interest bearing	N/A	–	–	–	3,399,925,189	–	–	3,399,925,189	3,399,925,189
– variable rate	0.82	369,379,899	424,683,654	6,245,906,038	4,887,639,258	9,979,842,864	–	21,907,451,713	21,429,674,203
Financial guarantee contracts	N/A	–	–	5,983,050,000	4,275,500,000	576,000,000	–	10,834,550,000	8,869,482
		<u>1,249,999,140</u>	<u>516,432,726</u>	<u>12,647,580,202</u>	<u>14,852,985,760</u>	<u>11,091,686,873</u>	<u>1,180,634</u>	<u>40,359,865,335</u>	<u>29,034,280,704</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

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

Fair value measurements

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

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

THE GROUP

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
2011				
Available-for-sale investments	1,228,406,446	–	–	1,228,406,446
Trading securities:				
Equity securities listed in Hong Kong	1,153,385,911	–	–	1,153,385,911
Equity securities listed elsewhere	152,105,906	–	–	152,105,906
Total	<u>2,533,898,263</u>	<u>–</u>	<u>–</u>	<u>2,533,898,263</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

6. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements (Continued)

THE GROUP

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
2010				
Available-for-sale investments	1,228,222,095	–	–	1,228,222,095
Trading securities:				
Equity securities listed in Hong Kong	997,184,655	–	–	997,184,655
Equity securities listed elsewhere	122,021,176	–	–	122,021,176
Total	<u>2,347,427,926</u>	<u>–</u>	<u>–</u>	<u>2,347,427,926</u>

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

Fair values of financial instruments

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

7. TURNOVER

	2011 HK\$	2010 HK\$
Sales of properties held for sale	2,256,316,924	4,566,945,534
Gross rental income from properties	2,199,094,316	1,963,493,475
Property management and service fee income	793,478,962	701,181,766
Hotel operations	677,979,850	439,844,781
Interest income from loans receivable	873,194	1,419,908
Dividend income		
listed investments	68,315,356	85,841,125
unlisted investments	14,249,333	17,842,500
	6,010,307,935	7,776,569,089

8. OPERATING SEGMENTS

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

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

Segment Results

For the year ended 30th June, 2011

	The Company and its subsidiaries		Associates		Total	
	Segment revenue HK\$	Segment results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property						
Property sales	2,256,316,924	1,003,525,519	7,033,689,320	2,237,227,602	9,290,006,244	3,240,753,121
Property rental	2,199,094,316	1,825,283,837	506,273,523	459,293,209	2,705,367,839	2,284,577,046
	4,455,411,240	2,828,809,356	7,539,962,843	2,696,520,811	11,995,374,083	5,525,330,167
Property management and other services	793,478,962	194,525,211	64,094,512	9,041,431	857,573,474	203,566,642
Hotel operations	677,979,850	267,976,089	214,359,600	121,282,200	892,339,450	389,258,289
Investments in securities	82,564,689	81,643,996	203,900	203,900	82,768,589	81,847,896
Financing	873,194	873,194	138,696	118,416	1,011,890	991,610
	6,010,307,935	3,373,827,846	7,818,759,551	2,827,166,758	13,829,067,486	6,200,994,604

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)

Segment Assets			
As at 30th June, 2011			
	The Company and its subsidiaries	Associates and jointly controlled entity	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Property			
Sales	25,097,237,621	1,837,262,400	26,934,500,021
Rental	<u>48,394,325,590</u>	<u>8,433,950,847</u>	<u>56,828,276,437</u>
	73,491,563,211	10,271,213,247	83,762,776,458
Property management and other services	191,950,829	5,816,375	197,767,204
Hotel operations	3,174,608,750	904,771,214	4,079,379,964
Investments in securities	2,683,039,586	89,750,976	2,772,790,562
Financing	<u>11,424,493,908</u>	<u>1,432,717</u>	<u>11,425,926,625</u>
Segment assets	<u>90,965,656,284</u>	<u>11,272,984,529</u>	102,238,640,813
Time deposits, bank balances and cash			8,204,316,011
Taxation recoverable			<u>6,092,665</u>
Total assets			<u>110,449,049,489</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)

Other Information

For the year ended 30th June, 2011

	Property sales <i>HK\$</i>	Property rental <i>HK\$</i>	Property management and other services <i>HK\$</i>	Hotel operations <i>HK\$</i>	Investments in securities <i>HK\$</i>	Financing <i>HK\$</i>	Consolidated <i>HK\$</i>
Amounts included in the measure of segment assets:							
Capital additions							
- Property, plant and equipment	2,842,756	2,972,877	14,628,063	29,202,755	571,118	-	50,217,569
- Investment properties	-	327,457,503	-	-	-	-	327,457,503
- Hotel properties	-	-	-	65,331,304	-	-	65,331,304
Amount regularly reviewed by the chief operating decision makers but not included in the measure of segment profit or loss:							
Increase in fair value of investment properties	-	5,999,114,359	-	-	-	-	5,999,114,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)

Segment Results

For the year ended 30th June, 2010

	The Company and its subsidiaries		Associates		Total	
	Segment revenue	Segment results	Share of revenue	Share of results	Segment revenue	Segment results
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Property						
Property sales	4,566,945,534	1,989,158,347	281,732,907	77,476,683	4,848,678,441	2,066,635,030
Property rental	1,963,493,475	1,635,497,757	489,535,593	451,391,115	2,453,029,068	2,086,888,872
	<u>6,530,439,009</u>	<u>3,624,656,104</u>	<u>771,268,500</u>	<u>528,867,798</u>	<u>7,301,707,509</u>	<u>4,153,523,902</u>
Property management and other services	701,181,766	185,656,442	62,238,160	10,715,214	763,419,926	196,371,656
Hotel operations	439,844,781	169,696,156	188,439,900	107,247,129	628,284,681	276,943,285
Investments in securities	103,683,625	99,527,456	3,900	3,900	103,687,525	99,531,356
Financing	1,419,908	1,419,908	237,899	211,371	1,657,807	1,631,279
	<u>7,776,569,089</u>	<u>4,080,956,066</u>	<u>1,022,188,359</u>	<u>647,045,412</u>	<u>8,798,757,448</u>	<u>4,728,001,478</u>

Segment Assets

As at 30th June, 2010

	The Company and its subsidiaries HK\$	Associates and jointly controlled entity HK\$	Total HK\$
Property			
Sales	23,896,533,389	552,342,308	24,448,875,697
Rental	41,625,352,728	6,310,075,069	47,935,427,797
	<u>65,521,886,117</u>	<u>6,862,417,377</u>	<u>72,384,303,494</u>
Property management and other services	185,877,251	6,352,461	192,229,712
Hotel operations	2,793,867,868	845,712,193	3,639,580,061
Investments in securities	2,495,287,195	99,916,171	2,595,203,366
Financing	13,244,204,482	1,298,810	13,245,503,292
	<u>84,241,122,913</u>	<u>7,815,697,012</u>	<u>92,056,819,925</u>
Time deposits, bank balances and cash			4,992,982,464
Taxation recoverable			<u>115,946,793</u>
Total assets			<u>97,165,749,182</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)

Other Information

For the year ended 30th June, 2010

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

Measurement

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

8. OPERATING SEGMENTS *(Continued)*

Reconciliation of profit before taxation

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Segment profit	6,200,994,604	4,728,001,478
Other income	85,097,947	249,034,027
Administrative expenses and other operating expenses	(802,063,234)	(558,766,310)
Increase in fair value of investment properties	5,999,114,359	2,562,741,141
Gain arising from change in fair value of trading securities	192,335,668	196,440,452
Gain on disposal of available-for-sale investments	131,076,070	4,538,434
Gain on disposal of investment properties	15,364,869	–
Fair value gain on non-current interest-free unsecured other loans	50,650,084	64,990,283
Finance costs net of finance income	(104,278,559)	(173,783,939)
Results shared from associates		
– Other income	32,005,020	15,416,882
– Administrative expenses and other operating expenses	(97,852,968)	(86,160,440)
– Increase in fair value of investment properties	1,754,727,073	630,590,516
– Finance costs net of finance income	(108,883,320)	(83,584,723)
– Income tax expense	(779,617,843)	(218,334,960)
	800,377,962	257,927,275
Profit before taxation	12,568,669,770	7,331,122,841

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

8. OPERATING SEGMENTS (Continued)

Revenue from major products and services

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

Geographical segments

Most of the activities of the Group are based in Hong Kong and more than 90% of the Group's turnover, profit before taxation, total non-current assets are derived from activities in Hong Kong.

Information about major customers

There was no customer who accounted for over 10% of the total revenue generated from the five operating divisions.

9. FINANCE INCOME

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Interest income on:		
advances to associates	22,517,337	28,807,988
advances to investee companies	886,595	892,535
bank deposits	46,776,842	27,790,695
Imputed interest income on non-current interest-free		
advances to associates	75,993,385	73,883,590
Financial guarantee income	7,222,665	7,580,093
	153,396,824	138,954,901

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

10. FINANCE COSTS

	2011 HK\$	2010 HK\$
Interest and other finance costs on:		
bank loans wholly repayable within five years	250,952,173	214,963,947
other loans wholly repayable within five years	10,071,482	29,037,881
Imputed interest expense on non-current interest-free advances from associates	12,722,580	30,542,872
Imputed interest expense on non-current interest-free unsecured other loans	64,990,283	91,399,403
	<u>338,736,518</u>	<u>365,944,103</u>
Less: Amounts capitalised to properties under development	(81,118,571)	(53,211,025)
	<u>257,617,947</u>	<u>312,733,078</u>

11. SHARE OF RESULTS OF ASSOCIATES

	2011 HK\$	2010 HK\$
Share of results of associates comprises:		
Share of profits of associates	4,407,162,563	1,123,307,647
Share of taxation of associates	(779,617,843)	(218,334,960)
	<u>3,627,544,720</u>	<u>904,972,687</u>

The Group's share of results of associates included the Group's share of increase in fair value of investment properties of the associates, net of deferred taxation, of HK\$1,459,035,872 (2010: HK\$518,847,559) recognised in the income statement of the associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

12. PROFIT BEFORE TAXATION

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Profit before taxation has been arrived at after charging (crediting):		
Staff costs including Directors' remuneration:		
Staff salaries and other benefits	994,347,698	853,030,335
Retirement benefit scheme contributions	40,796,529	34,812,244
	<hr/>	<hr/>
Total staff costs	1,035,144,227	887,842,579
	<hr/>	<hr/>
Release of prepaid lease payments (included in other operating expenses)	18,586,349	5,018,324
Auditor's remuneration		
– audit services		
– current year provision	4,684,664	4,514,118
– underprovision of previous years	10,114	12,773
– non audit services	840,261	974,015
Cost of hotel inventories consumed	83,668,823	57,927,959
Cost of properties sold	1,076,645,840	2,252,941,628
Depreciation (included in other operating expenses)	93,213,329	38,402,836
(Gain) loss on disposal of property, plant and equipment	(150,816)	887,608
Recognition (reversal) of impairment loss on trade receivables	1,487,421	(137,383,448)
Net exchange gain (included in other income)	(12,523,854)	(3,988,245)
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the six (2010: seven) directors was as follows:

2011

	Mr. Robert Ng Chee Siong HK\$	Mr. Daryl Ng Win Kong HK\$	The Honourable Ronald Joseph Arculli HK\$ (Note ii)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Mr. Steven Ong Kay Eng HK\$	Total HK\$
Fees	70,000	60,000	120,000	380,000	380,000	180,000	1,190,000
Other emoluments							
Salaries and other benefits	1,226,760	749,170	-	-	-	-	1,975,930
Retirement benefits scheme contributions	12,000	12,000	-	-	-	-	24,000
Discretionary bonus (Note i)	-	62,360	-	-	-	-	62,360
Total emoluments	1,308,760	883,530	120,000	380,000	380,000	180,000	3,252,290

2010

	Mr. Robert Ng Chee Siong HK\$	Mr. Raymond Tong Kwok Tung HK\$	Mr. Daryl Ng Win Kong HK\$	The Honourable Ronald Joseph Arculli HK\$ (Note ii)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Mr. Steven Ong Kay Eng HK\$	Total HK\$
Fees	70,000	9,998	60,000	120,000	380,000	380,000	180,000	1,199,998
Other emoluments								
Salaries and other benefits	1,226,760	797,164	758,857	-	-	-	-	2,782,781
Retirement benefits scheme contributions	12,000	2,000	12,000	-	-	-	-	26,000
Discretionary bonus (Note i)	-	1,750,000	60,690	-	-	-	-	1,810,690
Total emoluments	1,308,760	2,559,162	891,547	120,000	380,000	380,000	180,000	5,819,469

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\$2,083,330 (2010: HK\$2,083,330), including HK\$1,666,664 (2010: HK\$1,666,664) paid directly by Sino Land, was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP is the sole proprietor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, none of them (2010: none) is an Executive Director of the Company whose emoluments are included in Note 13 above. The emoluments of five (2010: five) individuals disclosed pursuant to the Listing Rules are as follows:

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Salaries and other emoluments (including basic salaries, housing allowances, other allowances and benefits in kind)	21,981,265	20,343,150
Retirement benefits scheme contributions	126,000	126,000
Discretionary bonus	3,708,223	5,537,341
	25,815,488	26,006,491

The emoluments were within the following bands:

	Number of individuals	
HK\$	2011	2010
3,500,001 – 4,000,000	1	2
4,000,001 – 4,500,000	2	–
4,500,001 – 5,000,000	–	1
6,000,001 – 6,500,000	–	1
6,500,001 – 7,000,000	2	–
7,000,001 – 7,500,000	–	1

For the years ended 30th June, 2011 and 2010, no emoluments were paid by the Group to these five highest paid individuals, including Directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no Director waived any emoluments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

15. INCOME TAX EXPENSE

	2011 <i>HK\$</i>	2010 <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% (2010: 16.5%)	324,454,903	418,121,746
Overprovision in previous years	(16,114,493)	(4,506,856)
Additional provisions in respect of tax inquiries <i>(Note)</i>	208,282,240	–
	516,622,650	413,614,890
Taxation in other jurisdictions		
Provision for the year	44,263,094	78,340,369
Underprovision in previous years	46,639,061	5,132,002
	90,902,155	83,472,371
	607,524,805	497,087,261
Deferred taxation <i>(Note 38)</i>		
Current year	1,048,785,619	492,865,518
	1,656,310,424	989,952,779

Taxation in other jurisdictions is provided for in accordance with the respective local tax requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

15. INCOME TAX EXPENSE (Continued)

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

	2011 HK\$	2010 HK\$
Profit before taxation	12,568,669,770	7,331,122,841
Tax at Hong Kong Profits Tax rate of 16.5% (2010: 16.5%)	2,073,830,512	1,209,635,269
Tax effect of share of results of associates	(598,544,879)	(149,320,493)
Tax effect of expenses not deductible for tax purpose	24,415,927	82,312,539
Tax effect of income not taxable for tax purpose	(71,281,688)	(80,517,205)
Additional provisions in respect of tax inquiries (Note)	208,282,240	–
Underprovision in previous years	30,524,568	625,146
Tax effect of tax losses not recognised	2,958,395	14,214,916
Tax effect of deferred taxation assets not recognised	12,232,988	25,226,440
Utilisation of tax losses previously not recognised	(18,376,635)	(85,457,850)
Utilisation of deferred taxation assets previously not recognised	(39,598,179)	(94,221,786)
Effect of different tax rates of subsidiaries operating in other jurisdictions	31,867,175	67,455,803
Tax charge for the year	1,656,310,424	989,952,779

Details of deferred taxation are set out in Note 38.

Note:

The IRD initiated tax inquiries for the years of assessment 1995/96 to 2004/05 on Sing-Ho Finance Company Limited (“Sing-Ho Finance”), a wholly-owned subsidiary of Sino Land which is a subsidiary of the Company. Notices of assessment for additional tax in an aggregate sum of approximately HK\$673,880,000 were issued to Sing-Ho Finance for the years under review and objections were properly lodged with the IRD by Sing-Ho Finance. The IRD agreed to hold over the tax claim subject to the purchase of tax reserve certificates (the “TRCs”) of approximately HK\$109,940,000 for those years of assessments. These TRCs were purchased by the Group in prior years. During the year, the Directors of the Company have determined that, based on the available evidence collated so far, provisions for tax payable in respect of the assessments of approximately HK\$208,000,000 and for the estimated interest payable on additional tax of approximately HK\$114,000,000 should be made by the Group. The Directors of the Company consider that such provisions are appropriate having taken into account the current circumstances. The provisions for additional tax payable and the estimated interest payable are included in the current income tax expense and administrative expenses respectively. The Directors of the Company are also of the opinion that the payment of any additional tax other than the tax provided is not probable and, therefore, no further tax provision has been made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

16. DIVIDENDS

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Dividends recognised as distribution during the year:		
Final dividend for the year ended 30th June, 2010: HK30 cents (2010: HK30 cents for the year ended 30th June, 2009) per share	444,692,031	439,830,035
Interim dividend for the year ended 30th June, 2011: HK10 cents (2010: HK10 cents for the year ended 30th June, 2010) per share	149,919,412	147,727,049
	594,611,443	587,557,084

During the year, scrip dividends were offered in respect of the 2010 final and 2011 interim dividends. These scrip alternatives were accepted by the majority of shareholders, as follows:

	2011 Interim dividend <i>HK\$</i>	2010 Final dividend <i>HK\$</i>
Dividends:		
Cash	716,324	2,243,354
Scrip alternatives	149,203,088	442,448,677
	149,919,412	444,692,031

A final dividend of HK35 cents per share for the year ended 30th June, 2011 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming Annual General Meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

17. EARNINGS PER SHARE

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

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Earnings for the purpose of basic earnings per share	<u>5,436,560,830</u>	<u>3,287,255,658</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,493,273,536</u>	<u>1,474,062,611</u>

No diluted earnings per share has been presented for the years ended 30th June, 2011 and 2010 as there were no potential ordinary shares outstanding during the current and prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

18. INVESTMENT PROPERTIES

THE GROUP								
	Investment properties in Hong Kong held under long leases <i>HK\$</i>	Investment properties in Hong Kong held under medium- term leases <i>HK\$</i>	Investment properties in the People's Republic of China held under medium- term lease <i>HK\$</i>	Investment properties under redevelopment in Hong Kong <i>HK\$</i>	Investment property under construction in the People's Republic of China <i>HK\$</i>	Investment properties in Singapore held under a long lease <i>HK\$</i>	Investment property under construction in Singapore <i>HK\$</i>	Total <i>HK\$</i>
FAIR VALUE								
At 1st July, 2009	1,943,809,281	34,541,844,386	–	250,000,000	–	822,018,375	–	37,557,672,042
Reclassified from properties under development	–	–	–	–	179,494,954	–	169,406,076	348,901,030
Exchange realignment	–	–	–	–	–	30,820,256	7,001,431	37,821,687
Additions	–	20,998,933	16,218,000	14,946,537	85,463,368	4,489,924	94,520,500	236,637,262
Acquisition of subsidiary (Note 43)	–	567,316,401	–	–	–	–	–	567,316,401
Transfer from completed properties to investment properties under redevelopment	(129,000,000)	–	–	129,000,000	–	–	–	–
Transfer from properties under development upon completion	–	26,822,666	8,095,570	–	–	–	–	34,918,236
Transfer from investment property under construction upon completion	–	–	–	–	–	270,928,007	(270,928,007)	–
Disposals	–	(8,352,279)	–	–	–	–	–	(8,352,279)
Adjustments to construction costs	(1,289,825)	(8,989,235)	–	–	–	–	–	(10,279,060)
Increase (decrease) in fair value	305,780,544	1,876,907,888	16,948,430	65,053,463	453,791,678	(155,740,862)	–	2,562,741,141
At 30th June, 2010	2,119,300,000	37,016,548,760	41,262,000	459,000,000	718,750,000	972,515,700	–	41,327,376,460
Exchange realignment	–	–	25,082,000	–	–	150,023,876	–	175,105,876
Additions	39,452,925	183,768,023	47,510,341	15,667,670	16,695,947	24,362,597	–	327,457,503
Transfer from properties under development upon completion	–	30,379,246	–	–	–	–	–	30,379,246
Transfer from investment property under construction upon completion	–	–	735,445,947	–	(735,445,947)	–	–	–
Disposals	–	(52,934,570)	–	–	–	–	–	(52,934,570)
Adjustments to construction costs	–	(18,979,943)	(2,709,933)	–	–	(10,947,992)	–	(32,637,868)
Increase in fair value	514,247,075	4,809,008,606	352,238,454	126,332,330	–	197,287,894	–	5,999,114,359
At 30th June, 2011	2,673,000,000	41,967,790,122	1,198,828,809	601,000,000	–	1,333,242,075	–	47,773,861,006

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

18. INVESTMENT PROPERTIES *(Continued)*

The fair values of the Group's completed investment properties at 30th June, 2011 and 2010 have been arrived at on the basis of valuations carried out as at that date by Knight Frank Petty Ltd., Knight Frank Pte Ltd. and Colliers International Consultancy & Valuation (Singapore) Pte Ltd, firms of independent qualified professional property valuers not connected with the Group. The valuations were arrived at by reference to market evidence of recent transaction prices for similar properties and/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs.

For investment properties under construction or redevelopment, the valuations have been arrived at adopting direct comparison approach with reference to comparable transactions in the locality and assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The valuations have also taken into account the relevant future cost of development, including construction costs, finance costs, professional fees and developer's profit, which duly reflect the risks associated with the development of the properties.

All of the Group's property interests held under operating lease to earn rentals or for capital appreciation purposes are measured using fair value model and are classified and accounted for as investment properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

19. HOTEL PROPERTIES

THE GROUP

	Hotel properties in Singapore held under a long lease <i>HK\$</i>
COST	
At 1st July, 2009	949,447,139
Exchange realignment	39,239,964
Transfer from properties under development upon completion	523,922,095
Additions	88,297
Written off	<u>(175,915)</u>
At 30th June, 2010	1,512,521,580
Exchange realignment	213,131,751
Additions	<u>65,331,304</u>
At 30th June, 2011	<u>1,790,984,635</u>
DEPRECIATION	
At 1st July, 2009	82,691,906
Exchange realignment	3,622,222
Provided for the year	<u>10,106,768</u>
At 30th June, 2010	96,420,896
Exchange realignment	15,031,671
Provided for the year	<u>21,952,092</u>
At 30th June, 2011	<u>133,404,659</u>
CARRYING VALUES	
At 30th June, 2011	<u>1,657,579,976</u>
At 30th June, 2010	<u>1,416,100,684</u>

The hotel properties are depreciated on a straight-line basis over the relevant terms of the lease of 60 to 96 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

20. PROPERTY, PLANT AND EQUIPMENT

THE COMPANY	
	Motor vehicles HK\$
COST	
At 1st July, 2009, 30th June, 2010 and 2011	<u>403,700</u>
DEPRECIATION	
At 1st July, 2009	341,025
Provided for the year	<u>54,940</u>
At 30th June, 2010	395,965
Provided for the year	<u>7,735</u>
At 30th June, 2011	<u>403,700</u>
CARRYING VALUES	
At 30th June, 2011	<u>–</u>
At 30th June, 2010	<u>7,735</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

20. PROPERTY, PLANT AND EQUIPMENT (Continued)

THE GROUP						
	Computer systems HK\$	Furniture, fixtures and equipment HK\$	Leasehold improvements HK\$	Motor vehicles HK\$	Plant and machinery HK\$	Total HK\$
COST						
At 1st July, 2009	62,064,929	136,845,154	34,732,148	17,732,504	5,964,354	257,339,089
Exchange realignment	573,863	4,477,893	6,761	169,700	12,668	5,240,885
Acquisition of subsidiary (Note 43)	1,419,259	11,264,340	–	–	–	12,683,599
Additions	4,222,983	74,694,733	8,593,128	1,308,722	1,320,163	90,139,729
Disposals	(5,281,801)	(1,890,246)	(4,749,471)	(1,183,192)	(1,018,912)	(14,123,622)
At 30th June, 2010	62,999,233	225,391,874	38,582,566	18,027,734	6,278,273	351,279,680
Exchange realignment	2,627,883	25,100,565	33,997	1,068,419	44,974	28,875,838
Additions	15,384,740	21,864,587	2,901,242	8,642,585	1,424,415	50,217,569
Write off	(73,469)	(2,343,491)	–	–	–	(2,416,960)
Disposals	(7,105,451)	(551,123)	(487,431)	(2,891,213)	(463,178)	(11,498,396)
At 30th June, 2011	73,832,936	269,462,412	41,030,374	24,847,525	7,284,484	416,457,731
DEPRECIATION						
At 1st July, 2009	44,864,250	78,826,110	29,288,020	12,639,676	4,969,957	170,588,013
Exchange realignment	388,383	2,849,060	2,951	99,125	12,438	3,351,957
Provided for the year	7,071,086	15,645,949	2,904,205	1,928,417	746,411	28,296,068
Eliminated on disposals	(5,090,567)	(1,030,012)	(4,345,092)	(1,183,192)	(1,002,538)	(12,651,401)
At 30th June, 2010	47,233,152	96,291,107	27,850,084	13,484,026	4,726,268	189,584,637
Exchange realignment	1,815,271	13,615,283	20,201	585,375	47,739	16,083,869
Provided for the year	12,544,028	50,144,789	3,635,283	3,892,599	1,044,538	71,261,237
Write off	(73,469)	(793,525)	–	–	–	(866,994)
Eliminated on disposals	(6,864,463)	(374,968)	(257,415)	(2,241,145)	(463,178)	(10,201,169)
At 30th June, 2011	54,654,519	158,882,686	31,248,153	15,720,855	5,355,367	265,861,580
CARRYING VALUES						
At 30th June, 2011	19,178,417	110,579,726	9,782,221	9,126,670	1,929,117	150,596,151
At 30th June, 2010	15,766,081	129,100,767	10,732,482	4,543,708	1,552,005	161,695,043

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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

21. GOODWILL

	THE GROUP HK\$
GROSS AMOUNT	
At 1st July, 2009, 30th June, 2010 and 30th June, 2011	<u>739,233,918</u>
<p>Goodwill as at 30th June 2011 and 2010 arose from increase in the Group's ownership in a listed subsidiary through further acquisition the interests in the repurchase of its own shares by the listed subsidiary itself as well as the issue of scrip dividends by the listed subsidiary in prior years.</p> <p>During the years ended 30th June, 2011 and 2010, changes in the Group's ownership interest in subsidiaries that do not result in loss of control of the subsidiaries have been accounted for as equity transactions.</p> <p>During the year ended 30th June 2011, management of the Group performed an impairment review in respect of goodwill. Sino Land is the Company's major operating arm in respect of the Group's five operating divisions as set out in Note 8. The recoverable amount of these operating divisions (which are also the cash generating units) is determined based on fair value less costs to sell. The management determined that there is no impairment on goodwill as at 30th June 2011. The amounts of goodwill are allocated to respective operating divisions disclosed in Note 8.</p>	

22. PREPAID LEASE PAYMENTS

	THE GROUP	
	2011 HK\$	2010 HK\$
The Group's prepaid lease payments comprise:		
Leasehold land for hotel properties outside Hong Kong – long lease	<u>1,281,662,550</u>	<u>1,140,730,175</u>
Analysed for reporting purposes as:		
Current assets	19,809,674	17,363,023
Non-current assets	<u>1,261,852,876</u>	<u>1,123,367,152</u>
	<u>1,281,662,550</u>	<u>1,140,730,175</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

23. INVESTMENTS IN SUBSIDIARIES/ADVANCES TO SUBSIDIARIES

	THE COMPANY	
	2011 HK\$	2010 HK\$
Investments in subsidiaries:		
Unlisted shares, at cost less impairment losses recognised	102,235,137	92,830,137
Listed shares in Hong Kong, at cost	4,771,085,016	4,449,439,350
	4,873,320,153	4,542,269,487
Advances to subsidiaries	4,151,346,197	3,193,277,915
	9,024,666,350	7,735,547,402
Market value of Hong Kong listed investments	14,905,869,354	16,507,735,447

The advances to subsidiaries are unsecured, interest-free and have no fixed repayment terms. The effective interest rate for imputed interest income is determined based on the cost-of-fund plus a margin per annum. In the opinion of the Directors, the Company will not demand for repayment within the next twelve months from the end of the reporting period and accordingly the advances are classified as non-current assets in the statement of financial position of the Company as at 30th June, 2011 and 2010.

Particulars of the Company's principal subsidiaries at 30th June, 2011 and 2010 are set out in Note 51.

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

	THE GROUP	
	2011 HK\$	2010 HK\$
Interests in associates:		
Unlisted shares, at cost	2,243,699,570	2,085,008,866
Share of post-acquisition profits	8,973,492,493	5,660,436,764
	11,217,192,063	7,745,445,630
Advances to associates less provisions	9,578,579,709	11,472,718,600
	20,795,771,772	19,218,164,230

Included in the cost of investment in associates is goodwill of HK\$142,498,716 (2010: HK\$142,498,716) arising on acquisitions of associates in prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

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

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 30th June, 2011, out of the Group's advances to associates, HK\$1,577,535,011 (2010: HK\$1,526,824,256) bears interest at effective rate determined based on the Group's cost-of-funds plus a margin per annum and the remaining balance of HK\$8,001,044,698 (2010: HK\$9,945,894,344) is interest-free. The effective interest rate for imputed interest income is determined based on the cost-of-funds plus a margin per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The amounts due from associates of the Group grouped under current assets are unsecured and are expected to be repaid within one year. At 30th June, 2011, out of the Group's amounts due from associates, HK\$576,437 (2010: HK\$867,883) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$25,157,309 (2010: HK\$85,889,669) is interest-free.

The amounts due to associates of the Group grouped under current liabilities are unsecured, interest-free and repayable on demand.

Particulars of the principal associates at 30th June, 2011 and 2010 are set out in Note 52.

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

	2011 HK\$	2010 <i>HK\$</i>
Total assets	100,545,920,505	94,304,720,236
Total liabilities	(67,970,844,077)	(71,816,212,623)
Net assets	<u>32,575,076,428</u>	<u>22,488,507,613</u>
Group's share of net assets of associates	<u>11,074,693,347</u>	<u>7,602,946,914</u>
Turnover	<u>17,872,180,917</u>	<u>3,308,785,088</u>
Profit for the year	<u>10,333,882,632</u>	<u>3,974,937,041</u>
Group's share of results of associates for the year	<u>3,627,544,720</u>	<u>904,972,687</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

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

The IRD initiated tax inquiries in respect of the deductions on certain loan interest and related expenses for the years of assessment 1994/95 to 2004/05 on a wholly-owned subsidiary, Murdoch Investments Inc. ("MII"), of the Group's associate, Erleigh Investment Limited. Notices of assessment for additional tax in the aggregate amounts of approximately HK\$135,038,000 were issued to MII for the years under review and objection was properly lodged with the IRD by MII. The IRD agreed to hold over the tax claim subject to the purchase of TRCs of approximately HK\$18,212,000 for those years of assessments. These TRCs were purchased by the corresponding company in prior years.

In respect of MII case, the effective share of the additional tax attributable to the Group as at 30th June, 2011 is estimated to be approximately HK\$30,197,000 (2010: HK\$29,996,000). During the year, the management has determined that, based on the available evidence collated so far, provisions for tax payable in respect of the assessments of approximately HK\$29,000,000 and for the estimated interest payable on additional tax of approximately HK\$15,600,000 should be made. The effective share of tax and the estimated interest payable attributable to the Group are approximately HK\$6,400,000 and HK\$3,500,000 respectively. The management considers that such provisions are appropriate having taken into account the current circumstances. The management is also of the opinion that the payment of any additional tax other than the tax provided is not probable and, therefore, no further tax provision has been made by MII.

The Directors of the Company have taken note of the above matters and have made due inquiries. Nothing has come to the attention of the Board of Directors of the Company which indicates that there has been material subsequent development or change in status in respect of the above matters.

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

	THE GROUP	
	2011 HK\$	2010 HK\$
Interest in a jointly controlled entity:		
Unlisted shares, at cost	55,792,466	70,251,382
Advance to a jointly controlled entity	<u>1,697,282,249</u>	<u>1,599,853,118</u>
	<u>1,753,074,715</u>	<u>1,670,104,500</u>

The advance to a jointly controlled entity of the Group is unsecured, interest-free and has no fixed repayment terms. The effective interest rate for imputed interest income is determined based on the cost-of-fund plus a margin per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advance is therefore shown as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

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

Particulars of the jointly controlled entity at 30th June, 2011 and 2010 are set out as below:

Name of jointly controlled entity	Place of incorporation/ operation	Class of shares held	Issued share capital	Proportion of nominal value of issued share capital held by the Company		Principal activity
				2011 %	2010 %	
<i>Indirect:</i>						
Grand Site Development Limited	Hong Kong	Ordinary	HK\$2	50	50	Property development

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

	2011 HK\$	2010 HK\$
Total assets	3,538,528,465	3,342,467,822
Total liabilities	<u>(3,538,829,032)</u>	<u>(3,342,608,820)</u>
Net liabilities	<u>(300,567)</u>	<u>(140,998)</u>
Group's share of net liabilities of a jointly controlled entity	<u>(150,283)</u>	<u>(70,499)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

26. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	THE GROUP	
	2011 HK\$	2010 HK\$
Listed investments:		
Equity securities listed in		
Hong Kong	869,824,632	833,537,602
Singapore	358,581,814	394,684,493
	<u>1,228,406,446</u>	<u>1,228,222,095</u>
Unlisted securities:		
Equity securities	30,898,490	30,898,490
Club debentures	615,000	615,000
	<u>31,513,490</u>	<u>31,513,490</u>
Total	<u>1,259,919,936</u>	<u>1,259,735,585</u>

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

The above unlisted equity investments are investments in unlisted equity securities issued by private entities incorporated in Hong Kong. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably.

27. ADVANCE TO NON-CONTROLLING INTERESTS

The advance to non-controlling interests of the Group is unsecured, has no fixed repayment terms and bears interest at variable interest rates of HIBOR plus margin per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

28. ADVANCES TO INVESTEE COMPANIES

The advances to investee companies of the Group are unsecured and have no fixed repayment terms. At 30th June, 2011, out of the advances, HK\$17,179,670 (2010: HK\$17,631,824) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$Nil (2010: HK\$996) is interest-free. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

29. LONG-TERM LOANS RECEIVABLE

	THE GROUP	
	2011 HK\$	2010 HK\$
Total long-term variable-rate loans receivable	30,510,232	45,518,484
Less: Current portion shown under current assets	(1,237,374)	(1,619,111)
	<u>29,272,858</u>	<u>43,899,373</u>

The Group offers loans to buyers of properties sold by the Group and the repayment terms of the loans are specified in the respective loan agreements.

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these debtors.

The carrying amount of loans receivable at 30th June, 2011 is HK\$30,510,232 net of accumulated impairment loss of HK\$12,742,272 (2010: carrying amount of HK\$45,518,484 net of accumulated impairment loss of HK\$13,528,659).

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

	2011 HK\$	2010 HK\$
Variable-rate loans receivable:		
Within one year	1,237,374	1,619,111
In more than one year but not more than five years	6,755,824	9,680,773
In more than five years	22,517,034	34,218,600
	<u>30,510,232</u>	<u>45,518,484</u>

The Group's long-term loans receivable are denominated in HK\$ and carry interest rates (which are the contractual interest rates) at prime rate plus a margin per annum and are secured by second mortgages over the properties acquired by the purchasers. The maturity dates of the balances are ranging from 5 to 20 years (2010: ranging from 5 to 20 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

29. LONG-TERM LOANS RECEIVABLE (Continued)

Movements in the allowance for doubtful debts

	THE GROUP	
	2011 HK\$	2010 HK\$
Balance at the beginning of the year	13,528,659	12,242,722
Impairment losses (reversed) recognised	(786,387)	1,285,937
Balance at the end of the year	12,742,272	13,528,659

At 30th June, 2011 and 2010, no balance is past due but not impaired. The Group has assessed the creditworthiness, past payment history and substantial settlement after the end of the reporting period, and considered that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Loans receivable which are neither overdue nor impaired are in good quality.

30. TRADING SECURITIES

Trading securities comprise:

	THE GROUP	
	2011 HK\$	2010 HK\$
Listed investments:		
Equity securities listed in Hong Kong	1,153,385,911	997,184,655
Equity securities listed elsewhere	152,105,906	122,021,176
Total	1,305,491,817	1,119,205,831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

31. ACCOUNTS AND OTHER RECEIVABLES

At 30th June, 2011, included in accounts and other receivables of the Group are trade receivables of HK\$844,914,676 (2010: HK\$564,540,817). Trade receivables mainly comprise rental receivables and properties sales receivables.

	THE GROUP	
	2011	2010
	HK\$	HK\$
Trade receivables	870,755,573	588,894,293
Less: Allowance for doubtful debts	(25,840,897)	(24,353,476)
	<hr/>	<hr/>
Other receivables	844,914,676	564,540,817
	440,350,286	444,248,631
	<hr/>	<hr/>
	1,285,264,962	1,008,789,448
	<hr/>	<hr/>

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade debtors.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts). Rental receivables are billed and payable in advance by tenants. Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sales and purchase agreements:

	2011	2010
	HK\$	HK\$
0 – 30 days	786,983,782	467,953,059
31 – 60 days	19,527,205	20,972,016
61 – 90 days	3,911,603	4,142,548
Over 90 days	34,492,086	71,473,194
	<hr/>	<hr/>
	844,914,676	564,540,817
	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

31. ACCOUNTS AND OTHER RECEIVABLES (Continued)

Movements in the allowance for doubtful debts

	THE GROUP	
	2011	2010
	HK\$	HK\$
Balance at the beginning of the year	24,353,476	161,736,924
Impairment losses recognised (reversed) on trade receivables	1,487,421	(137,383,448)
	25,840,897	24,353,476

Ageing of trade receivables which are past due but not impaired

	2011	2010
	HK\$	HK\$
Overdue within 30 days	116,979,426	127,685,443
Overdue between 31 days to 60 days	19,527,205	20,972,016
Overdue between 61 days to 90 days	3,911,603	4,142,548
Overdue for more than 90 days	34,492,086	71,473,194
	174,910,320	224,273,201

For those past due but not impaired receivables, although no collateral is held, the Group has assessed the creditworthiness, past payment history and substantial settlement after the end of the reporting period, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Trade receivables over 90 days amounting to HK\$34,492,086 (2010: HK\$71,473,194) are sufficiently covered by rental deposits received from the respective tenants and no allowance is required for these receivables under the Group's allowance policy.

Trade receivables as at 30th June, 2011 and 2010 which are neither overdue nor impaired are in good quality.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

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

The restricted bank deposits of the Group represent rental income received from certain properties which have been charged but can be applied for settlement of property expenses, interest payment and principal repayment of the corresponding secured bank loans. The restricted bank deposits and time deposits carry floating interest rates, ranging from 0.0001% to 1.06% (2010: 0.03% to 1.06%) per annum.

33. ACCOUNTS AND OTHER PAYABLES

At 30th June, 2011, included in accounts and other payables of the Group are trade payables of HK\$214,781,517 (2010: HK\$94,475,108).

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

	THE GROUP	
	2011 HK\$	2010 HK\$
0 – 30 days	155,486,907	65,632,861
31 – 60 days	42,830,169	15,684,767
61 – 90 days	3,564,369	2,800,783
Over 90 days	12,900,072	10,356,697
	214,781,517	94,475,108

At 30th June, 2011, out of the other payables, HK\$18,520,514 (2010: HK\$26,385,727) bear interest at 7% (2010: 2% to 7%) per annum which represent the amount due to a related company, in which Mr. Robert Ng Chee Siong, Director of the Company, holds share interests and directorships of the related company. The remaining other payable comprise mainly construction cost payable, rental and utilities deposits received and rental receipt in advance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

34. BANK BORROWINGS

	THE GROUP	
	2011 HK\$	2010 HK\$
Short-term bank loans		
Secured	3,562,429,107	6,262,896,494
Unsecured	–	200,000,000
Total short-term bank loans	<u>3,562,429,107</u>	<u>6,462,896,494</u>
Long-term unsecured bank loans		
More than one year but not exceeding two years	497,246,128	–
More than two years but not exceeding three years	–	495,797,034
	<u>497,246,128</u>	<u>495,797,034</u>
Long-term secured bank loans		
Within one year	202,212,486	212,416,918
More than one year but not exceeding two years	2,773,032,004	4,676,075,755
More than two years but not exceeding three years	7,060,672,501	2,288,500,171
More than three years but not exceeding four years	–	6,896,599,740
More than four years but not exceeding five years	2,170,246,500	–
	<u>12,206,163,491</u>	<u>14,073,592,584</u>
Less: Current portion shown under current liabilities	<u>(202,212,486)</u>	<u>(212,416,918)</u>
	<u>12,003,951,005</u>	<u>13,861,175,666</u>
Total bank loans – due after one year	<u>12,501,197,133</u>	<u>14,356,972,700</u>
Total bank loans	<u>16,265,838,726</u>	<u>21,032,286,112</u>
<p>The Company does not have any borrowings at the end of the reporting period.</p> <p>All of the bank borrowings carry contracted interest rates (which are also the effective interest rates) at HIBOR/SIBOR plus a margin per annum.</p> <p>The Group's bank borrowings that are denominated in currencies other than the functional currency of the relevant group entities are set out below:</p>		
		HK\$ equivalent of USD HK\$
As at 30th June, 2011		140,071,500
As at 30th June, 2010		<u>155,705,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

35. OTHER LOANS

	THE GROUP	
	2011 HK\$	2010 HK\$
Unsecured other loans		
On demand or within one year	193,380,119	147,074,915
More than one year but not exceeding two years	3,729,105,012	3,399,925,189
	3,922,485,131	3,547,000,104
Less: Current portion shown under current liabilities	(193,380,119)	(147,074,915)
	3,729,105,012	3,399,925,189
Secured other loans		
On demand or within one year	247,484,250	13,371,976
More than one year but not exceeding two years	–	236,941,200
	247,484,250	250,313,176
Less: Current portion shown under current liabilities	(247,484,250)	(13,371,976)
	–	236,941,200
Total other loans – due after one year	3,729,105,012	3,636,866,389
Total other loans	4,169,969,381	3,797,313,280

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

The secured other loans of the Group carry contractual interest rates (which are also the effective interest rates) at prime rate plus a margin per annum.

The unsecured other loans are interest-free and out of which an aggregate amount of HK\$3,729,105,012 (2010: HK\$3,399,925,189) are included in non-current liability as the lender has agreed not to demand repayment within the next twelve months from the end of the reporting period. The effective interest rate for imputed interest expenses are determined based on the cost-of-funds plus a margin per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

36. SHARE CAPITAL

	2011		2010	
	Number of ordinary shares of HK\$0.20 each	Nominal value HK\$	Number of ordinary shares of HK\$0.20 each	Nominal value HK\$
Authorised:				
At 1st July and at 30th June	2,500,000,000	500,000,000	2,500,000,000	500,000,000
Issued and fully paid:				
At 1st July	1,482,306,770	296,461,354	1,466,100,116	293,220,023
Issue of shares in lieu of cash dividends	23,329,628	4,665,926	16,206,654	3,241,331
At 30th June	1,505,636,398	301,127,280	1,482,306,770	296,461,354

On 30th November, 2010 and 29th April, 2011, the Company issued and allotted 16,887,354 ordinary shares and 6,442,274 ordinary shares of HK\$0.20 each of the Company at an issue price of HK\$26.20 and HK\$23.16 each in lieu of cash for the 2010 final and 2011 interim dividends respectively.

The shares rank pari passu in all respects with the existing shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

37. SHARE PREMIUM AND RESERVES

THE COMPANY				
	Share premium <i>HK\$</i>	Capital redemption reserve <i>HK\$</i>	Retained profits <i>HK\$</i>	Total <i>HK\$</i>
At 1st July, 2009	4,460,092,775	224,000	601,946,452	5,062,263,227
Profit for the year	–	–	815,501,633	815,501,633
Premium on issue of shares upon scrip dividends	505,096,535	–	–	505,096,535
Share issue expenses	(60,000)	–	–	(60,000)
Final dividend – 2009	–	–	(439,830,035)	(439,830,035)
Interim dividend – 2010	–	–	(147,727,049)	(147,727,049)
At 30th June, 2010	4,965,129,310	224,000	829,891,001	5,795,244,311
Profit for the year	–	–	1,420,524,941	1,420,524,941
Premium on issue of shares upon scrip dividends	586,985,839	–	–	586,985,839
Share issue expenses	(60,000)	–	–	(60,000)
Final dividend – 2010	–	–	(444,692,031)	(444,692,031)
Interim dividend – 2011	–	–	(149,919,412)	(149,919,412)
At 30th June, 2011	5,552,055,149	224,000	1,655,804,499	7,208,083,648

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

38. DEFERRED TAXATION

The followings are the major deferred taxation liabilities and assets recognised and movements thereon during the current and prior reporting periods:

	Accelerated tax depreciation <i>HK\$</i>	Revaluation of investment properties <i>HK\$</i>	Undistributed profits of associates <i>HK\$</i>	Tax losses <i>HK\$</i>	Others <i>HK\$</i>	Total <i>HK\$</i>
At 1st July, 2009	382,848,896	2,718,092,843	2,036,265	(142,843,046)	65,437,520	3,025,572,478
Exchange realignment	-	-	109,880	-	6,257,192	6,367,072
Charged (credited) to profit or loss for the year	92,921,950	407,831,397	7,137,178	(12,616,007)	(2,409,000)	492,865,518
At 30th June, 2010	475,770,846	3,125,924,240	9,283,323	(155,459,053)	69,285,712	3,524,805,068
Exchange realignment	-	-	629,650	-	23,306,947	23,936,597
Settlement of withholding tax	-	-	(6,992,192)	-	-	(6,992,192)
Charged (credited) to profit or loss for the year	113,391,702	926,608,693	19,220,405	26,381,328	(36,816,509)	1,048,785,619
At 30th June, 2011	589,162,548	4,052,532,933	22,141,186	(129,077,725)	55,776,150	4,590,535,092

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

At 30th June, 2011, the Group had unused tax losses of HK\$1,518,684,697 (2010: HK\$1,772,023,144) available for offset against future profits. A deferred taxation asset has been recognised in respect of HK\$782,289,242 (2010: HK\$942,183,812) of such losses. No deferred taxation asset has been recognised in respect of the remaining HK\$736,395,455 (2010: HK\$829,839,332) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 30th June, 2011, the Group had deductible temporary differences of HK\$1,459,112,824 (2010: HK\$1,624,962,467). No deferred taxation asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred taxation liabilities have not been recognised was HK\$293,587,506 (2010: HK\$162,139,519). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

39. ADVANCES FROM SUBSIDIARIES

The advances from subsidiaries of the Company are unsecured, bears interest at rate determined based on the cost-of-funds plus a margin per annum and have no fixed repayment terms but are not repayable within the next twelve months from the end of the reporting period. The advances are therefore shown as non-current.

40. ADVANCES FROM ASSOCIATES

The advances from associates of the Group are unsecured and have no fixed repayment terms but are not repayable within the next twelve months from the end of the reporting period. At 30th June, 2011, HK\$637,467,156 (2010: HK\$581,104,619) of the advances bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$1,551,165,054 (2010: HK\$1,549,172,565) is interest-free. The effective interest rate for imputed interest expense is determined based on the cost-of-funds plus a margin per annum.

41. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounting to HK\$10,916,213 (2010: HK\$10,241,719) are unsecured, bear interest at effective rate determined based on the cost-of-funds plus a margin per annum and have no fixed repayment terms. The remaining balance of HK\$422,558,496 (2010: HK\$396,510,678) is unsecured and interest-free. The non-controlling interests agreed not to demand repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The principal advances from non-controlling interests of the Group amounted to HK\$426,810,147 had been initially reduced to its present value of HK\$422,558,496 based on management's estimates of future cash payments with a corresponding adjustment of HK\$4,251,651 which was regarded as a deemed contribution from the non-controlling interests during the year ended 30th June, 2011. The effective interest rate adopted for measurement at fair value at initial recognition of the advances from non-controlling interests of a subsidiary in respect of the year is determined based on the cost-of-funds plus a margin per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

42. JOINTLY CONTROLLED OPERATIONS

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

At 30th June, 2011 and 2010, the aggregate amount of assets, liabilities, income and expenses recognised in the consolidated financial statements in relation to the interests in jointly controlled operations are as follows:

	2011 HK\$	2010 <i>HK\$</i>
Investment properties	8,762,545,339	8,204,828,912
Other non-current assets	1,430,261	1,855,059
Current assets	2,764,241,969	3,734,152,063
	11,528,217,569	11,940,836,034
Non-current liabilities	422,607,954	874,035,783
Current liabilities	1,886,351,123	3,260,668,773
	2,308,959,077	4,134,704,556
Income	1,838,930,593	4,351,880,269
Expenses	680,634,424	2,503,820,559

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

43. ACQUISITION OF ASSETS AND LIABILITIES THROUGH PURCHASE OF SUBSIDIARY

During the year ended 30th June, 2010, assets and liabilities were acquired through the acquisition of 100% equity interest in HCP Hong Kong Fully Co Ltd for a total consideration of HK\$573,693,868, net of bank and cash balances of HK\$13,355,472 acquired. This company is engaged in property investment holding.

Since the main assets of HCP Hong Kong Fully Co Ltd are investment properties in Hong Kong, the acquisition has been accounted for as acquisition of assets.

The net assets acquired in the transaction are as follows:

	Recognised amounts HK\$
Net assets acquired:	
Investment properties	567,316,401
Property, plant and equipment	12,683,599
Accounts and other receivables	1,391,352
Bank balances and cash	13,355,472
Accounts and other payables	(7,697,484)
Unsecured loan payable	(335,199,719)
	<hr/>
	251,849,621
Assignment of unsecured loan payable to its intermediate holding company	335,199,719
	<hr/>
	587,049,340
	<hr/>
Total cash consideration paid for acquisition of the subsidiary	587,049,340
	<hr/>
Net cash outflow arising on acquisition:	
Cash consideration paid	587,049,340
Bank and cash balances acquired	(13,355,472)
	<hr/>
	573,693,868
	<hr/>

44. MAJOR NON-CASH TRANSACTIONS

On 30th November, 2010 and 29th April, 2011, the Company issued and allotted a total of 16,887,354 (2010: 11,170,379) ordinary shares and 6,442,274 (2010: 5,036,275) ordinary shares of HK\$0.2 each of the Company at an issue price of HK\$26.20 (2010: HK\$33.10) and HK\$23.16 (2010: HK\$27.52) per share, respectively, to the shareholders in lieu of cash for 2010 final and 2011 interim dividends (2010: 2009 final and 2010 interim dividends).

On 29th November, 2010 and 28th April, 2011, Sino Land issued and allotted a total of 54,074,182 (2010: 75,962,242) ordinary shares and 25,094,097 (2010: 21,456,910) ordinary shares of HK\$1.00 each at an issue price of HK\$16.40 (2010: HK\$14.512) and HK\$13.46 (2010: HK\$14.652) per share, respectively, to Sino Land's shareholders in lieu of cash for Sino Land's 2010 final and 2011 interim dividends (2010: 2009 final and 2010 interim dividends).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

45. PLEDGE OF ASSETS

THE GROUP

- (a) At 30th June, 2011, the aggregate facilities of bank loans and other loans granted to the Group amounting to approximately HK\$22,785,202,000 (2010: HK\$29,455,722,000) were secured by certain of the Group's listed investments, properties, restricted bank deposits, shares of Sino Land and floating charges on bank balances amounting to a total of HK\$41,428,516,799 (2010: HK\$56,046,003,670). At that date, the facilities were utilised by the Group to the extent of approximately HK\$16,043,702,000 (2010: HK\$20,636,556,000).

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

	2011 HK\$	2010 HK\$
Investment properties	19,796,182,950	26,929,339,000
Hotel properties	1,657,579,976	1,416,100,684
Prepaid lease payments	1,281,662,550	1,140,730,175
Property, plant and equipment	40,138	829,348
Properties under development	13,976,012,004	19,472,879,412
Stocks of completed properties	444,870,537	945,280,367
Accounts and other receivables	9,648,207	13,107,707
Pledged bank balances	298,063,260	428,707,597
Investment in securities	3,788,598,788	5,611,287,909
Others	175,858,389	87,741,471
	41,428,516,799	56,046,003,670

- (b) At 30th June, 2011, investments in and advances to certain associates amounting to approximately HK\$7,337,904,000 (2010: HK\$6,553,299,000), in addition to certain assets pledged by the associates, were pledged to or assigned to secure loan facilities made available by banks to such associates. The Group's attributable portion of these facilities amounted to HK\$9,058,000,000 (2010: HK\$10,834,550,000), of which HK\$6,779,550,000 (2010: HK\$7,683,750,000) was utilised by the associates and guaranteed by Sino Land.

THE COMPANY

At 30th June, 2011, the Company and certain subsidiaries' bank and other loan facilities at an aggregate amount of HK\$120,000,000 (2010: HK\$180,000,000) were secured by certain shares held by the Company amounting to HK\$261,775,068 (2010: HK\$551,772,435). At that date, the facilities were utilised to the extent of HK\$120,000,000 (2010: HK\$180,000,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

46. CONTINGENT LIABILITIES

- (a) Other than as disclosed in Note 15, at the end of the reporting period, the Company and the Group had contingent liabilities as follows:

	THE COMPANY		THE GROUP	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Guarantees in respect of banking facilities of:				
Subsidiaries				
– Utilised	1,700,072,000	2,105,705,000	–	–
– Unutilised	30,000,000	30,000,000	–	–
	1,730,072,000	2,135,705,000	–	–
Associates				
– Utilised	–	–	6,779,550,000	7,683,750,000
– Unutilised	–	–	2,278,450,000	3,150,800,000
	–	–	9,058,000,000	10,834,550,000

As at 30th June, 2011, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates. At the end of the reporting period, an amount of HK\$1,646,817 (2010: HK\$8,869,482) has been recognised in the consolidated statement of financial position as liabilities.

As at 30th June, 2011, the Company issued corporate financial guarantees to banks in respect of banking facilities granted to subsidiaries. At the end of the reporting period, an amount of HK\$25,459,000 (2010: HK\$41,659,617) has been recognised in the Company's statement of financial position as liabilities.

- (b) At the end of the reporting period, share of contingent liabilities of an associate is as follows:

	THE COMPANY		THE GROUP	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Share of contingent liabilities (Note 24)	–	–	23,772,000	29,996,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

47. OPERATING LEASE ARRANGEMENTS

The Group as lessor

Property rental income earned during the year, net of outgoings of HK\$373,810,479 (2010: HK\$327,995,718), was HK\$1,825,283,837 (2010: HK\$1,635,497,757). Most of the properties held have committed tenants with fixed rental for an average term of two years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments, which fall due:

	2011 HK\$	2010 HK\$
Within one year	1,883,935,772	1,545,565,454
In the second to fifth year inclusive	2,308,945,894	1,707,920,201
After five years	471,928,248	62,983,234
	4,664,809,914	3,316,468,889

The Group as lessee

Minimum lease payments paid under operating leases during the year was HK\$34,899,048 (2010: HK\$40,828,821).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2011 HK\$	2010 HK\$
Within one year	30,765,157	26,478,188
In the second to fifth year inclusive	12,820,775	16,314,029
	43,585,932	42,792,217

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of two years and rentals are fixed for an average term of two years.

The Company did not have any significant commitments either as a lessor or a lessee at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

48. 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.

49. PROPERTIES UNDER DEVELOPMENT

At the end of the reporting period, properties under development amounting to approximately HK\$20,580,123,000 (2010: HK\$20,616,322,000) were not expected to be realised within twelve months from the reporting date.

50. RELATED PARTY DISCLOSURES

The Group had the following transactions with related parties:

	2011 HK\$	2010 HK\$
(a) Related companies		
Service fees received therefrom (Note i)	130,638,105	121,452,440
Rental paid thereto (Note i)	34,899,048	40,828,821
Consultancy fee paid thereto (Note ii)	2,083,330	2,083,330
Fair value gain on non-current interest-free unsecured other loans (Note iii)	50,650,084	64,990,283
Imputed interest expense on non-current interest-free unsecured other loans (Note iii)	64,990,283	91,399,403

Note i: Mr. Robert Ng Chee Siong, Director of the Company, was interested in these transactions as he holds share interest and directorships of the related companies.

Note ii: The consultancy fee was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP, Non-Executive Director of the Company, was interested in this transaction as a sole proprietor.

Note iii: All the unsecured other loans of the Group amounting to HK\$3,922,485,131 (2010: HK\$3,547,000,104) were borrowed from a related company owned by Mr. Philip Ng Chee Tat, the son of the late controlling shareholder of the Company, Mr. Ng Teng Fong and the co-executor of the estate of the late Mr. Ng Teng Fong.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

50. RELATED PARTY DISCLOSURES (Continued)

	2011 HK\$	2010 HK\$
(b) Associates		
Service fees paid thereto	20,343,907	18,439,375
Administrative fees received therefrom	21,934,843	22,250,402
Interest income received therefrom	22,517,337	28,807,988
Interest expenses paid thereto	6,076,925	3,879,352
Imputed interest income on non-current interest-free advances to associates	75,993,385	73,883,590
Imputed interest expense on non-current interest-free advances from associates	12,722,580	30,542,872

Certain of the above related party transactions also constitute continuing connected transactions as defined in chapter 14A of the Listing Rules and their details are disclosed on pages 39 to 44 in the Directors' report.

Included in the advances to associates, amounts due to associates and advances from associates, HK\$3,806,129,673 (2010: HK\$3,819,612,685), HK\$5,201,726 (2010: HK\$8,001,571) and HK\$1,941,762,990 (2010: HK\$1,881,683,741) represent the balances respectively with the associates in which Mr. Robert Ng Chee Siong, Director of the Company, has share interests and directorships. Other than the aforesaid, details of the outstanding balances with subsidiaries, associates, a jointly controlled entity, a related company and non-controlling interests as well as interest-free unsecured other loans at the end of the reporting period are set out in the Group and the Company's statements of financial position and in Notes 23, 24, 25, 27, 33, 35, 39, 40 and 41.

In addition, as set out in Notes 45 and 46, 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.

Compensation of key management personnel

The remuneration of Directors during the year was as follows:

	2011 HK\$	2010 HK\$
Short-term benefits	3,228,290	5,793,469
Retirement benefit scheme contributions	24,000	26,000
	3,252,290	5,819,469

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. PRINCIPAL SUBSIDIARIES

The Directors are of the opinion that a complete list of all subsidiaries will be of excessive length and therefore the following list contains only the particulars of subsidiaries at 30th June, 2011 and 2010 which materially affected the results or assets and liabilities of the Group.

A complete list of all the subsidiaries will be annexed to the Company's next annual return.

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
				2011		Total %	2010 Total %	
				Directly %	Indirectly %			
Able Way Investments Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Acclaim Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Accomplishment Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Ackerley Estates Limited	Hong Kong	Ordinary	HK\$20,000,000	–	100	100	100	Property investment
Active Success Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Advance Profit Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Alfaso Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Allbright Global Investments, S.A.	Republic of Panama/ Hong Kong	Bearer	US\$200	100	–	100	100	Share investment
Allways Success Finance Limited	Hong Kong	Ordinary	HK\$10	–	100	100	100	Mortgage loan financing
Ample Way Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Apex Speed Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Beauty Plaza Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. 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
				Directly %	Indirectly %	Total %	2010 Total %	
Benefit Bright Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Best General Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Provision of financial services
Best Origin Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Best Result Cleaning Services Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Cleaning services
Bestone Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Brighter Investment Company Limited	Hong Kong	Ordinary	HK\$400,000	100	–	100	100	Share investment
Central Wisdom Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Century Profit Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Champion Asia Investments Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Champion Rise Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Champion Top Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Cheer Asia Development Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property investment
Cheer Result Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Citywalk Management Company Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Building management
Citywalk 2 Management Company Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Building management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
				2011		Total %	2010 Total %	
				Directly %	Indirectly %			
Crenshaw Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Dragon (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
e.Sino Company Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Investment holding
Elegant Lane Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Entertainment City Limited	Hong Kong	Ordinary	HK\$4,500,000	–	100	100	100	Property investment
Ever Champion Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Ever Success Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Falcon City Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Falcon Land Limited	Hong Kong	Ordinary	HK\$1	–	100	100	N/A	Property investment
Famous General Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Famous Palace Properties Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Far Gain Limited	Hong Kong	Ordinary	HK\$10,000	–	100	100	100	Property investment
Firm Wise Investment Limited	Hong Kong	Ordinary	HK\$10	–	70	70	70	Property investment
Forlink Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Fortune Garden Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	–	100	100	100	Share investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. 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			2010 Total %	Principal activities
				Directly %	Indirectly %	Total %		
Free Champion Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Fu King Investment Limited	Hong Kong	Ordinary	HK\$1,000,000	–	100	100	100	Investment holding
Full Fair Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Fullerton Hotels & Resorts Pte. Ltd.	Singapore	Ordinary	S\$10,000	–	100	100	100	Management services
Fung Yuen Construction Company Limited	Hong Kong	Ordinary	HK\$1,000,000	–	100	100	100	Building construction
Global Honest Finance Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Mortgage loan financing
Globaland Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Glorypark Limited	Hong Kong	Ordinary	HK\$1,000	–	100	100	100	Property investment
Golden Century Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Golden Leaf Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Golden Paradise (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Financing
Good Champion Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Grace Rays Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Grand Creator Investment (BVI) Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$10	–	60	60	60	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
				2011		Total %	2010 Total %	
				Directly %	Indirectly %			
Grand Creator Investment Limited	Hong Kong	Ordinary	HK\$2	–	60	60	60	Property trading
Grand Empire Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Project management
Grand Start Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Grandeal Limited	Hong Kong/ PRC	Ordinary	HK\$2	–	100	100	100	Property trading
Great Land (HK) Limited	Hong Kong	Ordinary	HK\$1,000,000	–	100	100	100	Property trading and investment
Handsome Lift Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Hang Hau Station (Project Management) Limited	Hong Kong	Ordinary	HK\$2	–	60	60	60	Project management
Harvest Sun Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Harvestrade Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property trading and investment
HCP Hong Kong Fully Co Ltd	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Hickson Limited	Hong Kong	Ordinary	HK\$20	–	100	100	100	Property investment
High Elite Finance Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Mortgage loan financing
High Elite Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Hong Kong Elite Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. 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			2010 Total %	Principal activities
				Directly %	Indirectly %	Total %		
Jade Bird Development Limited	Hong Kong	Ordinary	HK\$100,000	–	100	100	100	Property trading and investment
Jade Line Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Jade Mate Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Jade Pine Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Jade Queen Properties Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Jet Rise Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment and development
Ka Fai Land Investment Limited	Hong Kong	Ordinary	HK\$500,000	100	–	100	100	Share investment
King Century Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
King Chance Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Investment holding
King Regent Limited	Hong Kong	Ordinary	HK\$1	–	85	85	85	Property development
King Talent Investments Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Kingdom Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Kingsfield International Investments Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property investment
Land Success Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. 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			2010 Total %	Principal activities
				Directly %	Indirectly %	Total %		
Landscape Investment Limited	Hong Kong/ The People's Republic of China, other than Hong Kong ("PRC")	Ordinary	HK\$2	–	100	100	100	Property development
Lucky Fortress Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	–	100	100	100	Share investment
Mailcoach Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Main Earn Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Masswell International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Mega Sino Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Morbest Profits Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Share investment
Multipurpose Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property trading and investment
Nam Lung (Singapore) Pte. Limited	Singapore	Ordinary	S\$2	100	–	100	100	Share dealing
Nice Scene International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Ocean Century Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Financing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. 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
				Directly %	Indirectly %	Total %	2010 Total %	
Ocean Treasure (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Octerworth Enterprises Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Olympian City 1 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Project management
Olympian City 2 Finance Company Limited	Hong Kong	Ordinary	HK\$1,000	–	100	100	100	Mortgage loan financing
Olympian City 2 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Project management
Orchard Centre Holdings (Pte.) Limited	Singapore	Ordinary	S\$8,400,000	–	95	95	95	Property trading and share dealing
Orchard Place (Pte.) Limited	Singapore	Ordinary	S\$1,000,000	–	95	95	95	Property trading
Orient Harvest International Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Peace Success Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Perfect Sun Properties Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Precious Land Pte. Limited	Singapore	Ordinary	S\$2	–	100	100	100	Property investment
Precious Quay Pte. Ltd.	Singapore	Ordinary	S\$10,000	–	100	100	100	Hotel operation, property investment and development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
				2011		Total %	2010 Total %	
				Directly %	Indirectly %			
Precious Treasure Pte Ltd	Singapore	Ordinary	S\$20,000,000	–	100	100	100	Hotel operation and property investment
Premium Living Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Premium living services
Pridegate (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Prime Harvest (Administration Services) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Consultant services provider
Prime Harvest Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Prime Reward Finance Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Financing
Primewin Properties Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Profit Falcon Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Profit Land Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Decoration services provider
Pui Chee Enterprises Limited	Hong Kong	Ordinary	HK\$1,000,000	100	–	100	100	Share investment
Rainbow City Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Ramage Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Rankchief Company Limited	Hong Kong	Ordinary	HK\$200	–	100	100	100	Property trading
Real Maker Development Limited	Hong Kong	Ordinary	HK\$200,000	–	90	90	90	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. 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
				Directly	Indirectly	Total	2010	
							Total	
%	%	%	%					
Regent Profit Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Region One Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Residence Oasis Finance Company Limited	Hong Kong	Ordinary	HK\$2	–	60	60	60	Mortgage loan financing
Rich Tact International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Rich Treasure Investments Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Mortgage Loan financing
Rickson Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Roystar Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Ruddiman Trading Company Limited	Hong Kong	Ordinary	HK\$100,000	–	100	100	100	Investment holding
Saky Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Santander Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Serenity Park Building Management Limited	Hong Kong	Ordinary	HK\$10	–	100	100	100	Building management
Sharp Rise Company Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Shine Harvest International Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. 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
				Directly %	Indirectly %	Total %	2010 Total %	
Sidak Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property trading and investment
Silver Palm Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Silver Target Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Sincere Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Sing-Ho Finance Company Limited	Hong Kong	Ordinary	HK\$30,000,000	–	100	100	100	Financing
Sino (Xiamen) Realty Development Co., Ltd. (Note i)	PRC	Registered	HK\$40,000,000	–	100	100	100	Property development, trading and investment
Sino Administration Services Limited	Hong Kong	Ordinary	HK\$3	–	100	100	100	Administration services
Sino Estates Management Limited	Hong Kong	Ordinary	HK\$5,500,000	–	100	100	100	Building management
Sino Estates Services Limited	Hong Kong	Ordinary	HK\$20	–	100	100	100	Building management
Sino Land Company Limited (Listed in Hong Kong)	Hong Kong	Ordinary	HK\$5,279,040,969	22.66	27.03	49.69	52.18	Investment holding
Sino Land Finance Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Deposit placing
Sino Land (Fuzhou) Co., Ltd. (Note i)	PRC	Registered	HK\$50,000,000	–	100	100	100	Property investment
Sino Land (Guangzhou) Company Limited (Note i)	PRC	Registered	US\$3,200,000	–	100	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. 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
				Directly %	Indirectly %	Total %	2010	
							Total %	
Sino Land (Zhangzhou) Company Limited (Note i)	PRC	Registered	HK\$94,150,000	–	100	100	100	Property development
Sino Land Investment (Holdings) Ltd.	Cayman Islands/ Hong Kong	Ordinary	US\$6,000,000	–	100	100	100	Investment holding
Sino Security Services Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Security services
Spangle Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Sparkling Investment Company Limited	Hong Kong	Ordinary	HK\$200	100	–	100	100	Share investment
Standard Union Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Share investment
Star Profit Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Star Talent Development Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Success One Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Success United Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Financing
Sunfairs International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Sunny Force Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Sunrise Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Super One Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Thousand Growth Development Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2011

51. PRINCIPAL SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
				2011		Total %	2010 Total %	
				Directly %	Indirectly %			
Timeshare Development (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Top Gallant Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Top Route Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Financing
Trans China Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Triple Reach International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Triumph One Limited	Hong Kong	Ordinary	HK\$10,000	–	100	100	100	Property trading and investment
Union Century (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Union Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Union Harvest Investments Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Union Rich Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Union Treasure Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Financing
Union Vision Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
United Link Investments Limited	Hong Kong	Ordinary	HK\$2	–	100	100	N/A	Property investment
Vantage Plus Investments Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$100	–	85	85	85	Investment holding
Vasilon Pte Ltd	Singapore	Ordinary	S\$2	–	100	100	100	Investment holding
Weiland Development Company Limited	Hong Kong	Ordinary	HK\$33,140,000	–	100	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

51. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
				2011		Total %	2010 Total %	
				Directly %	Indirectly %			
Well Growth International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Well Victory Limited	Hong Kong	Ordinary	HK\$2	–	100	100	N/A	Property investment
Wellord Investments Limited	Hong Kong	Ordinary	HK\$2	–	100	100	N/A	Property investment
Wendia Limited	Hong Kong	Ordinary	HK\$20	–	100	100	100	Property investment
Will Glory Company (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Win Harvest (HK) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Winchamp Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Winning Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Investment holding
Wisdom Power Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Wise Century Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Wise Mate Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
World Ace Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
World Empire Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
信和置業(成都)有限公司 (Note i)	PRC	Registered	HK\$4,662,000,000	–	100	100	100	Property development

Notes:

(i) Wholly foreign owned enterprises established in the PRC.

(ii) None of the subsidiaries had issued any debt securities at 30th June, 2011 and 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

52. PRINCIPAL ASSOCIATES

The Directors are of the opinion that a complete list of all associates will be of excessive length and therefore the following list contains only the particulars of associates at 30th June, 2011 and 2010 which materially affect 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 indirectly by the Company		Principal activities
			2011 Total %	2010 Total %	
Ace Glory Limited	Hong Kong	Ordinary	25	25	Property development
Asian Success Investments Limited	Hong Kong	Ordinary	33.3	33.3	Property trading
Astoria Estate Management Company Limited	Hong Kong	Ordinary	50	50	Building management
Best Profit Limited	Hong Kong	Ordinary	50	50	Property trading and investment
Better Chief Limited	Hong Kong	Ordinary	50	50	Property investment
Beverhill Limited	Hong Kong	Ordinary	20	20	Property investment
Boatswain Enterprises Limited	Hong Kong	Ordinary	20	20	Property investment
Brisbane Trading Company Limited	Hong Kong	Ordinary and non-voting deferred	50	50	Property trading
Century Rise Limited	Hong Kong	Ordinary	50	50	Property development
Cheer City Properties Limited	Hong Kong	Ordinary	20	20	Property investment
Chongqing Champion Globe Company Limited	PRC	Registered	50	50	Property development
Chongqing Champion King Company Limited	PRC	Registered	50	50	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

52. 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 indirectly by the Company		Principal activities
			2011 Total %	2010 Total %	
Chongqing Sino Land Company Limited	PRC	Registered	50	50	Property development
C.H.K.C. Building Management Limited	Hong Kong	Ordinary	25	25	Building management
Cosmos Door Limited	Hong Kong	Ordinary	50	50	Property investment
Credit World Limited	Hong Kong	Ordinary	20	20	Property trading
Direct Win Development Limited	Hong Kong	Ordinary	33.3	33.3	Property trading
Dramstar Company Limited	Hong Kong	Ordinary	22	22	Property trading
Empire Funds Limited	Hong Kong	Ordinary	50	50	Property trading
Enterprico Investment Limited	Hong Kong	Ordinary	50	50	Loan financing
Eternal Honest Finance Company Limited	Hong Kong	Ordinary	50	50	Mortgage loan financing
Famous Empire Finance Limited	Hong Kong	Ordinary	40	40	Mortgage loan financing
Famous Empire Properties Limited	Hong Kong	Ordinary	40	40	Property trading and investment
Finedale Industries Limited	Hong Kong	Ordinary	33.3	33.3	Property investment
Full Raise International Limited	British Virgin Islands/ Hong Kong	Ordinary	25	25	Investment holding
Gloryland Limited	Hong Kong	Ordinary	33.3	33.3	Property investment
Golden Famous International Limited	Hong Kong	Ordinary	25	25	Property trading

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

52. 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 indirectly by the Company		Principal activities
			2011 Total %	2010 Total %	
Grace Sign Limited	Hong Kong	Ordinary	30	30	Property trading
Grand Palisades Finance Company Limited	Hong Kong	Ordinary	20	20	Mortgage loan financing
Grand Rise Investments Limited	Hong Kong	Ordinary	50	50	Property investment
Greenroll Limited	Hong Kong	Ordinary	30	30	Hotel operation
Hua Qing Holdings Pte Ltd	Singapore	Ordinary	23.5	23.5	Investment holding
Island Resort Estate Management Company Limited	Hong Kong	Ordinary	40	40	Building management
Jet Fame (Hong Kong) Limited	Hong Kong	Ordinary	50	50	Property investment
Lead Bright Finance Limited	Hong Kong	Ordinary	20	20	Mortgage loan financing
Lead Bright Limited	Hong Kong	Ordinary	20	20	Property trading
Million Success Limited	Hong Kong	Ordinary	25	25	Property investment
More Treasure Company Limited	Hong Kong	Ordinary	25	25	Property investment
Murdoch Investments Inc.	Republic of Panama/ Hong Kong	Ordinary	45	45	Property investment
Nimble Limited	British Virgin Islands/ Hong Kong	Ordinary	45	45	Investment holding
Orient Field Holdings Limited	Hong Kong	Ordinary	50	50	Property investment
Pacific Bond Limited	Hong Kong	Ordinary	35	35	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

52. 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 indirectly by the Company		Principal activities
			2011 Total %	2010 Total %	
Prime Force Limited	Hong Kong	Ordinary	50	50	Property trading
Pui Hay Enterprises Limited	Hong Kong	Ordinary	50	50	Property trading
Rich Century Investment Limited	Hong Kong	Ordinary	50	50	Property investment
Silver Link Investment Limited	Hong Kong	Ordinary	40	40	Property trading and investment
Sino Parking Services Limited	Hong Kong	Ordinary	50	50	Carpark operation
Sino Real Estate Agency Limited	Hong Kong	Ordinary	50	50	Real estate agency
Tat Lee Construction Company Limited	Hong Kong	Ordinary	25	25	Building construction
Teamer International Limited	Hong Kong	Ordinary	35	35	Property development
Union King (Hong Kong) Limited	Hong Kong	Ordinary	45	45	Property development
Union Top Properties Limited	Hong Kong	Ordinary	50	50	Property investment
Victory Top Properties Limited	Hong Kong	Ordinary	50	N/A	Property investment
Victory World Limited	Hong Kong	Ordinary	50	50	Property trading and investment
Wide Harvest Investment Limited	Hong Kong	Ordinary	25	25	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2011

52. 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 indirectly by the Company		Principal activities
			2011 Total %	2010 Total %	
Win Chanford Enterprises Limited	Hong Kong	Ordinary	50	50	Property investment
Wisekey Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	50	50	Investment holding
深圳中海信和地產開發有限公司	PRC	Registered	50	50	Property trading
中海信和(成都)物業發展有限公司	PRC	Registered	20	20	Property development and trading

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30th June, 2011, the Company owned 49.72% share interests in Sino Land Company Limited (“Sino Land”). On a consolidated basis, the Company had a general disclosure obligation under Rule 13.22 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) with respect to the advances to, and guarantees given for the benefits of its affiliated companies by the Company (through Sino Land and/or its subsidiaries). In accordance with Rule 13.22 of the Listing Rules, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies of Sino Land and/or its subsidiaries as at the end of the most recent financial period. This information has been extracted from the relevant audited financial statements of the affiliated companies.

	At 30th June, 2011 HK\$	At 30th June, 2010 HK\$
Sino Land’s share of total indebtedness of its affiliated companies		
– Bank loans	7,073,351,881	8,065,015,771
Advances from Sino Land and its subsidiaries	<u>13,134,046,457</u>	<u>14,956,607,037</u>
	<u>20,207,398,338</u>	<u>23,021,622,808</u>
Sino Land’s share of contingent liabilities of its affiliated companies	<u>47,836,000</u>	<u>57,483,000</u>

Note: “Affiliated companies” mentioned above refers to associates and jointly controlled entity of the Group.

MAJOR PROPERTIES HELD BY THE GROUP

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
HONG KONG							
1. No. 1 Chatham Path Mid-levels, Hong Kong	2072	49.69%	–	3,876	R	Completed	Existing
2. 15 Shek O Headland, Hong Kong	2047	49.69%	2,970	1,107	R	Completed	Existing
3. 20-24 Staunton Street Central, Hong Kong	2844	49.69%	3,313	10,980 <u>4,116</u> 15,096	R C	Completed	Existing
4. 148 Electric Road North Point, Hong Kong	2047	49.69%	13,160	98,088	C	Completed	Existing
5. Bayview Park 3 Hong Man Street, Chai Wan, Hong Kong	2047	49.69%	17,122	40,875	R	Completed	Existing
6. Central Plaza 18 Harbour Road, Wan Chai, Hong Kong	2047	4.97%	77,824	69,566	C	Completed	Existing
7. The Centrium 60 Wyndham Street, Central, Hong Kong	2047	34.78%	17,061	89,014	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
HONG KONG							
8. Conrad Hong Kong Pacific Place, 88 Queensway, Hong Kong	2047	14.91%	–	82,240	H	Completed	Existing
9. Fraser Suites Hong Kong 74-80 Johnston Road, Wan Chai, Hong Kong	2047	49.69%	5,353	23,022 <u>5,852</u> 28,874	R C	Completed	Existing
10. Harbour Centre Harbour Road & Fleming Road, Hong Kong	2128	8.30%	32,626	19,959	C	Completed	Existing
11. The Hennessy 256 Hennessy Road, Wan Chai, Hong Kong	2127	49.69%	4,791	35,708	C	Completed	Existing
12. Hollywood Centre 233 Hollywood Road, Hong Kong	2128	24.85%	6,706	23,705	C	Completed	Existing
13. Island Resort Mall 28 Siu Sai Wan Road, Chai Wan, Hong Kong	2047	19.88%	275,470	37,603 <u>26,635*</u> 64,238	C P	Completed	Existing
* 239 carparks							
14. Marina House 68 Hing Man Street, Shau Kei Wan, Hong Kong	2047	49.69%	7,818	59,279	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
HONG KONG							
15. One Capital Place 18 Luard Road, Wan Chai, Hong Kong	2127	49.69%	5,315	36,494	C	Completed	Existing
16. Pacific Palisades 1 Braemar Hill Road, Hong Kong	2047	9.94%	165,550	46,485	R	Completed	Existing
17. Pacific Plaza 418 Des Voeux Road West, Hong Kong	2860	49.69%	9,450	81,720	C	Completed	Existing
18. 25/F United Centre Queensway, Hong Kong	2128	24.85%	–	5,081	C	Completed	Existing
KOWLOON							
19. No. 1 Hung To Road Kwun Tong, Kowloon	2047	16.55%	60,970	89,146	I	Completed	Existing
20. 18 Kowloon East 18 Wang Chiu Road, Kowloon Bay, Kowloon	2047	24.85%	29,063	86,615	C	Completed	Existing
21. The Astrid 180 Argyle Street, Kowloon	2047	49.69%	61,118	8,679	R	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
KOWLOON							
22. Cameron Plaza 23 Cameron Road, Tsim Sha Tsui, Kowloon	2038	49.69%	5,413	32,572	C	Completed	Existing
23. China Hong Kong City 33 Canton Road, Tsim Sha Tsui, Kowloon	2135	12.42%	165,334	178,602	C	Completed	Existing
24. Corporation Square 8 Lam Lok Street, Kowloon Bay, Kowloon	2047	49.69%	21,745	77,472	I	Completed	Existing
25. Exchange Tower 33 Wang Chiu Road, Kowloon Bay, Kowloon	2055	49.69%	50,752	302,626	C	Completed	Existing
26. Fullerton Centre 19 Hung To Road, Kwun Tong, Kowloon	2047	49.69%	10,394	56,813	I	Completed	Existing
27. Futura Plaza 111-113 How Ming Street, Kwun Tong, Kowloon	2047	49.69%	18,783	112,000	C	Completed	Existing
28. Hong Kong Pacific Centre 28 Hankow Road, Tsim Sha Tsui, Kowloon	2039	49.69%	18,028	115,582	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
KOWLOON							
29. Kent Court 137 Boundary Street, Kowloon	2047	49.69%	–	1,526	R	Completed	Existing
30. Kwun Tong Harbour Plaza 182 Wai Yip Street, Kwun Tong, Kowloon	2047	49.69%	31,018	77,899 <u>98,763*</u> <u>176,662</u>	C P	Completed	Existing
				* 236 carparks			
31. Kwun Tong Plaza 68 Hoi Yuen Road, Kwun Tong, Kowloon	2047	49.69%	25,995	95,750*	P	Completed	Existing
				* 182 carparks			
32. Maison Rosé 270 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon	2047	49.69%	4,490	3,415	C	Completed	Existing
33. Olympian City 1 11 Hoi Fai Road, MTR Olympic Station, Kowloon	2047	Joint Venture	712,614	139,931 [†]	C	Completed	Existing
34. Olympian City 2 18 Hoi Ting Road, MTR Olympic Station, Kowloon	2047	Joint Venture	708,577	511,287 [†]	C	Completed	Existing
35. Olympian City 3 1 Hoi Wang Road, South West Kowloon, Kowloon	2055	24.85%	146,131	29,527	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
KOWLOON							
36. Omega Plaza 32 Dundas Street, Kowloon	2047	49.69%	5,385	40,137	C	Completed	Existing
37. One Madison 305 Castle Peak Road, Kowloon	2047	49.69%	7,200	6,360	C	Completed	Existing
38. One New York 468 Castle Peak Road, Kowloon	2047	49.69%	6,448	4,781	C	Completed	Existing
39. One SilverSea 18 Hoi Fai Road, Kowloon	2052	49.69%	112,484	55,893	C	Completed	Existing
40. Parmanand House 51-52 Haiphong Road, Kowloon	2863	49.69%	1,800	8,966	C	Completed	Existing
41. Remington Centre 23 Hung To Road, Kwun Tong, Kowloon	2047	49.69%	10,370	56,698	I	Completed	Existing
42. Skyline Tower 39 Wang Kwong Road, Kowloon Bay, Kowloon	2047	24.85%	68,986	205,674	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
KOWLOON							
43. Sunshine Plaza Shopping Arcade, 17 Sung On Street, Hung Hom, Kowloon	2047	49.69%	26,598	29,261	C	Completed	Existing
44. Tsim Sha Tsui Centre Salisbury Road, Tsim Sha Tsui, Kowloon	2127	22.36%	42,835	114,937	C	Completed	Existing
45. Vista 188 Fuk Wa Street, Sham Shui Po, Kowloon	2054	Joint Venture	14,895	22,335 [†]	C	Completed	Existing
46. Westley Square 48 Hoi Yuen Road, Kwun Tong, Kowloon	2047	49.69%	21,110	118,355	I/O	Completed	Existing
47. Yau Tong Industrial City 17 Ko Fai Road, Yau Tong, Kowloon	2047	44.72%	100,580	230,873	I	Completed	Existing
NEW TERRITORIES							
48. Avon Park Shopping Mall, 15 Yat Ming Street, Fanling, New Territories	2047	49.69%	145,649	50,674	C	Completed	Existing
49. Citywalk 1 Yeung Uk Road, Tsuen Wan, New Territories	2052	Joint Venture	207,659	245,419 [†]	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
NEW TERRITORIES							
50. Citywalk 2 18 Yeung Uk Road, Tsuen Wan, New Territories	2054	Joint Venture	77,823	191,568 [†]	C	Completed	Existing
51. Golden Plaza 28 Shui Che Kwun Street, Yuen Long, New Territories	2047	49.69%	21,420	15,989 <u>86,247*</u> <u>102,236</u>	C P	Completed	Existing
* 218 carparks							
52. Grand Regentville Shopping Arcade, 9 Wo Mun Street, Fanling, New Territories	2049	49.69%	131,448	35,509 <u>73,686*</u> <u>109,195</u>	C P	Completed	Existing
* 206 carparks							
53. Lake Silver Shopping Arcade, 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	43,056 [†]	C	Completed	Existing
54. Mansfield Industrial Centre 19 Hong Yip Street, Tung Tau, Yuen Long, New Territories	2047	49.69%	52,582	55,282	I	Completed	Existing
55. Maritime Bay Shopping Mall, 18 Pui Shing Road, Tseung Kwan O, New Territories	2047	49.69%	64,261	28,480	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
NEW TERRITORIES							
56. Oceania Heights Shopping Mall, 2 Hoi Chu Road, Tuen Mun, New Territories	2052	49.69%	65,552	14,451	C	Completed	Existing
57. The Palazzo Shopping Arcade, 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	21,528 [†]	C	Completed	Existing
58. Parklane Centre 25 Kin Wing Street, Tuen Mun, New Territories	2047	49.69%	26,522	42,231 <u>82,970*</u> <u>125,201</u>	I P	Completed	Existing
				* 58 carparks			
59. Ping Wui Centre 13-17 Ping Wui Street, Yuen Long, New Territories	2047	49.69%	20,376	10,137 <u>86,096*</u> <u>96,233</u>	C P	Completed	Existing
				* 224 carparks			
60. Rosedale Gardens Shopping Arcade, 133 Castle Peak Road, Tuen Mun, New Territories	2047	49.69%	29,956	17,497	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
NEW TERRITORIES							
61. Shatin Galleria 18-24 Shan Mei Street, Fo Tan, Shatin, New Territories	2047	49.69%	38,234	133,566 <u>46,555*</u> <u>180,121</u>	C P	Completed	Existing
							* 133 carparks
62. Springdale Villas Shopping Arcade, 80 Ma Tin Road, Yuen Long, New Territories	2047	49.69%	45,273	19,711 <u>43,281*</u> <u>62,992</u>	C P	Completed	Existing
							* 130 carparks
63. Sunley Centre 9 Wing Yin Street, Tsuen Wan, New Territories	2047	49.69%	17,362	84,756	I	Completed	Existing
64. Tuen Mun Town Plaza, Phase I 1 Tuen Shun Street & 1 Tuen Shing Street, Tuen Mun, New Territories	2047	49.69%	262,715	424,130 <u>78,180*</u> <u>502,310</u>	C P	Completed	Existing
							* 261 carparks
65. The Waterside Shopping Mall, 15 On Chun Street, Ma On Shan, Shatin, New Territories	2047	19.88%	69,428	11,315	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
MAINLAND CHINA							
66. Greenfields Chuangye Road, Guangzhou Economic & Technology Development District, Guangzhou	2054	49.69%	53,131	7,419 <u>6,391*</u> <u>13,810</u>	C P	Completed	Existing
				*26 carparks			
67. Park Place 130 Jia He Lu, Xiamen	2039	49.69%	44,118	5,311	C	Completed	Existing
68. Raffles City Shanghai Plot 105 A&B, 228 Xizang Road Central, Huangpu District, Shanghai	2044 2046	11.13%	163,624	149,639	C	Completed	Existing
69. Sino International Plaza 137 Wu Xi Lu, Fuzhou	2059	49.69%	58,126	248,032	C	Completed	Existing
OVERSEAS – SINGAPORE							
70. Clifford Pier 80 Collyer Quay, Singapore	2067	49.69%	70,397	6,823	C	Completed	Existing
71. Customs House 70 Collyer Quay, Singapore	2067	49.69%	44,348	7,365	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment/own use							
OVERSEAS – SINGAPORE							
72. The Fullerton Hotel Singapore 1 Fullerton Square, Singapore	2096	49.69%	139,469	231,766	H	Completed	Existing
73. The Fullerton Bay Hotel 80 Collyer Quay, Singapore	2067	49.69%	38,965	39,298	H	Completed	Existing
74. The Fullerton Waterboat House 3 Fullerton Road, Singapore	2032	49.69%	16,921	10,804	C	Completed	Existing
75. One Fullerton 1 Fullerton Road, Singapore	2096	49.69%	92,646	39,967	C	Completed	Existing
Properties held for sale							
HONG KONG							
1. Far East Finance Centre 16 Harcourt Road, Hong Kong	2130	9.50%	34,595	4,904	C	Completed	Existing
KOWLOON							
2. Chevalier Commercial Centre Wang Hoi Road, Kowloon Bay, Kowloon	2047	16.55%	44,350	5,758	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties held for sale							
KOWLOON							
3. The Hermitage 1 Hoi Wang Road, South West Kowloon, Kowloon	2055	24.85%	146,131	2,491	R	Completed	Existing
4. Hewlett Centre 54 Hoi Yuen Road, Kwun Tong, Kowloon	2047	49.69%	38,000	7,503	I	Completed	Existing
5. Kowloon Plaza 485 Castle Peak Road, Cheung Sha Wan, Kowloon	2047	49.69%	19,375	12,771	I	Completed	Existing
6. Metro Centre 32 Lam Hing Street, Kowloon Bay, Kowloon	2047	49.69%	27,125	9,140	I	Completed	Existing
7. One SilverSea 18 Hoi Fai Road, Kowloon	2052	49.69%	112,484	3,774	R	Completed	Existing
8. Pan Asia Centre 137 Wai Yip Street, Kwun Tong, Kowloon	2047	49.69%	5,760	33,050	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties held for sale							
KOWLOON							
9. Westin Centre 26 Hung To Road, Kwun Tong, Kowloon	2047	24.85%	17,280	51,470	I	Completed	Existing
NEW TERRITORIES							
10. The Balmoral 1 Ma Shing Path, Tai Po, New Territories	2055	49.69%	63,603	20,363	R	Completed	Existing
11. Cambridge Plaza 188 San Wan Road, Sheung Shui, New Territories	2047	49.69%	–	86,638	I	Completed	Existing
12. Goodwood Park 138 Hang Tau Road, Kwu Tung, Sheung Shui, New Territories	2054	49.69%	61,032	6,081	R	Completed	Existing
13. Lake Silver 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	60,525 [†]	R	Completed	Existing
14. Lincoln Centre 20 Yip Fung Street, Fanling, New Territories	2047	49.69%	21,163	30,382	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties held for sale							
NEW TERRITORIES							
15. The Palazzo 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	55,738 [†]	R	Completed	Existing
16. Poly Centre 15 Yip Fung Street, Fanling, New Territories	2047	49.69%	18,191	5,183	I	Completed	Existing
17. Raleigh Centre 9 Yip Cheong Street, Fanling, New Territories	2047	49.69%	10,194	4,167	I	Completed	Existing
18. Sea Crest Terrace Mui Wo, Lantau Island, New Territories	2047	49.69%	7,976	398 <u>3,726</u> <u>4,124</u>	R C	Completed	Existing
19. St. Andrews Place 38 Kam Chui Road, Beas Stable, Sheung Shui, New Territories	2050	49.69%	247,281	4,818	R	Completed	Existing
20. Technology Plaza 29-35 Sha Tsui Road, Tsuen Wan, New Territories	2047	49.69%	20,000	7,686	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties held for sale							
MAINLAND CHINA							
21. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074	9.94%	14,253,628	9,641 <u>42,892</u> <u>52,533</u>	R C	Completed	Existing
OVERSEAS – SINGAPORE							
22. Far East Shopping Centre 545 Orchard Road, Singapore	2870	95.0%	36,017	57,694	C	Completed	Existing
23. Orchard Plaza 150 Orchard Road, Singapore	2076	95.0%	44,455	32,886	C	Completed	Existing
24. Orchard Shopping Centre 321 Orchard Road, Singapore	Freehold	95.0%	12,409	18,550	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
HONG KONG							
1. Marinella Aberdeen, Hong Kong Aberdeen Inland Lot. 451	2057	17.39%	68,922	111,981	R	Superstructure works in progress	July 2012
2. 38 Repulse Bay Road, Hong Kong Rural Building Lot No. 380 (*)	2084	49.69%	16,176	6,028	R	Foundation works in progress	September 2012
3. 53 Conduit Road, Hong Kong The Remaining Portion of Inland Lot No. 2138 and Inland Lot No. 2613	2065	49.69%	24,930	30,023	R	Foundation works in progress	May 2013
4. Lee Tung Street/McGregor Street Project, Wan Chai, Hong Kong Inland Lot No. 9018	2060	Joint Venture	88,652	731,393 85,638 <u>817,031[†]</u>	R C	Foundation works in progress	January 2014
KOWLOON							
5. Baker Residences Baker Court, Hung Hom, Kowloon Kowloon Inland Lot No. 11181	2058	Joint Venture	2,982	22,357 4,467 <u>26,824[†]</u>	R C	Superstructure works in progress	July 2011
6. One Mayfair 1 Broadcast Drive, Kowloon Tong, Kowloon New Kowloon Inland Lot No. 6374	2056	49.69%	65,531	97,687	R	Superstructure works in progress	October 2011

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
KOWLOON							
7. Beech Street/Ivy Street, West Kowloon, Kowloon Kowloon Inland Lot No. 11192	2058	Joint Venture	25,058	187,939 <u>37,588</u> <u>225,527[†]</u>	R C	Superstructure works in progress	September 2012
8. The Coronation Junction of Hoi Wang Road, Yan Cheung Road and Yau Cheung Road, West Kowloon Reclamation Area, Kowloon Kowloon Inland Lot No. 11073	2057	22.36%	86,757	126,097 <u>19,399</u> <u>145,496</u>	R C	Superstructure works in progress	September 2012
9. 12-18 Hau Wong Road Ma Tau Kok Kowloon (*)	2047	49.69%	3,967	12,865 <u>4,900</u> <u>17,765</u>	R C	Foundation works in progress	October 2012
10. Yuet Wah Street and Hip Wo Street Kwun Tong, Kowloon New Kowloon Inland Lot No. 6499	2059	Joint Venture	46,565	232,825 [†]	R	Ground investigation works completed	December 2013
11. Fuk Tsun Street/Pine Street West Kowloon, Kowloon Kowloon Inland Lot No. 11200	2061	Joint Venture	6,032	45,209 <u>9,042</u> <u>54,251[†]</u>	R C	Ground investigation works completed	March 2014

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
NEW TERRITORIES							
12. Providence Bay Pak Shek Kok Reclamation Phase I Site A, Tai Po, New Territories Tai Po Town Lot No. 187	2057	24.85%	107,941	80,454 <u>5,362</u> <u>85,816</u>	R C	Superstructure works in progress	March 2012
13. Providence Bay Pak Shek Kok Reclamation Phase I Site B, Tai Po, New Territories Tai Po Town Lot No. 186	2057	17.39%	238,164	124,261	R	Superstructure works in progress	March 2012
14. Providence Bay Pak Shek Kok Reclamation Phase I Site C, Tai Po, New Territories Tai Po Town Lot No. 188	2057	12.42%	214,225	93,142	R	Superstructure works in progress	June 2012
15. Cheung Sha Lantau Island Lot No. 245 in DD331	2057	49.69%	178,542	35,487	R	Site formation & foundation works in progress	March 2013
16. Pak Shek Kok Development Area Site D1, Tai Po, New Territories Tai Po Town Lot No. 200	2059	49.69%	225,237	335,760 <u>22,384</u> <u>358,144</u>	R C	Foundation works completed	December 2013
17. Pak Shek Kok Development Area Site D2, Tai Po, New Territories Tai Po Town Lot No. 201	2059	42.24%	225,237	285,397 <u>19,026</u> <u>304,423</u>	R C	Foundation works completed	December 2013

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
MAINLAND CHINA							
18. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074 2044	9.94%	14,253,628	43,043 32,781 <u>19,255</u> <u>95,079</u>	R C H	Superstructure works in progress	June 2012
19. Le Sommet West Side of Jia He Lu & North of Song Bai Zhong Lu, Xiamen Lot No. 89-C2	2061 2041	49.69%	33,188	54,018 <u>7,864</u> <u>61,882</u>	R C	Superstructure works in progress	June 2012
20. Central Park Jia He Lu, South-East Side of Lu Ling Lu, Xiamen Lot No. 90-C5, C6	2068 2046	49.69%	113,904	233,630 <u>25,473</u> <u>259,103</u>	R C	Superstructure works in progress	February 2013
21. Regency Park Hu Bin Bei Lu, Xiamen Lot No. 88-C5	2066 2046	49.69%	64,904	242,999 <u>9,189</u> <u>252,188</u>	R C	Foundation works in progress	December 2014
22. Grand Park Kaisawangchao at East, Zhanghua Lu at South, Donglinghao Lu at West & Zhangxiang Lu at North, Zhangzhou, Fujian Province, 2004G12	2075 2045	49.69%	1,004,199	2,160,025 <u>88,092</u> <u>2,248,117</u>	R C	Foundation works in progress	December 2017
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	49.69%	2,630,284	5,952,643 383,718 <u>187,908</u> <u>6,524,269</u>	R C H	Foundation works in progress	June 2018

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2011

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
MAINLAND CHINA							
24. 1 Zhong Xing Duan, Qiao Bei Cun, Hua Xin Street, Jiang Bei District, Chongqing	2058 2048	24.85%	1,993,549	2,306,549 <u>334,581</u> <u>2,641,130</u>	R C	Planning stage	December 2019

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.*

Tsim Sha Tsui Properties Limited

Proxy Form for use at the Annual General Meeting (or at any adjournment thereof)

I/We ^(Note 1) _____
of _____
being the registered holder(s) of ^(Note 2) _____
ordinary shares of HK\$0.20 each in the capital of the above-named Company, **HEREBY APPOINT** the Chairman of the Meeting or ^(Note 3) _____
of _____
as my/our proxy to act for me/us at the Annual General Meeting (or at any adjournment thereof) of the Company to be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon on Friday, the 28th day of October, 2011 at 10:00 a.m. or as soon as the annual general meeting of Sino Land Company Limited closes, whichever is the later, and at such Meeting (or at any adjournment thereof) and in the event of a poll to vote for me/us and in my/our name(s) as indicated below or if no such indication is given, as my/our proxy thinks fit.

	For ^(Note 4)	Against ^(Note 4)
1. To receive and consider the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2011.		
2. To declare a final dividend of HK\$0.35 per ordinary share with an option for scrip dividend.		
3. (i) To re-elect Mr. Adrian David Li Man-kiu, JP as Director.		
(ii) To re-elect Mr. Steven Ong Kay Eng as Director.		
(iii) To authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2012.		
4. To re-appoint Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorise the Board to fix their remuneration.		
5. (i) To approve share repurchase mandate (Ordinary Resolution on item 5(i) of the Notice of Annual General Meeting).		
(ii) To approve share issue mandate (Ordinary Resolution on item 5(ii) of the Notice of Annual General Meeting).		
(iii) To approve extension of share issue mandate (Ordinary Resolution on item 5(iii) of the Notice of Annual General Meeting).		

Dated _____ Signature ^(Note 5) _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of ordinary shares of HK\$0.20 each registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares of the Company registered in your name(s).
3. If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the Chairman of the Meeting or" herein inserted and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "AGAINST".** Failure to complete the boxes will entitle your proxy to cast his vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
6. In order to be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company, 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting (as the case may be).
7. In the case of joint holders, any one of such joint holders may vote at the Meeting, either personally or by proxy, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons whose name stands first on the register of members in respect of the relevant shares shall alone be entitled to vote in respect thereof.
8. Any member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and on a poll vote instead of him. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
9. Completion and deposit of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish.
10. At the Annual General Meeting, the Chairman of the Meeting will put each of the above resolutions to the vote by way of a poll. On a poll, every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder.



