



Sino Land Company Limited

ANNUAL REPORT 2012



ONE MAYFAIR

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

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

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

Shareholders may at any time choose to change their choice of language and means of receipt (i.e. in printed form or by electronic means through the Company’s website) of all future Corporate Communications from the Company by giving notice in writing by post to the Company’s Share Registrars, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong or by email at sinoland83-ecom@hk.tricorglobal.com.





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Robert Ng Chee Siong, Chairman
 Ronald Joseph Arculli[#]
 Allan Zeman*
 Adrian David Li Man-kiu*
 Wong Cho Bau*
 Steven Ong Kay Eng* (appointed on 28th October, 2011)
 Yu Wai Wai
 Daryl Ng Win Kong
 Ringo Chan Wing Kwong
 Alice Ip Mo Lin

([#] Non-Executive Director)

(* Independent Non-Executive Directors)

AUDIT COMMITTEE

Adrian David Li Man-kiu, Chairman
 Allan Zeman
 Wong Cho Bau (appointed on 28th October, 2011)
 Steven Ong Kay Eng (appointed on 28th October, 2011)

NOMINATION COMMITTEE

Robert Ng Chee Siong, Chairman (appointed on 1st March, 2012)
 Allan Zeman (appointed on 1st March, 2012)
 Adrian David Li Man-kiu (appointed on 1st March, 2012)

REMUNERATION COMMITTEE

Steven Ong Kay Eng, Chairman (appointed on 1st March, 2012)
 Allan Zeman
 Adrian David Li Man-kiu
 Daryl Ng Win Kong

AUTHORIZED REPRESENTATIVES

Robert Ng Chee Siong
 Ringo Chan Wing Kwong (appointed on 26th March, 2012)

SECRETARY

Velencia Lee (appointed on 1st January, 2012)

AUDITOR

Deloitte Touche Tohmatsu
 Certified Public Accountants, Hong Kong

SOLICITORS

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

SHAREHOLDERS' CALENDAR

Closure of Register of Members for entitlement to attend and vote at Annual General Meeting	29th to 31st October, 2012 (both dates inclusive)
Annual General Meeting	31st October, 2012
Closure of Register of Members for dividend entitlement	6th to 7th November, 2012 (both dates inclusive)
Record Date for dividend entitlement	7th November, 2012
Last Date for lodging scrip dividend election form	28th November, 2012 4:30 p.m.
Interim Dividend	HK10 cents per share
Paid	23rd April, 2012
Final Dividend	HK36 cents per share
Payable	10th December, 2012

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

INVESTOR RELATIONS CONTACT

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

REGISTERED OFFICE

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

SHARE REGISTRARS

Tricor Standard Limited
 26th Floor, Tesbury Centre,
 28 Queen's Road East,
 Hong Kong
 Telephone : (852) 2980 1333
 Fax : (852) 2861 1465
 Email : sinoland83-ecom@hk.tricorglobal.com

LISTING INFORMATION

Stock Code 83

American Depositary Receipt

CUSIP Number	829344308
Trading Symbol	SNOLY
ADR to Ordinary Share Ratio	1:5
Listing	Level One (OTC)
Depository Bank	The Bank of New York 101 Barclay Street, 22nd Floor – West, New York, NY 10286, U.S.A.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of **Sino Land Company Limited** will be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon, on Wednesday, the 31st day of October, 2012 at 9:30 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2012.
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, 2013.
4. To re-appoint Deloitte Touche Tohmatsu as Auditor for the ensuing year and authorise the Board to fix their remuneration.
5. As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

Ordinary Resolutions

- (i) **"THAT:**
 - (a) subject to paragraph (i)(b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of the shares to be repurchased pursuant to the approval in paragraph (i)(a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
 - (c) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

 - (1) the conclusion of the next Annual General Meeting of the Company;
 - (2) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
 - (3) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting."

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

(ii) **“THAT:**

(a) a general mandate be and is hereby unconditionally given to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and deal with additional shares of the Company, to allot, issue or grant securities of the Company, including bonds, debentures and notes convertible into shares of the Company and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, provided that these powers of the Directors and this general mandate is in respect of and in addition to any shares which may be issued on the exercise of the subscription rights under the Company's warrants or pursuant to any scrip dividend scheme or pursuant to a rights issue or pursuant to the exercise of any share option scheme adopted by the Company or pursuant to any rights of conversion under any existing convertible bonds, debentures or notes of the Company, and provided further that these powers of the Directors and this general mandate shall be subject to the restrictions that the aggregate nominal amount of shares allotted or agreed to be allotted or issued pursuant thereto, whether by way of option or conversion or otherwise, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution; and

(b) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (1) the conclusion of the next Annual General Meeting of the Company;
- (2) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
- (3) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

(iii) **“THAT,** conditional upon the resolutions (i) and (ii) above being passed, the aggregate nominal amount of the shares which are repurchased by the Company under the authority granted pursuant to resolution (i) above (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution (ii) above.”

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

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

Special Resolutions

- (i) **“THAT** the existing Articles of Association be and are hereby amended as follows:

- (a) Article 74

by deleting the existing Article 74 in its entirety and substituting therefor the following Article:

74. At any general meeting a resolution put to the vote of the meeting shall be decided by poll, save that and without prejudice to other provisions of these Articles, the Chairman of the meeting may in good faith, decide to allow a resolution which relates purely to a procedural or administrative matter to be voted on at any general meeting by a show of hands.

- (b) Article 75

(1) by renumbering the existing Article 75 as Article 75. (A); and

(2) by adding the following new Article 75. (B) after Article 75. (A):

75. (B) Where a resolution is voted on by a show of hands, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded in favour or against such resolution.

- (c) Article 79

by adding the words “, and on a show of hands every member present in person shall have one vote” at the end of the first sentence of Article 79.

- (d) Article 101. (H)

by deleting Article 101. (H)(iv) in its entirety and renumbering the existing Articles 101. (H)(v) and 101. (H)(vi) as Articles 101. (H)(iv) and 101. (H)(v).”

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

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

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 26th September, 2012

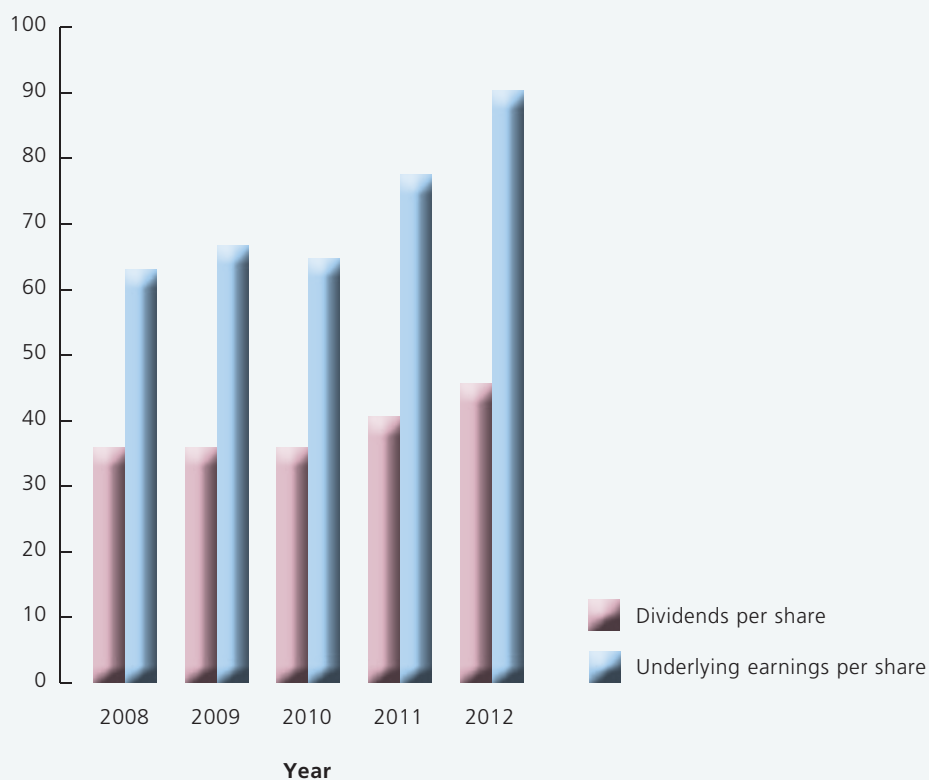
Notes:

- (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) The Directors wish to state that the main purpose of the above proposed Special Resolutions for amendments to the Articles of Association and adoption of new Articles of Association is to reflect certain amendments to the Listing Rules effective in 2012, including:
- (i) removing the 5% exemption for voting by a director on a board resolution in which he/she has an interest; and
- (ii) allowing the chairman at a general meeting to exempt purely procedural and administrative matters from a vote by poll and arrange a vote by a show of hands instead (e.g. matters that are not on the agenda of the general meeting and which relate to the chairman's duties to maintain the orderly conduct of the meeting).
- (e) For determining the entitlement to attend and vote at the Annual General Meeting to be held on Wednesday, 31st October, 2012, the register of members of the Company will be closed from Monday, 29th October, 2012 to Wednesday, 31st October, 2012, 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 Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 26th October, 2012.
- (f) The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is at the close of business on Wednesday, 7th November, 2012. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 6th November, 2012 to Wednesday, 7th November, 2012, 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 Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 5th November, 2012.

GROUP FINANCIAL SUMMARY

	2008 HK\$	2009 HK\$	2010 HK\$	2011 HK\$	2012 HK\$
Turnover	<u>6,251,058,498</u>	<u>9,692,696,496</u>	<u>7,697,867,707</u>	<u>5,944,151,294</u>	<u>8,395,820,908</u>
Underlying net profit from operations	<u>3,373,424,278</u>	<u>3,600,779,712</u>	<u>3,506,201,575</u>	<u>4,401,442,725</u>	<u>5,310,690,106</u>
Profit attributable to the Company's Shareholders	<u>7,720,997,490</u>	<u>3,730,647,312</u>	<u>6,093,689,617</u>	<u>10,544,345,671</u>	<u>9,910,644,058</u>
Underlying earnings per share (cents) (Note(a))	63.44	67.07	65.04	77.93	90.71
Reported earnings per share (cents) (Note(a))	145.21	69.49	113.04	186.70	169.27
Dividends per share (cents) (Note(a))	36.4	36.4	36.4	40.9	46.0

Underlying Earnings & Dividends Per Share (HK cents)



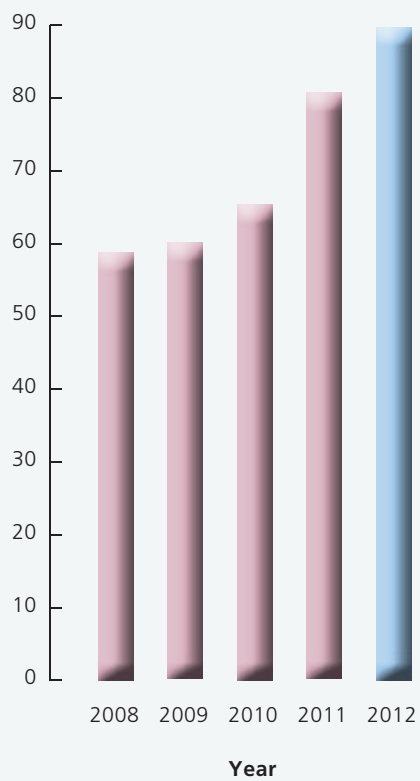
Note (a): As a result of the one for ten bonus issue of shares during the year, the figures for the years from 2008 to 2011 were adjusted for comparison purposes

GROUP FINANCIAL SUMMARY (Continued)

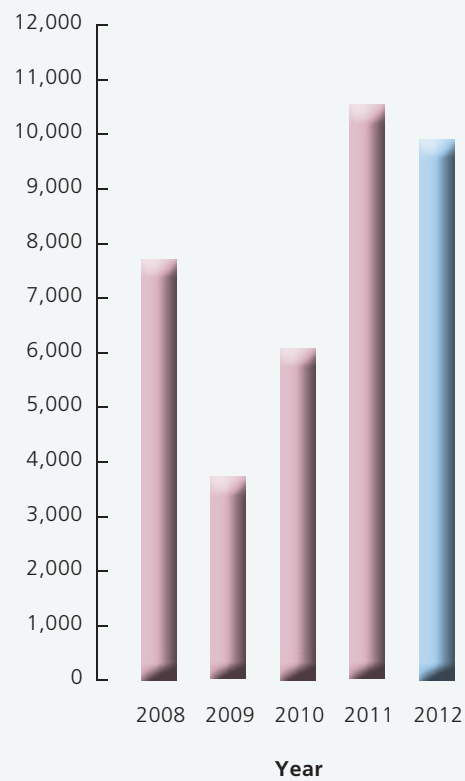
	2008	2009	2010	2011	2012
	HK\$	HK\$	HK\$	HK\$	HK\$
STATEMENT OF FINANCIAL POSITION					
Non-current assets	52,864,428,586	56,990,840,219	66,046,488,473	74,625,826,509	77,790,394,761
Current assets	33,369,256,356	32,183,175,355	29,603,462,485	34,302,808,283	35,347,667,593
Current liabilities	(10,420,180,942)	(13,724,042,539)	(9,760,389,490)	(8,148,865,562)	(7,312,394,045)
	<u>75,813,504,000</u>	<u>75,449,973,035</u>	<u>85,889,561,468</u>	<u>100,779,769,230</u>	<u>105,825,668,309</u>
Share capital	4,878,702,770	4,839,469,538	4,902,690,690	5,279,040,969	5,911,789,367
Reserves	<u>53,844,551,716</u>	<u>55,162,426,042</u>	<u>60,412,367,380</u>	<u>75,386,357,195</u>	<u>83,800,402,966</u>
Shareholders' funds	58,723,254,486	60,001,895,580	65,315,058,070	80,665,398,164	89,712,192,333
Non-controlling interests	263,646,073	296,130,462	378,678,205	658,647,389	686,000,818
Non-current liabilities	<u>16,826,603,441</u>	<u>15,151,946,993</u>	<u>20,195,825,193</u>	<u>19,455,723,677</u>	<u>15,427,475,158</u>
	<u>75,813,504,000</u>	<u>75,449,973,035</u>	<u>85,889,561,468</u>	<u>100,779,769,230</u>	<u>105,825,668,309</u>
Shareholders' funds at book value per share	<u>12.04</u>	<u>12.40</u>	<u>13.32</u>	<u>15.28</u>	<u>15.18</u>

GROUP FINANCIAL SUMMARY *(Continued)*

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



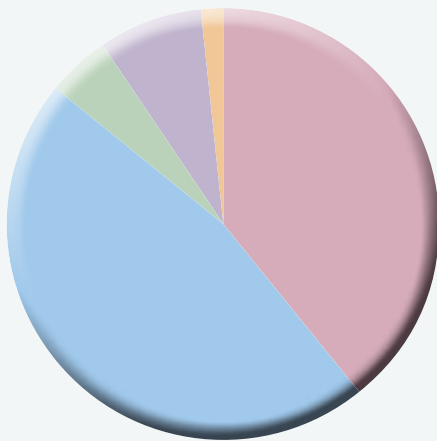
**Profit Attributable to
the Company's Shareholders
(HK\$ Million)**



GROUP FINANCIAL SUMMARY *(Continued)*

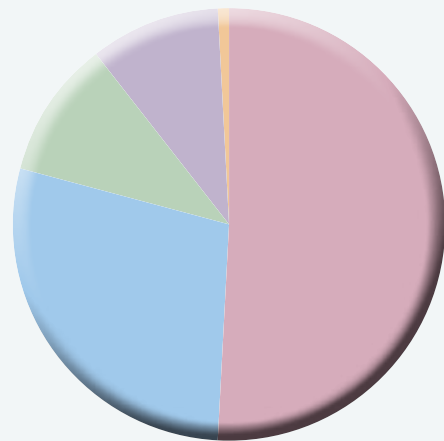
The Company and its subsidiaries (“the Group”)

Breakdown of Segment Results
for the year ended 30th June, 2012



- Property sales **39.3%**
- Property rental **46.7%**
- Property management and other services **4.6%**
- Hotel operations **7.9%**
- Investments in securities and financing **1.5%**

Breakdown of Segment Revenue
for the year ended 30th June, 2012

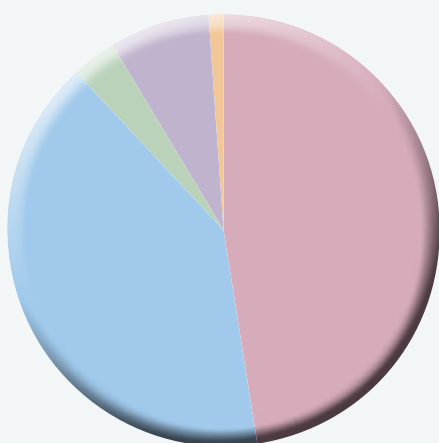


- Property sales **51.0%**
- Property rental **28.2%**
- Property management and other services **10.5%**
- Hotel operations **9.5%**
- Investments in securities and financing **0.8%**

GROUP FINANCIAL SUMMARY *(Continued)*

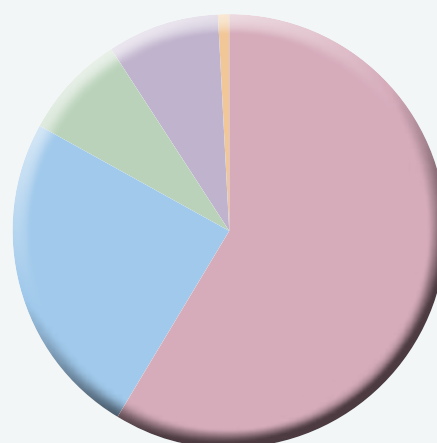
The Group and attributable share from associates

Breakdown of Segment Results
for the year ended 30th June, 2012



- Property sales **47.7%**
- Property rental **40.5%**
- Property management and other services **3.3%**
- Hotel operations **7.5%**
- Investments in securities and financing **1.0%**

Breakdown of Segment Revenue
for the year ended 30th June, 2012



- Property sales **58.8%**
- Property rental **24.3%**
- Property management and other services **7.9%**
- Hotel operations **8.4%**
- Investments in securities and financing **0.6%**

CHAIRMAN'S STATEMENT



I am pleased to present the 2011/2012 Annual Report to shareholders.

FINAL RESULTS

For the financial year ended 30th June, 2012, the Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties, was HK\$5,310.6 million, an increase of 20.6% from HK\$4,401.4 million in the last financial year. Underlying earnings per share was HK\$0.907, an increase of 16.4% from last financial year.

The Group's reported net profit attributable to shareholders was HK\$9,910.6 million (2010/2011: HK\$10,544.3 million). Earnings per share was HK\$1.692 (2010/2011: HK\$1.867 after adjusting for the one for ten bonus issue in 2011). The reported profit for the year included a revaluation surplus (net of deferred taxation) on investment properties of HK\$4,600.0 million compared with a revaluation surplus (net of deferred taxation) of HK\$6,142.9 million last financial year.

The turnover of the Group for the financial year 2011/2012 increased 41.2% to HK\$8,395.8 million from HK\$5,944.1 million in the last financial year.

CHAIRMAN'S STATEMENT *(Continued)*

DIVIDENDS

The Directors have resolved to recommend a final dividend of 36 cents per share in respect of the financial year ended 30th June, 2012 to shareholders whose names appear on the Register of Members of the Company on 7th November, 2012. Together with the interim dividend of 10 cents per share, the total dividend for the financial year is 46 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 31st October, 2012; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be dispatched to shareholders together with the form of election for scrip dividend on or about 13th November, 2012. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 10th December, 2012.



Sino Land Company Limited has been awarded the 'Corporate Governance Asia Annual Recognition Awards' for the fifth year in a row by Corporate Governance Asia Magazine in recognition of its commitment to effective management and prudent measures to maximise shareholders' value.

CHAIRMAN'S STATEMENT *(Continued)*



One Mayfair

Occupying the coveted address of Kowloon Tong and surrounded by lush green, One Mayfair redefines luxury living. It comprises 120 elegantly appointed residences crafted to the finest details and offers privacy comparable to that of house living. It also commands a panoramic view of the Kowloon Peninsula, then across the Harbour to the Island from east to west.

BUSINESS REVIEW

(1) Sales Activities

Total revenue from property sales recognised for the financial year ended 30th June, 2012, including property sales of associates recognised by the Group, was HK\$7,148.8 million (2010/2011: HK\$9,290.0 million).

Total revenue from property sales comprises mainly the sales of residential units in One Mayfair in Kowloon Tong, Marinella in Aberdeen and Baker Residences in Hung Hom completed during the financial year 2011/2012 as well as those completed in previous financial years. Market response to the sales of the units in One Mayfair, Marinella and Baker Residences was favourable. Since their respective first sales launch, over 86% and 91% of the total number of residential units in One Mayfair and Marinella have been sold respectively. As for Baker Residences, all the units have been sold. In respect of projects completed in previous financial years, these mainly included One SilverSea, St. Andrews Place, The Palazzo, The Hermitage, The Balmoral, Park Avenue and Lake Silver as well as carparking spaces in several residential projects including Vision City, Island HarbourView and Residences Oasis. Contributions from property sales, including property sales of associates recognised by the Group, was HK\$3,017.6 million (2010/2011: HK\$3,240.7 million).

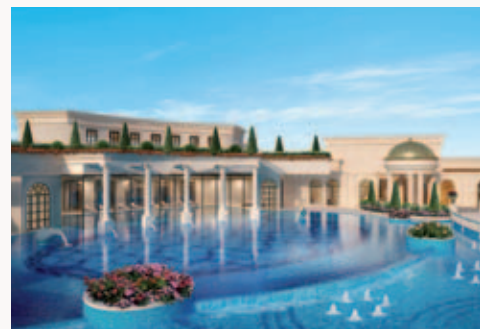
The Group continues to seek good opportunities to launch new projects for sale to enhance shareholders' value. Excluding the new projects that were completed during the financial year 2011/2012, other new projects launched were The Coronation in West Kowloon, Providence Bay and Providence Peak, both in Pak Shek Kok, Park Summit in West Kowloon and Le Sommet in Xiamen. All of the sales launches have been well received. Over 99%, 46%, 27% and 98% of the total number of residential units in The Coronation, Providence Bay, Providence Peak and Park Summit have been sold respectively so far. As for Le Sommet, all of the residential units have been sold.

CHAIRMAN'S STATEMENT (Continued)

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

During the financial year, there are three completed residential projects namely Marinella, One Mayfair and Baker Residences with a total attributable gross floor area of 0.4 million square feet. Details of the projects are presented in the following table:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
1. Marinella 9 Welfare Road, Aberdeen, Hong Kong	Residential	35%	225,359
2. One Mayfair 1 Broadcast Drive, Kowloon Tong, Kowloon	Residential	100%	196,592
3. Baker Residences 8 Baker Court, Hung Hom, Kowloon	Residential/ Retail	Joint Venture	26,824
			448,775

**The Coronation**

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

CHAIRMAN'S STATEMENT *(Continued)***BUSINESS REVIEW**
*(Continued)***(2) Land Bank**

As at 30th June, 2012, the Group has a land bank of approximately 40.7 million square feet of attributable gross floor area comprising a balanced portfolio of properties of which 64.3% is residential; 24.1% commercial; 5.3% industrial; 3.6% car parks and 2.7% hotels. In terms of breakdown of the land bank by status, 28.4 million square feet were properties under development, 11.4 million square feet of properties for investment and hotels, together with 0.9 million square feet of properties held for sale. The Group will continue to be selective in replenishing its land bank to optimise its earnings potential.

The Group acquired three sites from the HKSAR Government for residential development during the financial year. Details of the projects are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
1. STTL525 Shatin Area 56A, Kau To (Site A), New Territories	Residential	40%	412,588
2. Lot 726 in Demarcation District No. 4, Mui Wo, Lantau Island, New Territories	Residential/ Commercial	100%	49,407
3. Lot 676 in Demarcation District, Peng Chau, New Territories	Residential	100%	36,845
			498,840

CHAIRMAN'S STATEMENT (Continued)

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

The Group expects to complete a total of seven projects with an attributable gross floor area of 1.3 million square feet in the financial year ending 30th June, 2013. Details of the projects are shown as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> (Square feet)
1. The Coronation 1 Yau Cheung Road, South West Kowloon	Residential/ Commercial	45%	292,808
2. Providence Bay 5 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential	35%	250,072
3. Park Summit 88 Beech Street, Mongkok, Kowloon	Residential/ Commercial	Joint Venture	225,527
4. Providence Peak 8 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential	25%	187,447
5. TPTL 187 (Site C) 9 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential/ Commercial	50%	172,703
6. Le Sommet West Side of Jia He Lu & North of Song Bai Zhong Lu, Xiamen	Residential/ Commercial	100%	131,700
7. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	Commercial	20%	81,529
			1,341,786

CHAIRMAN'S STATEMENT *(Continued)*



Olympian City

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

BUSINESS REVIEW

(Continued)

(3) Property Development *(Continued)*

Subsequent to the financial year ended 30th June, 2012, the Occupation Permit for The Coronation was issued by the Building Authority of the HKSAR Government in August 2012.

The Group will strive to improve its developments by use of environmentally friendly features. Environmental sustainability is an important guiding principle in the Group's project development. Efforts to reduce carbon emissions, apply energy efficient designs and layouts as well as employ more greenery landscaping are encouraged.

(4) Rental Activities

For the financial year ended 30th June, 2012, the Group's gross rental revenue, including attributable share from associates, increased 11.1% to HK\$2,936.0 million (2010/2011: HK\$2,642.4 million) and net rental income increased 13.6% to HK\$2,541.5 million (2010/2011: HK\$2,238.0 million). The increase in rental revenue was mainly due to higher rental rates on renewals, as well as improvement in occupancy levels of the existing rental portfolio for the financial year 2011/2012.

Supported by leasing demand for retail spaces from international and local retailers, the retail properties in Hong Kong have generated rental growth throughout the financial year. This continued growth was mainly attributable to the increase in domestic consumption due to household formation, wealth creation in China as well as growth in visitor arrivals over the years. The appreciation of several key Asian currencies against the Hong Kong dollar has also had a favourable impact on the retail sector in Hong Kong. HKSAR Government's efforts in promoting Hong Kong as one of the key shopping destinations in Asia are also positive for the retail sector. Occupancy rates of the Group's shopping centres have been maintained at high levels.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

(4) Rental Activities *(Continued)*

The changes in global business environment and market trend have had impact on the demand for office spaces in Hong Kong. An increasing number of multinational companies and international brands have been looking for alternative office locations for expansion or operational efficiency. HKSAR Government's policy to develop Kowloon East as a new core business district has transformed the landscape of the office sector in Hong Kong. While certain areas on Hong Kong Island still remain key commercial areas for Grade A offices, Kowloon East is developing into a new hub and a desirable location for a broader range of businesses. The expansion of international retailers in China translates into additional demand for Hong Kong office space and these new sources of demand will provide support to the sector. The Group's office rental portfolio has shown improvements in occupancy rates during the year under review.

The industrial leasing market in Hong Kong has gained momentum since the start of the year mainly due to growth of the retail and office sectors as well as demand from e-commerce. Along with the HKSAR Government's measures to revitalise the traditional industrial districts allowing some industrial buildings to be converted into offices, more multinational enterprises are attracted to relocate their factories and offices to these areas. The occupancy rates of the Group's industrial portfolio have been maintained at high levels for the financial year.

Regular asset enhancement programmes are integral to the Group's effort to raise asset quality, property values and rental revenues. These programmes include refurbishment and renovation of properties, developing marketing and promotional events, improving service quality, reconfiguring the layouts of premises with the right trade mix, to meet the needs of tenants and customers. By making these improvements, the shopping experience of our customers can be enhanced and tenants can benefit from a sustained flow of shoppers, which will bring more business to our tenants and enhance the value of the Group's investment properties.

As at 30th June, 2012, the Group has approximately 11.4 million square feet of attributable gross floor area of investment properties and hotels. Of this portfolio, commercial developments (retail and office) account for 64.9%, industrial developments 14.3%, car parks 12.9%, hotels 6.2%, and residential 1.7%.

CHAIRMAN'S STATEMENT *(Continued)*



The Fullerton Heritage

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

BUSINESS REVIEW

(Continued)

(5) Hotels

The Fullerton Hotel and The Fullerton Bay Hotel, Singapore

Visitor arrivals in Singapore were up 13.1% from 11.6 million in 2010 to 13.1 million in 2011. According to Singapore Tourism Board, it is expected that visitor arrivals in Singapore will be between 13.5 to 14.5 million in 2012. With the growth in both leisure and business travels in the financial year 2011/2012, The Fullerton Hotel and The Fullerton Bay Hotel yielded good financial results. The Group will continue to improve the quality of hotel services to ensure our discerning guests have enjoyable stays in the hotels.

Conrad Hong Kong

Visitor arrivals in Hong Kong reached 41.9 million in 2011, representing a 16.4% increase from 36.0 million in 2010. Projected visitor arrivals by Hong Kong Tourism Board for 2012 have been estimated to be 44.2 million, a further growth of 5.5% from 2011. Of the total visitor arrivals, visitors from China continued to be the major contributor along with growth in other markets, namely the United States, South Korea, Singapore and Russia. Both short-haul and long-haul markets performed favourably and the number of overnight arrivals also increased. Conrad Hong Kong yielded favourable financial results for the financial year 2011/2012.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW

(Continued)

(6) China Business

China's economy has been going through economic adjustments, both cyclically and structurally, as Central Government continues to introduce measures to stabilise growth and implement structural reforms in areas of banking and finance, housing, services and manufacturing to bring about a sustainable economic development. This development will help build a resilient economic system that reduces China's vulnerability to global markets and business cycles. Continuous attempts to improve and develop a more effective fiscal and monetary framework will also help to mitigate the risk of economic shocks, especially at a time when there are economic uncertainties in Europe.

After three decades of industrialization, the economic landscape of China has been changing gradually, moving towards a better business environment with enterprises pursuing quality management, products and services, branding and technological innovation and advancement. Recent economic data in China showed a softening in growth in the first half of calendar year 2012. To revive the growth momentum, Central Government has taken proactive policy easing to accelerate investments in infrastructure and industries, and increase liquidity in the economic system with monetary measures by lowering both interest rates and banks' required reserve ratio.

Residential property market in China is an integral part of Central Government's urbanization, population and social policies which will help support consumption-led growth in the medium to long term. Developing social and private housing will cater to the needs of different income-groups; improve productivity and reduce social discontentment. Housing measures implemented by the Central Government in recent years are conducive to establishing a healthier and sustainable property market. These measures will also bring about a better distribution of income and narrow the wealth disparity gap. Demand for residential property in China is expected to continue to grow due to urbanisation, household formation, preference for home-ownership and investment in real estate assets as a preservation of value.

Throughout the years, the Group has completed a number of projects in Xiamen and Fuzhou. The Group's interest in the commercial project Raffles City Shanghai located in the central business district of Shanghai and the leasing of Sino International Plaza in Fuzhou have established its presence in these cities. The experience gained from developing and leasing projects in China has also built the Group's execution capability in the country.



Dynasty Park

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

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

(6) China Business *(Continued)*

As at 30th June, 2012, the Group's land bank in China totaled 25.4 million square feet and these projects are in Shanghai, Chengdu, Chongqing, Zhangzhou, Guangzhou, Xiamen, Fuzhou and Shenzhen. Of this, 24.4 million square feet are projects currently at different stages of the development, and the remaining represents completed properties for investment and sale. Approximately 90% of the development land bank in China is residential developments, the remaining is commercial and hotel developments. Most of the residential portions of the projects are built for sale and some to be kept for investment purposes. The commercial portions of the developments will be retained mainly for investment purposes. 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.

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, 2011.

FINANCE

As at 30th June, 2012, the Group's gearing was 4.4%, expressed as a percentage of bank and other borrowings net of cash and bank balances over shareholders' equity. Of the total borrowings, 19.1% was repayable within one year, 53.8% repayable between one and two years and 27.1% repayable between two and five years. The Group's borrowings are subject to floating interest rates. The Group, including the attributable share of its associates, had cash resources of approximately HK\$17,665.6 million as at 30th June, 2012, comprising cash on hand of approximately HK\$7,544.7 million together with committed undrawn facilities of approximately HK\$10,120.9 million. Total assets and shareholders' funds of the Group were HK\$113,138.1 million and HK\$89,712.2 million respectively.

In April 2012, the Group set up its first US\$1,000 million Medium Term Note Programme ("Programme") pursuant to which notes will be issued from time to time and guaranteed by the Company. There are a total of 15 dealers supporting the Programme and it will facilitate the documentation process of issuing notes thereby significantly shorten the timing to conclude the terms and receiving the proceeds.

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. The majority of the Group's cash are denominated in Hong Kong dollars, with a relatively small portion of Renminbi denominated deposits. Foreign exchange exposure has been prudently kept at a minimal level. The Group has maintained a 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.

CHAIRMAN'S STATEMENT *(Continued)*

CORPORATE GOVERNANCE

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

CUSTOMER SERVICE

The Group is committed to building quality projects. In keeping with its mission to enhance customer satisfaction, the Group will, wherever possible, ensure that attractive design concepts and features, which are also environmentally friendly, for its developments. Management conducts regular reviews of its properties and service so that improvements can be made on a continuous basis.

CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, the Group has been actively participating in a wide range of community programmes, voluntary services, charitable fund-raising activities and green initiatives to promote environmental protection, art and cultural events, and staff team-building activities. The Group has been a long-standing supporter of a number of organisations serving the community. The Group encourages staff of all levels to serve the community and care for those in need; this commitment is extended to support staff in joining voluntary service for at least one day a year during office hours.

The Group appreciates its role in protecting the environment. Efforts have constantly been made to make its properties more environmental friendly through well-thought architectural planning, energy saving and management initiatives. Taking another step on the sustainability journey, the Group has published its first Sustainability Report that highlights the Group's corporate sustainability footprint and initiatives. This report also demonstrates the Group's commitment to engage its stakeholders in building a greener future.



Citywalk and Citywalk 2 won the Gold Award at the inaugural Skyrise Greenery Awards initiated by the Development Bureau, recognising the innovative use of Vertical Green as well as the Group's dedication and efforts in promoting sustainability.

CHAIRMAN'S STATEMENT *(Continued)*



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

CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Dedicated to promoting local art and culture and enriching the daily lives of Hong Kong people, the Group initiated Sino Art (formerly "Art in Hong Kong") in 2006. The programme organises art exhibitions and activities at various properties of the Group. By providing local and international artists and arts groups with more platforms and opportunities to showcase their visual, community and performing arts talents, Sino Art aims to add vigour to a more creative and culturally vibrant Hong Kong. In 2011/2012, Sino Art collaborated with shopping malls of the Group and acclaimed artists to host interesting exhibitions, bringing an element of inspiration to the daily lives of the general public. Additionally, Sino Art has also collaborated with the Hong Kong Museum of History for the first time to present 'Transformation of the Qipao', promoting the unique Chinese cultural and artistic legacy of the qipao.

In March 2008, the Ng family, the ultimate major shareholder of the Group, set up a non-profit organisation named Hong Kong Heritage Conservation Foundation ("HCF"). In December 2008, HCF was fortunate to win the tender to revitalise and convert the Old Tai O Police Station into a boutique hotel. Named Tai O Heritage Hotel, it is home to nine colonial-style rooms and suites which commenced operation in March this year.

PROSPECTS

The financial year 2011/2012 was a challenging year for policy makers, businesses and financial sectors around the globe. The economic conditions in the Euro zone have had wide-spread effects across industries and countries. Given the complexity of the national debt issues and the number of nations involved, a significant amount of resources, efforts and time are needed to bring the economies back on their growth tracks. The economy of the Euro zone is expected to be soft for a period of time.

In the United States, the economy is on a course of recovery despite mixed signals from the economic data. Federal Reserve's accommodative stance for monetary policy will be conducive to support the growth momentum. With global economic conditions remaining volatile, the year ahead is expected to remain uncertain.

China has been developing its own model to manage its economy for counteracting cyclical trends and structural changes to stabilize growth. The easing of economic growth in the first two quarters of this calendar year was anticipated by policy makers because of the policy shift from the last three decades of export-led growth to consumption-led growth. Central Government's approach in exercising reforms in the areas of banking and housing will lead to a better allocation of resources and distribution of income.

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS *(Continued)*

The Hong Kong residential property market has been supported by economic and demographic fundamentals. The resilient local economic environment is evident by stable employment, subdued inflation, growth in the retail sector and continued growth in visitor arrivals have provided a good platform for the sector to grow. The increase in household formation and the number of marriages and births have created new demand for housing. The home buyers continue to benefit from the low mortgage interest rates and good liquidity from the banking sector. Not only does the low interest rate environment make mortgage loan repayment more affordable, home owners can earn a positive return by leasing their flats.

The HKSAR Government's policy to develop a balanced mix of public rental housing, Home Ownership Scheme and private housing, will address the housing needs of different income groups. The regular land sales initiated by the HKSAR Government, Land Application List System, and the supply of sites from the Mass Transit Railway Corporation and Urban Renewal Authority of Hong Kong will maintain a continuous supply of sites for residential development. The HKSAR Government has indicated that there will be more land made available for private housing development. The Group with its cash resources is well positioned to participate on this opportunity to acquire land with good development value.

Although global market conditions are unclear, the Group is cautiously optimistic on the prospects for its business and operating conditions to grow. With favourable sales from a number of residential projects during the financial year, the Group has the strength and resources to pursue further investments in the property business. The Group will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. The Group will maintain a policy of selectively and continuously replenishing its land bank and is well placed to participate in future land acquisitions.

STAFF AND MANAGEMENT

Mr. Thomas Tang Wing Yung, who served the Board since 1st April, 2005, resigned effective 26th March, 2012. His contribution during his directorship with the Company is appreciated.

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

Robert NG Chee Siong
Chairman

Hong Kong, 29th August, 2012

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

(I) EXECUTIVE DIRECTORS

Mr. Robert Ng Chee Siong^{N+}, aged 60, an Executive Director since 1981 and Chairman of the Group since 1991, was called to the Bar in 1975. He has been actively engaged in property investment and development in Hong Kong during the last 36 years and is also a director of a number of subsidiaries and associated companies of the Company. Mr. Ng is the Chairman of Tsim Sha Tsui Properties Limited, the holding company of the Company, and the Chairman of Sino Hotels (Holdings) Limited. In addition, he is a Director of The Real Estate Developers Association of Hong Kong and a Member of the 11th National Committee of the Chinese People's Political Consultative Conference. He was formerly an Independent Non-Executive Director of The Hongkong and Shanghai Hotels, Limited. Mr. Ng is the father of Mr. Daryl Ng Win Kong, an Executive Director of the Company, a son of the late substantial shareholder Mr. Ng Teng Fong and the brother of Mr. Philip Ng Chee Tat, the co-executor of the estate of the late Mr. Ng Teng Fong.

Mr. Yu Wai Wai, aged 52, an Executive Director since January 2003, is a member of the Hong Kong Institute of Architect, a Registered Architect and an Authorized Person (Architect). He has extensive experience in design, project management, quality management, construction site management and cost management. Mr. Yu joined the Company in 1992 and is in charge of the Development Division. He is also a director of a number of subsidiaries and associated companies of the Company.

Mr. Daryl Ng Win Kong^R, aged 34, an Executive Director since April 2005, holds a Bachelor of Arts Degree in Economics and a Master Degree of Science in Real Estate Development from Columbia University in New York. Mr. Ng first joined the Company as Executive (Development) in 2003. He is a director of a number of subsidiaries and associated companies of the Company, and an Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. He is also an Independent Non-Executive Director of Blue Cross (Asia-Pacific) Insurance Limited and BEA Life Limited, 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 of the Group Mr. Robert Ng Chee Siong and the eldest grandson of the late substantial shareholder Mr. Ng Teng Fong.

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

Mr. Ringo Chan Wing Kwong, aged 52, an Executive Director since January 2008. He first joined the Company in 1988 and had been an Associate Director (Group Treasury) of the Company since 2005. He is also a director of a number of subsidiaries and associated companies of the Company. Mr. Chan holds a Master Degree of Business Administration and is a Fellow Member of the Association of Chartered Certified Accountants and an Associate Member of The Hong Kong Institute of Certified Public Accountants (Practising). Mr. Chan has over 28 years of experience in accounting and finance.

Ms. Alice Ip Mo Lin, aged 56, an Executive Director since June 2011, joined the Company in 2007 and had been an Associate Director of the Company since 2009. Ms. Ip has a Bachelor's Degree from the University of British Columbia, Canada and has extensive experience in the areas of organization development and human resources management. Ms. Ip currently oversees the Company's human resources management and development as well as the procurement and administration function. She is a member of the Hong Kong Management Association Training & Development Awards Organizing Committee and the Hong Kong Institute of Human Resource Management Minimum Wage Task Force. Ms. Ip is also a member of the Hong Kong Professionals and Senior Executives Association and a registered member of the Board of Registration of Social Worker, British Columbia. She is also a director of a number of subsidiaries and associated companies of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT *(Continued)***(II) NON-EXECUTIVE DIRECTOR**

The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP, aged 73, has been a Director of the Company since 1981 and was re-designated from an Independent Non-Executive Director to a Non-Executive Director in July 2005. The Honourable Ronald Arculli through Ronald Arculli and Associates provides consultancy services to the Company. He is also a Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. The Honourable Ronald Arculli is an Independent Non-Executive Director of Hong Kong Exchanges and Clearing Limited, for which he was also a former Independent Non-Executive Chairman from 2006 to April 2012. He has a long and distinguished record of public service on numerous government committees and advisory bodies. He was the Chairman of The Hong Kong Jockey Club from 2002 to August 2006. He is a practising solicitor and has served on the Legislative Council from 1988 to 2000. He was a Non-Official Member of the Executive Council of the HKSAR Government from November 2005 to June 2012, for which he also acted as Convenor of the Non-Official Members since December 2011. He is the Chairman of World Federation of Exchanges, the Chairman of Common Purpose Charitable Foundation Limited, the Chairman of the Honorary Advisory Committee of SVHK Foundation Limited, a Non-Executive Director of Asia Art Archive Limited, a member of executive committee of Hong Kong Arts Festival Society Limited, a member of the board of West Kowloon Cultural District Authority ("WKCDA") and a member of the Consultation Panel appointed under WKCDA. The Honourable Ronald Arculli is an Independent Non-Executive Director of Hang Lung Properties Limited and SCMP Group Limited, and a Non-Executive Director of Power Assets Holdings Limited, Hutchison Harbour Ring Limited and HKR International Limited, all these companies, including Hong Kong Exchanges and Clearing Limited, are listed on The Stock Exchange of Hong Kong Limited.

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

(III) INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Allan Zeman^{A N R}, GBM, GBS, JP, aged 64, an Independent Non-Executive Director of the Company since September 2004, is the holder of Honorary Doctor of Laws Degree from The University of Western Ontario, Canada. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited. After spending more than 40 years in Hong Kong, Dr. Zeman has established many business interests in Hong Kong and overseas, ranging from property development, entertainment to public relations, in addition to having an interest in Li & Fung Limited, a company listed on The Stock Exchange of Hong Kong Limited. Dr. Zeman is the Chairman of Ocean Park, a major theme park in Hong Kong, and also the Chairman of Lan Kwai Fong Holdings Limited, the major ultimate property owner and developer in Lan Kwai Fong, one of Hong Kong's most popular tourist destinations. Dr. Zeman is a member of the Business Facilitation Advisory Committee, 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. 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. He was formerly an Independent Non-Executive Director of The Link Management Limited.

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

Mr. Adrian David Li Man-kiu^{A+ N R}, JP, aged 39, 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 Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. Mr. Li is currently a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference ("CPPCC"), and was formerly a member of the Ninth and Tenth Guangzhou Committees of the CPPCC. He is a member of the All-China Youth Federation, Deputy Chairman of the Beijing Youth Federation and a Counsellor of the Hong Kong United Youth Association. Mr. Li is a board member of The Community Chest of Hong Kong, Chairman of the Vocational Training Council's Banking and Finance Industry Training Board, and a member of the MPF Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. He is an Advisory Committee member of the Hong Kong Baptist University's School of Business and a Vice President of the Council of The Hong Kong Institute of Bankers. Furthermore, he is a member of the Election Committee responsible for electing the Chief Executive of the Hong Kong Special Administrative Region. Mr. Li is currently an Independent Non-Executive Director of China State Construction International Holdings Limited and COSCO Pacific Limited, and an Alternate Independent Non-Executive Director of San Miguel Brewery Hong Kong Limited. He is also an Alternate Director of AFFIN Holdings Berhad, a company listed in Malaysia. Mr. Li was formerly a council member of the Vocational Training Council and a board member of Ocean Park Corporation. Mr. Li holds a Master of Management degree from the Kellogg School of Management, Northwestern University in the United States, and a Master of Arts degree and a Bachelor of Arts degree in Law from the University of Cambridge in Britain. He is a member of The Law Society of England and Wales, and The Law Society of Hong Kong.

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

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

Mr. Wong Cho Bau^{A, JP}, aged 54, Honorary Fellow of City University of Hong Kong, an Independent Non-Executive Director since March 2011, currently serves as Chairman of East Pacific (Holdings) Ltd., Shenzhen East Pacific Group Ltd., Donghai Airlines Co., Ltd., Donghai Jet Co., Ltd., and Director of Friends of Hong Kong Association Ltd. He is also an Independent Non-Executive Director of Sino Hotels (Holdings) Limited. Mr. Wong, with more than 30 years of extended business experience, is one of the pioneers on the establishment of business in Shenzhen Special Economic Zone. His business interests have expanded from property development to industrial and aviation. Donghai Airlines Co., Ltd. is the first proprietary air cargo company in China and Donghai Jet Co., Ltd. actively develops chartered jets for business and private travels. Mr. Wong is a National Committee Member of the 10th and 11th Chinese People's Political Consultative Conference. He was formerly a Councilor of the 1st and 2nd Council of China Overseas Friendship Association and a Standing Committee Member of the 8th, 9th and 10th All-China Youth Federation. Mr. Wong is currently an Executive Councilor of the 3rd Council of China Overseas Friendship Association and a Committee Adviser of Hong Kong Association for The Promotion of Peaceful Reunification of China. He is also a member of HKTDC Mainland Business Advisory Committee and a member of the Customs and Excise Service Children's Education Trust Fund Investment Advisory Board.

Mr. Steven Ong Kay Eng^{A R+}, aged 66, an Independent Non-Executive Director since October 2011. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited since July 2005. He is a Director of Altrade Investments Pte. Ltd. in Singapore and a substantial shareholder of Hwa Hong Corporation Limited, which is listed on the main board of the Singapore Stock Exchange. Mr. Ong has been a veteran banker with extensive experience in banking and finance over 43 years. He was the General Manager and Country Head for American Express Bank in Singapore for nearly 10 years and also the Chief Representative and Country Manager in China for Banca Monte dei Paschi di Siena S.p.A. for 16 years. Mr. Ong remained as the Bank's advisor and consultant for 2 years after he left China in 2006 having resided in the country for over 16 years. He was the Chairman of Foreign Bankers' Association in Beijing, PRC from 1999 to 2000.

(IV) SENIOR MANAGEMENT

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

CORPORATE GOVERNANCE REPORT

The Board of Directors (“Board”) is committed to providing effective management and sound control of the Company for maximizing the shareholders’ value. The corporate governance principles of the Company emphasize the attainment and maintenance of a high standard of corporate governance practices and procedures, a quality board, sound internal controls, and high transparency and accountability to the shareholders. The Company has adopted its own Corporate Governance Code and has complied with all code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) (“Code”) (and the new code provisions since 1st April, 2012 when the amendments to the Code became effective), except for the deviation as disclosed in this report. The corporate governance practices of the Company in compliance with the Code during the financial year ended 30th June, 2012 with explanation of the deviation are set out in this report.

CORPORATE GOVERNANCE PRACTICES

DIRECTORS

Corporate Governance Principle

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

Board Composition

The current Board has 10 Directors composing of five Executive Directors including the Chairman of the Board, one Non-Executive Director and four Independent Non-Executive Directors. Biographical details of the Directors and their relationships, where applicable, are contained under the section entitled “Biographical Details of Directors & Senior Management” of this Annual Report. The Company has maintained on its corporate website and on the website of The Stock Exchange of Hong Kong Limited (“Exchange”) an updated list of its Directors identifying their roles and functions and whether they are Independent Non-Executive Directors. Independent Non-Executive Directors are identified as such in all corporate communications that disclose the names of Directors of the Company.

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Division of Responsibilities

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

The Chairman ensures that the Board works effectively and discharges its responsibilities and all key and appropriate issues are discussed by the Board in a timely manner. He takes responsibility for ensuring that good corporate governance practices and procedures are established and encourages all Directors to make a full and active contribution to the board's affairs. Directors with different views are encouraged to voice their concerns. They are allowed sufficient time for discussion of issues so as to ensure that board decisions fairly reflect board consensus. A culture of openness and debate is promoted to facilitate the effective contribution of Non-Executive Directors and ensure constructive relations between Executive and Non-Executive Directors.

The Executive Directors constituting the senior management of the Company are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control and delegation framework of the Company.

The Non-Executive Directors, including Independent Non-Executive Directors, participate in board meetings to bring expertise and independent views on important issues relating to the Company's strategy, policy, financial performance, and take the lead on matters where potential conflicts of interests arise. They also serve on board committees of the Company, including Audit Committee, Nomination Committee and Remuneration Committee. The Non-Executive Director and Independent Non-Executive Directors give the Board and board committees of which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They also attend annual general meeting of the Company to understand the view of shareholders. They make a positive contribution to the development of the Company's strategy and policy through independent, constructive and informed comments.

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*DIRECTORS *(Continued)***Division of Responsibilities**
(Continued)

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

Directors' and Officers' Liabilities Insurance

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

Board Meetings and Supply of and Access to Information

The Board holds at least four regular meetings a year which are normally scheduled in the fourth quarter of the preceding year and will meet more frequently as and when required. During the financial year ended 30th June, 2012, the Board held four meetings in September and December 2011, and, February and June 2012. The attendance records of the Directors to these board meetings are set out below:

Directors	Meeting(s) Attended/Held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong (<i>Chairman</i>)	3/4
Mr. Yu Wai Wai	4/4
Mr. Daryl Ng Win Kong	4/4
Mr. Ringo Chan Wing Kwong	4/4
Ms. Alice Ip Mo Lin	4/4
Mr. Thomas Tang Wing Yung <i>(resigned on 26th March, 2012)</i>	3/3
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	4/4

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*DIRECTORS *(Continued)*

Board Meetings and Supply of and Access to Information <i>(Continued)</i>	Directors	Meeting(s) Attended/Held
	<i>Independent Non-Executive Directors</i>	
	Dr. Allan Zeman	4/4
	Mr. Adrian David Li Man-kiu	4/4
	Mr. Wong Cho Bau	0/4
	Mr. Steven Ong Kay Eng <i>(appointed on 28th October, 2011)</i>	3/3
	Dr. Fu Yuning <i>(retired on 28th October, 2011)</i>	0/1

Notice incorporating agenda of each regular board meeting or board committee meeting is given to all Directors or board committee members at least 14 days in advance, and all Directors or board committee members are given the opportunity to include matters for discussion in the agenda. All Directors/board committee members are entitled to have access to board papers/board committee papers and related materials in sufficient detail to enable them to make informed decisions on matters to be placed before the board meetings/board committee meetings. 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 board committees in preparing meeting agendas and ensures that the Code as well as all applicable laws and regulations are duly complied with. Minutes of board meetings and board committee meetings are recorded in sufficient details of the matters considered and decisions reached at the relevant meetings. Draft and final versions of the minutes in respect of board meeting and board committee meeting are sent to all Directors or board committee members respectively for comment and records within a reasonable time after the meeting. All minutes are properly kept by the Company Secretary and are available for the Directors' or board committee members' inspection.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

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

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

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

Directors' Appointment, Re-election and Removal

All Non-Executive Directors have entered into letters of appointment with the Company for a specific term of three years. The Company's Articles of Association provides that each Director is subject to retirement from office by rotation and re-election once every three years and that one-third (or the number nearest to one-third) of the Directors shall retire from office every year at the annual general meeting. New appointment to the Board is subject to re-election at the next following annual general meeting. There is no Independent Non-Executive Director has served the Company for more than nine years, who should be subject to retirement and re-election by a separate resolution to be approved by the shareholders.

The Directors who are subject to retirement and re-election at the 2012 Annual General Meeting are set out on page 54 of this Annual Report.

The Board was collectively responsible for appointing new Directors either to fill causal vacancies or as additional board members. The Board is empowered under the Company's Articles of Association to appoint any person as a Director either to fill a causal vacancy or as an additional board member. Only the most suitable candidate who is experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be selected as Director.

During the year, the Board approved the appointment of Mr. Steven Ong Kay Eng as a new Independent Non-Executive Director on 28th October, 2011, who is subject to retirement and re-election at the 2012 Annual General Meeting.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Directors' Appointment, Re-election and Removal *(Continued)* On 1st March, 2012, the Board established the Nomination Committee to assist the Board in reviewing the structure, size and composition of the Board from time to time and to ensure that the Board has a balanced skill and expertise for providing effective leadership to the Company. The composition of the Committee and its responsibilities will be further discussed in the following section entitled "Nomination Committee".

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

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

During the year, the Company organized an in-house seminar conducted by Messrs. Clifford Chance on the following topics for the Directors and the management of the Company to attend:

1. key features of the statutory price-sensitive information disclosure regime;
2. key features of the competition law in Hong Kong; and
3. brief updates on the connected transaction rules.

CORPORATE GOVERNANCE REPORT *(Continued)*CORPORATE GOVERNANCE PRACTICES *(Continued)*DIRECTORS *(Continued)*

Directors' Training and Professional Development *(Continued)* The Company Secretary maintains records of training attended by the Directors. The training attended by the current Directors during the year are as follows:

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

Note:

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

The Company's emolument policy is to ensure that the remuneration offered to employees including Executive Directors and senior management is based on 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 Directors and senior management have not been involved in deciding their own remuneration.

Remuneration Committee

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

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

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Remuneration Committee *(Continued)* During the year, the Remuneration Committee held one meeting on 28th February, 2012 (which was held prior to the amendments to the Code became effective) to review and endorse the Company's existing emolument policy and the remuneration packages of Executive Directors and make recommendations on the Directors' fees. No Director was involved in deciding his own remuneration at the meeting of the Committee. The attendance records of the committee members to this committee meeting are set out below:

Committee members	Meeting(s) Attended/Held
Mr. Steven Ong Kay Eng* <i>(Committee Chairman)</i> <i>(appointed on 1st March, 2012)</i>	N/A
Dr. Allan Zeman*	1/1
Mr. Adrian David Li Man-kiu*	1/1
Mr. Daryl Ng Win Kong <i>(as Committee Chairman up to</i> <i>29th February, 2012)</i>	1/1

* *Independent Non-Executive Director*

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

NOMINATION OF DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

NOMINATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

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

The Committee comprises three members with the Independent Non-Executive Directors constituting the majority of the Committee. Its current members are:

Mr. Robert Ng Chee Siong *(Committee Chairman)*
 Dr. Allan Zeman*
 Mr. Adrian David Li Man-kiu*

* *Independent Non-Executive Director*

During the period under review, no meeting of the Committee was held.

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Statements

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

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Directors' Responsibilities for Financial Statements *(Continued)*

The auditor is responsible for auditing and reporting its opinion on the financial statements of the Company and the independent auditor's report for the financial year ended 30th June, 2012 is set out in the section entitled "Independent Auditor's Report" of this Annual Report.

Internal Controls and Risk Management

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

Based on the guidance entitled "Internal Control and Risk Management – A Basic Framework" issued by the Hong Kong Institute of Certified Public Accountants, the Company's integrated internal control and risk management framework embodies a comprehensive risk management framework which aims to provide reasonable assurance against material errors, losses or fraud. The concepts and practical procedures of the framework are spelled out in the Company's Guideline on Risk Management for reference of all major business operations and departments so as to encourage a risk aware and control conscious environment throughout the Company.

Under the Company's internal control and risk management framework, twice a year each major operation unit or department identifies major risks, assesses and evaluates the risk according to its likely impact and the likelihood of occurrence and develops effective control activities to mitigate the risks. The results of such risk assessment, evaluation and mitigation of each operation unit or department are summarized in a standard and consistent manner for the Internal Audit Department's review. Depending on the nature and exposure of the risks of individual operation units or departments, the Internal Audit Department performs further operational and financial reviews, makes recurring and impromptu site investigations on selected risk areas to ensure the effectiveness of the control activities developed by the relevant operation units or departments. The 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 in turn reports to the Board.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Internal Controls and Risk Management *(Continued)*

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

Audit Committee

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

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

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

During the year, the Committee held four meetings in August and December 2011, and, February and June 2012. All the meetings were attended by the external auditor of the Company. The Committee currently comprises four members, all of them being Independent Non-Executive Directors. The attendance records of the committee members to these committee meetings are set out below:

Committee members	Meeting(s) Attended/Held
Mr. Adrian David Li Man-kiu <i>(Committee Chairman)</i>	4/4
Dr. Allan Zeman	3/4
Mr. Wong Cho Bau <i>(appointed on 28th October, 2011)</i>	0/3
Mr. Steven Ong Kay Eng <i>(appointed on 28th October, 2011)</i>	3/3
Dr. Fu Yuning <i>(retired on 28th October, 2011)</i>	0/1

During the year, the Committee reviewed the following matters:

- Accounting policies and practices adopted by the Company and the 2011 annual report and accounts;
- Accounting policies and practices adopted by the Company and the 2011/2012 interim report and accounts;
- Internal audit reports on the internal controls and risk management systems, including the effectiveness of the internal control systems of the Company and its subsidiaries, the adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- Usage of annual caps on continuing connected transactions of the Group; and
- Compliance Committee report on the Listing Rules compliance and corporate governance matters.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Codes for Dealing in the Company's Securities The Company has adopted its own code for dealing in the Company's securities by Directors ("Directors Dealing Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules ("Model Code"). The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed compliance with the required standard set out in the Directors Dealing Code during the year ended 30th June, 2012. 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.

Auditor's Remuneration The fees in respect of audit and non-audit services provided to the Company and its subsidiaries by the external auditor of the Company for the year ended 30th June, 2012 amounted to HK\$4,206,497 and HK\$678,240 respectively. The non-audit services mainly consist of review, consultancy and taxation services.

CORPORATE GOVERNANCE FUNCTIONS

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

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

CORPORATE GOVERNANCE FUNCTIONS *(Continued)*

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

- adoption of corporate governance duties under the Code;
- establishment of the Nomination Committee;
- adoption of new Corporate Governance Code of the Company modeled on the Code under the Listing Rules;
- review the usage of annual caps on continuing connected transactions of the Group;
- review the compliance with the Code through the Compliance Committee; and
- review of the effectiveness of the internal controls and risk management systems of the Company through the Internal Audit Department and the Audit Committee.

Compliance Committee

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS

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

Communication Strategies

Principles

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

Shareholders' Meetings

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

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

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

The last annual general meeting of the Company is the 2011 annual general meeting ("2011 AGM") which was held on 28th October, 2011 at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon. The Directors, including the Chairman of the Board, the Chairman of the Audit Committee, and the then Chairman of the Remuneration Committee, and the external auditor of the Company, Deloitte Touche Tohmatsu, attended the 2011 AGM. The attendance records of the Directors to the 2011 AGM are set out below:

Directors	Meeting(s) Attended/Held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	1/1
Mr. Yu Wai Wai	1/1
Mr. Daryl Ng Win Kong	1/1
Mr. Ringo Chan Wing Kwong	1/1
Ms. Alice Ip Mo Lin	1/1
Mr. Thomas Tang Wing Yung <i>(resigned on 26th March, 2012)</i>	1/1
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	0/1
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	1/1
Mr. Adrian David Li Man-kiu	1/1
Mr. Wong Cho Bau	1/1
Mr. Steven Ong Kay Eng <i>(appointed on 28th October, 2011)</i>	N/A
Dr. Fu Yuning <i>(retired on 28th October, 2011)</i>	0/1

The Company's notice to shareholders for the 2011 AGM was sent to shareholders more than 20 clear business days prior to the meeting. The chairman of the meeting exercised his power under the Company's Articles of Association to put each proposed resolution to vote by way of a poll. The Company adopted poll voting for all resolutions put to vote at the meeting. The procedures for voting by poll at the 2011 AGM were contained in the circular of the Company to the shareholders, which was dispatched together with the 2011 annual report, and were further explained at the 2011 AGM prior to the polls being taken. Simultaneous translation from English to Cantonese was available at the 2011 AGM.

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

Separate resolutions were proposed at the 2011 AGM on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 28th October, 2011 are set out below:

Resolutions proposed at the 2011 AGM	Percentage of Votes
1 Adoption of the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2011	99.9981%
2 Declaration of a final dividend of HK\$0.35 per ordinary share with an option for scrip dividend	100%
3(i) Re-election of Mr. Robert Ng Chee Siong as Director	99.3430%
3(ii) Re-election of Mr. Adrian David Li Man-kiu as Director	90.7565%
3(iii) Re-election of Mr. Wong Cho Bau as Director	98.5825%
3(iv) Re-election of Mr. Ringo Chan Wing Kwong as Director	99.0005%
3(v) Re-election of Ms. Alice Ip Mo Lin as Director	93.6190%
3(vi) Authorization of the Board to fix the Directors' remuneration for the financial year ending 30th June, 2012	99.9996%
4 Re-appointment of Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorize the Board to fix their remuneration	99.9981%
5(i) Increase in authorized share capital	93.7215%
5(ii) Bonus issue	99.9999%
5(iii) Share repurchase mandate up to 10% of the Company's issued share capital	99.9999%
5(iv) Share issue mandate up to 20% of the Company's issued share capital	84.9692%
5(v) Extension of share issue mandate to the shares repurchased under the share repurchase mandate	84.4855%

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Communication Strategies *(Continued)*

Shareholders' Meetings (Continued)

All resolutions put to shareholders at the 2011 AGM were passed. The Company's Share Registrars were appointed as scrutineers to monitor and count the poll votes cast at that meeting. The results of the voting by poll were published on the websites of the Company and the Exchange.

Enquiries

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

Shareholders' Privacy

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

Corporate Communications

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

Corporate Website

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Shareholders' Rights

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

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

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

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

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 30th June, 2012.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 47 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 136.

An interim dividend of HK10 cents per share amounting to HK\$588,889,442, including HK\$266,461,725 by way of cash dividends and HK\$322,427,717 by way of scrip alternatives, was paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK36 cents per share amounting to HK\$2,128,244,172 payable to shareholders whose names appear on the Register of Members of the Company on 7th November, 2012.

INVESTMENT PROPERTIES

During the year, the Group acquired investment properties of HK\$73,720,960, incurred construction cost on investment properties under construction of HK\$19,186,477 and renovation cost on investment properties of HK\$100,583,794, disposed of investment properties of HK\$953,855,071 and also transferred from properties under development of HK\$149,046,719 to investment properties. The Group revalued all its investment properties at the year end date and the increase in fair value of the investment properties amounting to HK\$4,470,950,610 has been credited directly to the consolidated income statement.

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

PROPERTY, PLANT AND EQUIPMENT

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

MAJOR PROPERTIES

Details of the major properties of the Group at 30th June, 2012 are set out on pages 230 to 250.

SUBSIDIARIES AND ASSOCIATES

Details of the Company's principal subsidiaries and associates at 30th June, 2012 are set out in Notes 47 to 48 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 34 to the consolidated financial statements.

DIRECTORS' REPORT (Continued)**PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year, the Company repurchased 9,580,000 shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$107,746,501. The repurchases were effected by the Directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	Total number of the ordinary shares repurchased	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate consideration <i>HK\$</i>
July 2011	2,642,000	13.26	12.20	33,529,476
September 2011	2,906,000	12.20	10.38	32,345,280
October 2011	2,822,000	10.62	9.34	27,865,585
May 2012	1,040,000	12.66	10.72	12,248,589
June 2012	170,000	10.48	10.20	1,757,571
	<u>9,580,000</u>			<u>107,746,501</u>

All 9,580,000 shares repurchased were cancelled on delivery of the share certificates during the year. 430,000 shares repurchased in the last financial year ended 30th June, 2011 were cancelled during the financial year. The nominal value of HK\$10,010,000 of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$113,010,844 was paid out from the Company's retained profits.

Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 30th June, 2012 were the retained profits of HK\$13,342,681,980 (2011: HK\$14,121,892,527).

MEDIUM TERM NOTE

In April 2012, the Group set up its first US\$1,000 million Medium Term Note Programme ("Programme") pursuant to which notes will be issued from time to time and guaranteed by the Company. As at the date of this report, no note was issued under the Programme. The Programme has a total of 15 dealers supporting the Programme. The Programme will facilitate the documentation process of issuing notes thereby significantly shorten the timing to conclude the terms and receiving the proceeds.

DIRECTORS' REPORT *(Continued)*

TREASURY, GROUP BORROWINGS AND INTEREST CAPITALISED

The Group maintains a prudent approach in its treasury management with foreign exchange exposure being kept at a minimal level and interest rates on a floating rate bases. Bank borrowings repayable within one year are classified as current liabilities. Repayment analysis of bank borrowings as at 30th June, 2012 are set out in Note 33 to the consolidated financial statements.

Interest expenses capitalised by the Group during the year in respect of properties under development amounted to HK\$87,133,774.

DIRECTORS

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

Executive Directors

Mr. Robert Ng Chee Siong (Chairman)
Mr. Yu Wai Wai
Mr. Daryl Ng Win Kong
Mr. Ringo Chan Wing Kwong
Ms. Alice Ip Mo Lin
Mr. Thomas Tang Wing Yung (resigned on 26th March, 2012)

Non-Executive Director

The Honourable Ronald Joseph Arculli

Independent Non-Executive Directors

Dr. Allan Zeman
Mr. Adrian David Li Man-kiu
Mr. Wong Cho Bau
Mr. Steven Ong Kay Eng (appointed on 28th October, 2011)
Dr. Fu Yuning (retired on 28th October, 2011)

In accordance with the Company's Articles of Association and pursuant to Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), The Honourable Ronald Joseph Arculli, Dr. Allan Zeman, Mr. Steven Ong Kay Eng and Mr. Yu Wai Wai will retire at the forthcoming Annual General Meeting and, who being eligible, will offer themselves for re-election.

DIRECTORS' REPORT (Continued)**DIRECTORS' INTERESTS**

As at 30th June, 2012, the interests and short positions held by the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, were as follows:

(a) Long Positions in Shares of the Company

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	3,123,354,000 <i>(Note)</i>	Beneficial owner of 161,586 shares spouse interest in 3,457,452 shares and trustee interest in 3,119,734,962 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	52.83%
The Honourable Ronald Joseph Arculli	1,157,090	Beneficial owner	0.01%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Yu Wai Wai	–	–	–
Mr. Daryl Ng Win Kong	92,625	Beneficial owner	≈0%
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–

DIRECTORS' REPORT *(Continued)*

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

Note:

As regards trustee interest in 3,119,734,962 shares:

- (a) *1,364,882,137 shares were held by Tsim Sha Tsui Properties Limited which was 71.95% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;*
- (b)
 - (i) *42,427,069 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) *1,588,985,367 shares were held through certain other wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;*
- (c) *90,962,207 shares were held through companies which were 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong – 148,289 shares by Fanlight Investment Limited, 145,450 shares by Garford Nominees Limited, 32,731,174 shares by Karaganda Investments Inc., 14,116,815 shares by Orient Creation Limited, 6,861,117 shares by Strathallan Investment Limited, 20,679,528 shares by Strong Investments Limited, 15,846,766 shares by Tamworth Investment Limited and 433,068 shares by Transpire Investment Limited; and*
- (d) *32,478,182 shares were held by the co-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) Holding Company

Tsim Sha Tsui Properties Limited

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Robert Ng Chee Siong	1,108,445,905 <i>(Note)</i>	Beneficial owner of 595,271 shares and trustee interest in 1,107,850,634 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	60,000	Beneficial owner	≈0%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Yu Wai Wai	–	–	–
Mr. Daryl Ng Win Kong	–	–	–
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–

Note:

As regards trustee interest in 1,107,850,634 shares:

(a) 1,020,416,233 shares were held through companies which were 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong – 105,766,123 shares by Fanlight Investment Limited, 143,328,525 shares by Nippomo Limited, 3,293,543 shares by Orient Creation Limited, 281,897,042 shares by Strathallan Investment Limited, 420,666,944 shares by Tamworth Investment Limited and 65,464,056 shares by Transpire Investment Limited; and

(b) 87,434,401 shares were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

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

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

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

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

Save as disclosed above, as at 30th June, 2012, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' REPORT *(Continued)*

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' INTERESTS IN COMPETING BUSINESSES

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

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

The Honourable Ronald Joseph Arculli is a Non-Executive Director of HKR International Limited and Hutchison Harbour Ring Limited, which engage in businesses of property investment, development and management and/or hotel operation respectively.

As the Board of Directors of the Company is independent of the boards of the aforesaid companies and maintains four Independent Non-Executive Directors, the Group operates its businesses independently of, and at arm's length from, the businesses of the aforesaid companies.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Apart from the transactions disclosed under the heading "Related Party Disclosures" as set out in Note 46 to the consolidated financial statements, there were no other contracts of significance in relation to the Group's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year.

SERVICE CONTRACTS

None of the Directors of the Company has a service contract with the Company or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

DIRECTORS' REPORT (Continued)

CONNECTED
TRANSACTIONS(A) Existing Non-exempted Continuing Connected Transactions up to
30th June, 2012

The Company and its holding company, Tsim Sha Tsui Properties Limited ("TST Properties"), jointly announced on 24th June, 2010 that the Company and/or its subsidiaries ("Group") had entered into agreements on 24th June, 2010 ("Agreements" or individually, "Agreement") relating to the following non-exempted continuing connected transactions between the Company and/or its subsidiaries, and the Ng Family (including Mr. Robert Ng Chee Siong, Mr. Philip Ng Chee Tat, and as co-executors of the estate of the late Mr. Ng Teng Fong, and/or their respective associates) for the three financial years commencing from 1st July, 2010 and ending on 30th June, 2013 with annual caps fixed for each of the years. Applicable particulars of the Agreements together with the total amount received/paid in respect of the transactions for the year ended 30th June, 2012 are disclosed herein as required under the Listing Rules:

Nature of Services provided under the Agreement	Parties to the Transactions		Service	Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2012
	Service Provider	Recipient					
1. Building Cleaning Services	Best Result Environmental Services Limited (formerly known as Best Result Cleaning Services Limited), a wholly-owned subsidiary of the Company	Ng Family	Provision of building cleaning services and cleaning consultancy services by the Group to properties developed/ owned/partly owned or to be developed/owned/ partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	HK\$90 million	HK\$64.04 million	
2. Car Park Management Services	Sino Parking Services Limited ("SPSL"), a company held as to 50% by the Company and 50% by the Ng Family	Group	Provision of car park management services by the Ng Family to properties owned/ developed or to be owned/developed by the Group	A lump sum fee to be agreed between the parties which shall be determined by reference to a rate of the total gross revenue generated from car parking operations in the properties managed by SPSL pursuant to the Agreement	HK\$34 million	HK\$21.76 million	

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

(A) Existing Non-exempted Continuing Connected Transactions up to 30th June, 2012 *(Continued)*

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2012
	Service Provider	Service Recipient				
3. Estate Management and General Administrative Services	Sino Estates Management Limited ("SEML"), a wholly-owned subsidiary of the Company	Ng Family	Provision of estate management, life style services, home maintenance services, courtesy services and general administrative services by the Group to properties developed/ owned/partly owned or to be developed/owned/ partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be a fixed sum or determined by reference to a rate of the management expenditure as shown in the annual budget of or actually incurred by the Ng Family in respect of the properties managed by SEML pursuant to the Agreement	HK\$41 million	HK\$22.34 million
4. Security Guard Services	Sino Security Services Limited, a wholly-owned subsidiary of the Company	Ng Family	Provision of security guard services by the Group to properties developed/owned/ partly owned or to be developed/owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	HK\$86 million	HK\$73.46 million

DIRECTORS' REPORT (Continued)

CONNECTED
TRANSACTIONS
(Continued)(A) Existing Non-exempted Continuing Connected Transactions up to
30th June, 2012 (Continued)

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2012
	Service Provider	Service Recipient				
5. Lease of Premises	Group	Ng Family	Lease of premises by: <ul style="list-style-type: none"> (i) the Group of properties owned or to be owned by the Ng Family (ii) the Ng Family of properties owned or to be owned by the Group 	A lump sum rent exclusive of rates and management fees to be agreed between the parties which shall be determined by reference to the prevailing market rent of particular premises	(1) For the period from 1st July, 2011 to 30th June, 2012, HK\$84 million comprising: <ul style="list-style-type: none"> (i) HK\$80.4 million for lease of premises by the Group; and (ii) HK\$3.6 million for lease of premises by the Ng Family; and (2) For the period from 1st July, 2012 to 30th June, 2013, HK\$94.8 million comprising: <ul style="list-style-type: none"> (i) HK\$91.2 million for lease of premises by the Group; and (ii) HK\$3.6 million for lease of premises by the Ng Family 	HK\$35.66 million, comprising: <ul style="list-style-type: none"> (i) HK\$33.94 million for lease of premises by the Group; and (ii) HK\$1.72 million for lease of premises by the Ng Family

DIRECTORS' REPORT *(Continued)***CONNECTED
TRANSACTIONS**
*(Continued)***(A) Existing Non-exempted Continuing Connected Transactions up to
30th June, 2012** *(Continued)*

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

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

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

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

**CONNECTED
TRANSACTIONS**
(Continued)

(B) Disposal of Interests regarding the Property located at No. 18 Wang Chiu Road, Kowloon Bay, Kowloon

The Company and TST Properties jointly announced on 13th March, 2012 that the Company, Devlin Limited ("Devlin"), Sing-Ho Finance Company Limited ("Sing-Ho Finance") and Cliveden Finance Company Limited ("Cliveden") (together, as vendors), CCB Properties (Hong Kong) Holdings Limited ("CCB Properties") (as purchaser) and Boswell Holdings Limited ("Boswell") (as guarantor of Devlin and Cliveden) entered into an agreement, pursuant to which (a) the Company and Devlin agreed to sell their respective 50 shares of HK\$1.00 each, totally representing 100% of the issued share capital of Better Chief Limited ("Better Chief") which held a Grade-A office building located at No. 18 Wang Chiu Road, Kowloon Bay, Kowloon; and (b) Sing-Ho Finance and Cliveden agreed to sell their respective loans owing by Better Chief, at a total consideration of HK\$2,510,000,000 subject to certain adjustment payments.

TST Properties is the holding company of the Company. The Ng Family and its associates are connected persons of TST Properties and the Company by virtue of the Ng Family being the substantial shareholder of both TST Properties and the Company. As Boswell, the issued share capital of which is wholly-owned by the Ng Family, indirectly owns 100% of the issued share capital of each of Devlin and Cliveden, they are associates of the Ng Family. Accordingly, the sale and purchase of the sale shares and the sale loans mentioned above constituted a connected transaction of each of TST Properties and the Company under Rule 14A.13(1)(b)(i) of the Listing Rules.

(C) Acquisition of Additional Interests regarding Island Resort

The Company and TST Properties jointly announced on 23rd March, 2012 that King Chance Development Limited ("King Chance"), a wholly-owned subsidiary of the Company, and Vicwood Fareast Limited ("Vicwood") entered into an agreement ("IR Agreement"), pursuant to which Vicwood agreed to sell and King Chance agreed to purchase (a) 5% interest in Silver Link Investment Limited ("Silver Link") together with interest-free loans of HK\$276,896,845.13 extended by Vicwood to Silver Link; and (b) 5% interest in Island Resort Estate Management Company Limited ("IREM"), for a total consideration of HK\$63,000,000.

Silver Link is the company holding the property known as the Island Resort Mall located at No. 28 Siu Sai Wan Road, Chai Wan, Hong Kong. IREM is the company engaged in building management business which provides building management services for the entire residential and commercial development of Island Resort, Chai Wan, Hong Kong.

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

(C) **Acquisition of Additional Interests regarding Island Resort** *(Continued)*

Upon the completion of the IR Agreement, Silver Link and IREM are owned as to 45% by King Chance, 50% by the Ng Family and 5% by an independent third party.

TST Properties is the holding company of the Company. The Ng Family and its associates are connected persons of TST Properties and the Company by virtue of the Ng Family being the substantial shareholder of both TST Properties and the Company. Although Vicwood and its ultimate beneficial owner are independent third parties of TST Properties and the Company and their respective connected persons, the IR Agreement relates to the acquisition of shares of Silver Link and IREM and because the Ng Family is a controlling shareholder of TST Properties and the Company and is also a then indirect substantial shareholder of Silver Link and IREM, the IR Agreement constituted a connected transaction of each of TST Properties and the Company under Rule 14A.13(1)(b)(i) of the Listing Rules.

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

Details of other related party transactions are set out in Note 46 to the consolidated financial statement of this Annual Report.

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

As at 30th June, 2012, the interests and short positions of the substantial shareholders and other shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO were as follows:

Long Positions in Shares of the Company

Name of Substantial Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Mr. Philip Ng Chee Tat	3,131,197,973 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 11,463,011 shares and trustee interest in 3,119,734,962 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	52.96%
Mr. Robert Ng Chee Siong	3,123,354,000 <i>(Notes 2, 3, 4 and 5)</i>	Beneficial owner of 161,586 shares, spouse interest in 3,457,452 shares and trustee interest in 3,119,734,962 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	52.83%
Tsim Sha Tsui Properties Limited	2,996,294,573 <i>(Notes 2(a), 2(b), 3 and 4)</i>	Beneficial owner of 1,364,882,137 shares and interest of controlled corporations in 1,631,412,436 shares	50.68%
Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Spangle Investment Limited	368,030,184 <i>(Note 3)</i>	Beneficial owner	6.22%
Ka Fai Land Investment Limited	322,477,785 <i>(Note 4)</i>	Beneficial owner	5.45%

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

Notes:

1. 11,463,011 shares were held through companies which were 100% controlled by Mr. Philip Ng Chee Tat – 3,509,117 shares by Bestdeal Contractors Pte Ltd and 7,953,894 shares by Western Properties Pte Ltd.
2. As regards trustee interest in 3,119,734,962 shares:
 - (a) 1,364,882,137 shares were held by Tsim Sha Tsui Properties Limited which was 71.95% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
 - (b)
 - (i) 42,427,069 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) 1,588,985,367 shares were held through certain other wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 368,030,184 shares held by Spangle Investment Limited (Note 3) and 322,477,785 shares held by Ka Fai Land Investment Limited (Note 4));
 - (c) 90,962,207 shares were held through companies which were 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong – 148,289 shares by Fanlight Investment Limited, 145,450 shares by Garford Nominees Limited, 32,731,174 shares by Karaganda Investments Inc., 14,116,815 shares by Orient Creation Limited, 6,861,117 shares by Strathallan Investment Limited, 20,679,528 shares by Strong Investments Limited, 15,846,766 shares by Tamworth Investment Limited and 433,068 shares by Transpire Investment Limited; and
 - (d) 32,478,182 shares were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. 368,030,184 shares were held by Spangle Investment Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and were duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
4. 322,477,785 shares were held by Ka Fai Land Investment Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and were duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong and Tsim Sha Tsui Properties Limited.
5. The interests of Mr. Philip Ng Chee Tat and Mr. Robert Ng Chee Siong as the co-executors of the estate of the late Mr. Ng Teng Fong were duplicated.

Save as disclosed above and so far as the Directors of the Company are aware, as at 30th June, 2012, 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\$4,027,000.

**MAJOR SUPPLIERS
AND CUSTOMERS**

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 80% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 25% 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 32 to 51.

**SUFFICIENCY OF
PUBLIC FLOAT**

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

AUDITOR

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

On behalf of the Board
Robert NG Chee Siong
Chairman

Hong Kong, 29th August, 2012

Completed properties

1. Westin Centre
2. Far East Finance Centre
3. Cambridge Plaza
4. Lincoln Centre
5. Pan Asia Centre
6. The Palazzo
7. Goodwood Park
8. The Balmoral
9. Lake Silver
10. One Mayfair
11. Marinella

Properties under development

12. 38 Repulse Bay Road, Rural Building Lot No. 380
13. 53 Conduit Road, The Remaining Portion of Inland Lot No. 2138 and Inland Lot No. 2613
14. Lee Tung Street/McGregor Street Project, Wan Chai
15. Cheung Sha, Lantau Island, Lot No. 245 in DD331
16. The Coronation, 1 Yau Cheung Road, South West Kowloon, Kowloon Inland Lot No. 11073
17. Providence Bay, Pak Shek Kok, Tai Po Town Lot No. 187
18. Providence Peak, Pak Shek Kok, Tai Po Town Lot No. 188
19. Providence Bay, Pak Shek Kok, Tai Po Town Lot No. 186
20. Park Summit, 88 Beech Street, Kowloon Inland Lot No. 11192
21. 12-18 Hau Wong Road, Kowloon City
22. Pak Shek Kok, Tai Po Town Lot No. 200
23. Pak Shek Kok, Tai Po Town Lot No. 201
24. 8 Yuet Wah Street, Kwun Tong
25. Fuk Tsun Street/Pine Street, Kowloon Inland Lot No.11200
26. 20-26 Staunton Street, Central
27. Kau To (Site A), Shatin Town Lot No. 525
28. Mui Wo, Lot No. 726 in DD4
29. Peng Chau, Lot No. 676 in DD





Properties for investment and hotels

- 30. Citywalk
- 31. Citywalk 2
- 32. Exchange Tower
- 33. Skyline Tower
- 34. The Centrium
- 35. 148 Electric Road
- 36. Central Plaza
- 37. Conrad Hong Kong
- 38. Harbour Centre
- 39. Hollywood Centre
- 40. Marina House
- 41. One Capital Place
- 42. Pacific Palisades
- 43. Pacific Plaza
- 44. Island Resort Mall
- 45. 25/F United Centre
- 46. Olympian City
- 47. The Astrid
- 48. Cameron Plaza
- 49. China Hong Kong City
- 50. Corporation Square
- 51. Futura Plaza
- 52. Sunley Centre
- 53. Westley Square
- 54. Fullerton Centre
- 55. Hong Kong Pacific Centre
- 56. Kwun Tong Harbour Plaza
- 57. Kwun Tong Plaza
- 58. Omega Plaza
- 59. Parmanand House
- 60. Remington Centre
- 61. Sunshine Plaza Shopping Arcade
- 62. Tsim Sha Tsui Centre
- 63. Yau Tong Industrial City
- 64. Avon Park Shopping Mall
- 65. Springdale Villas Shopping Arcade
- 66. Golden Plaza
- 67. Mansfield Industrial Centre
- 68. Parklane Centre
- 69. Ping Wui Centre
- 70. Shatin Galleria
- 71. tmtplaza
- 72. The Waterside Shopping Mall
- 73. 15 Shek O Headland
- 74. No. 1 Chatham Path, Mid-levels
- 75. Bayview Park
- 76. No. 1 Hung To Road
- 77. Grand Regentville Shopping Arcade
- 78. Rosedale Gardens Shopping Arcade
- 79. Oceania Heights Shopping Mall
- 80. The Hennessy
- 81. Fraser Suites Hong Kong
- 82. Maison Rosé

COMPLETED PROPERTIES



1

The Palazzo

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

2

Goodwood Park

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



2

COMPLETED PROPERTIES *(Continued)*



3

Lake Silver

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



4

The Balmoral

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

COMPLETED PROPERTIES *(Continued)*



5

5

One Mayfair

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

6

Marinella

With the backdrop of greenery and mountains in Hong Kong's famous Island South, Marinella enjoys idyllic scenery with panoramic sea views. The project comprises 411 residential units and is in close proximity to the prestigious Aberdeen Marina Club, the Hong Kong Country Club and the Hong Kong Golf Club.



6

PROPERTIES UNDER DEVELOPMENT



7



8

7

Providence Bay

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

8

Providence Peak

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

PROPERTIES UNDER DEVELOPMENT *(Continued)*

9

Phase 3 of Providence Bay

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

10

The Coronation

Occupying a strategic location in West Kowloon, The Coronation enjoys excellent accessibility, being in close proximity to five rail stations, including the Express Rail Link Terminus, Kowloon Station, Austin Station. The project consists of 740 units and enjoys a panoramic view spanning Victoria Harbour, Stonecutters Island and Lei Yue Mun. West Kowloon Cultural District and the Canton Road shopping and dining belt are within walking distance.

11

Park Summit

Situated at a prominent location of West Kowloon, Park Summit embraces an extensive transport network. It is only a short stroll from Olympic and Mong Kok Stations, and is in close proximity to the upcoming Express Rail Link Terminus. Olympian City, a shopping mall of 800,000 sq.ft. with more than 260 shops, is on the doorstep, catering to the shopping and dining needs of residents. The Clubhouse in twin towers comes with a sky garden, enhancing metropolitan living. Park Summit comprises 462 units with a wide range of layouts ranging from studio units to three-bedroom layouts and to special units.

12

12-18 Hau Wong Road

The project will provide a total of approximately 35,750 sq. ft. of gross floor area comprising approximately 25,890 sq. ft. of residential space and approximately 9,860 sq. ft. of commercial space upon completion. It is situated in the heart of Kowloon City (School Net 41), in close proximity to the future To Kwa Wan Station of the Central-Shatin Link.



PROPERTIES UNDER DEVELOPMENT *(Continued)*



13

8 Yuet Wah Street (URA Project)

Conveniently located in the Kwun Tong town centre, the project is in close proximity to Kwun Tong Station and nearby shopping areas. The project will be the first residential development of the East Kowloon and Kai Tak Redevelopment Master Plan.

14

Fuk Tsun Street / Pine Street (URA Project)

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

15

Lee Tung Street, Wanchai (URA Project)

Situated at the centre of Hong Kong's prime financial and commercial belt spanning Central and Causeway Bay, the project occupies a coveted location in Wanchai. It comprises approximately 1,200 elegantly appointed residential units in four residential towers and 86,000 sq.ft. of character-filled retail zone. The project will be developed over two phases and is a rare large-scale mixed-used development on Hong Kong Island. Blending modern metropolitan lifestyle with Hong Kong heritage while preserving a historic tenement house on site, the project celebrates the unique east-meets-west spirit of the district.

16

Central Park, Xiamen

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

PROPERTIES UNDER DEVELOPMENT *(Continued)*

17

Le Sommet, Xiamen

Le Sommet is one of Sino's high-end projects in Xiamen. It is located at the junction area of Jiahe Road and Changqing Road with a total gross floor area of approximately 120,000 sq.ft. The development offers 138 apartments and around 15,000 sq.ft. of retail space.

18

Dynasty Park, Zhangzhou

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



PROPERTIES FOR INVESTMENT AND HOTELS



19

19

Sino International Plaza, Fuzhou

Located in the business centre of Fuzhou, Sino International Plaza is an international Grade A commercial building comprising office and retail space. The tower features a sky garden and a building façade made of energy-efficient 'Low-E' glass.

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



20

The Hennessy

The Hennessy is located in the heart of Wanchai, a vibrant district abounding with restaurants, shops and offices. The 4.8-metre floor-to-floor height, full-height windows, panoramic harbour views and the unique indoor and rooftop alfresco dining experience make the building an ideal office for various businesses. The Hennessy is just a stone's throw from the entertainment hub of Causeway Bay and minutes from the Central Business District with convenient MTR, bus, minibus and tram access.

21

Exchange Tower

Exchange Tower is a commercial complex located in Hong Kong's latest focal point – Kowloon East, in the vicinity of Kowloon Bay Station. With a total floor area of over 700,000 sq.ft., comprising both retail and office spaces, it is a landmark building that sets a new trend for modern office design by integrating a green balcony into every floor. Together with the unique and spectacular sky garden, it provides a relaxing environment to meet with colleagues and business associates.

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



22

Fraser Suites Hong Kong

Occupying a coveted place in the heart of Hong Kong's famous Wanchai business and entertainment district, Fraser Suites Hong Kong is sought-after for its location as well as its delivery of excellence. The serviced residence offers easy access to key business areas like Causeway Bay and Central; it is also close to the Hong Kong Convention and Exhibition Centre, Wanchai Ferry Terminal and the Wanchai waterfront business district.

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



23

Citywalk

Citywalk is Hong Kong's first green shopping mall and is located in Yeung Uk Road, Tsuen Wan. This 300,000-square-foot shopping mall has an 8,000-square-foot Vertical Garden and a 40,000-square-foot 'Citywalk Piazza' with landscaped water features. The unique green space provides shoppers and tourists with a stylish and natural environment.

23

Citywalk 2

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

24



24

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



25

25

Olympian City

Olympian City is located at Olympic Station and connected to Mongkok and the surrounding affluent residential estates by a comprehensive footbridge system. This 800,000-square-foot regional mall offers a wide variety of shops, from international fashions and cosmetics to kids' favourites and lifestyle accessories. The mall is famous for its varieties in food and beverages, from alfresco restaurants and bars to international cuisines, as well as a mega food court. The 80,000-square-foot open piazza houses arts exhibitions and community events throughout the year; together with the six-screen cinema, it adds vibrancy to the shopping experience for both local shoppers and tourists.



26

26

tmtplaza

Being the largest shopping mall in Northwest New Territories, tmtplaza sits atop the transport hub with direct connections to West Rail and Light Rail stations. This 1,000,000-square-foot shopping mall is home to over 400 shops and restaurants, with famous international fashion and cosmetics brands and a variety of shops from department stores and electrical appliances to jewellery and kids' wear. With the all-year-round promotional events and exhibitions taking place at its 5,000-square-foot main atrium, together with a wide spectrum of international cuisines and a four-screen cinema, the mall offers a one-stop shopping experience, attracting shoppers from the Northwest districts and the Pearl River Delta.

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



28

27

Tsim Sha Tsui Centre

Tsim Sha Tsui Centre was the very first development at Tsim Sha Tsui East. It is a tribute to Sino Group's pioneering spirit. Today, it serves as the Group's headquarters, and remains an important office-cum-retail property. Tsim Sha Tsui Centre and the adjacent Empire Centre underwent a major renovation a few years ago, transforming the waterfront units into stylish duplex restaurants, turning the twin buildings into a premier Tsim Sha Tsui East dining destination – Alfresco Lane.

28

Hong Kong Pacific Centre

Hong Kong Pacific Centre is located in the centre of Tsim Sha Tsui's buzzing retail precinct and is just a stone's throw from Nathan Road. The project comprises an office tower and a retail podium with a total gross floor area of approximately 233,000 sq.ft. Equipped with state-of-the-art facilities catering to the medical sector, Hong Kong Pacific Centre is one of the most sought-after medical centres in the city with a cluster of medical specialists.



27

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



29

China Hong Kong City

China Hong Kong City is one of the largest golden glass-clad complexes in the world and among Hong Kong's most prominent commercial complexes. Strategically located in Canton Road, Tsim Sha Tsui – Kowloon's busiest business and tourist district, this mixed-used development includes five office towers with spectacular sea views, a six-storey shopping mall, the Royal Pacific Hotel & Towers, China Ferry Terminal, bus and taxi terminals, and ample car parking facilities. Close to the Kowloon Park, it is also well supported by all major means of public transport and is only a short stroll from the Star Ferry Terminal and Tsim Sha Tsui and Austin Stations.

30

Skyline Tower

Skyline Tower is located in the heart of the commercial district of Kowloon Bay and commands a magnificent view of Victoria Harbour. This 39-storey Grade A building provides about 830,000 sq.ft. of commercial space.

31

The Centrium

Located in the heart of Central, The Centrium is a Grade A commercial development in the well-known Lan Kwai Fong and Soho district. The project provides about 260,000 sq.ft. of office space and fine dining offerings.

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*

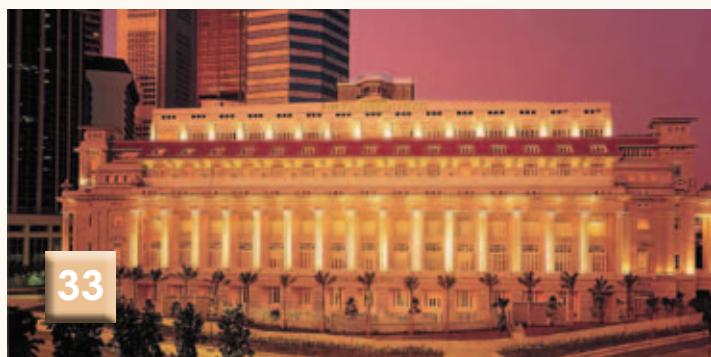


32 The Fullerton Heritage

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

33 The Fullerton Hotel Singapore

Once home to the General Post Office, The Singapore Club and the Chamber of Commerce, The Fullerton Hotel Singapore is now a hotel with 400 carefully designed rooms and suites. Its excellent location and comprehensive facilities make it ideal for both business and leisure travellers. The Hotel has received international awards and accolades in recognition of its standards of service.



34 The Fullerton Bay Hotel Singapore

Opened on 8 July 2010, The Fullerton Bay Hotel is the latest hotel addition to the sparkling Marina Bay waterfront, with breathtaking architecture and stunning interiors that combine modernity and heritage. Seated at a prime waterfront location in the Central Business District and in close proximity to the arts and cultural precinct, the hotel offers classic hospitality and service with rooms providing spectacular views of Marina Bay and the Singapore skyline.



PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



35



36



37

35

Clifford Pier

A historic landmark and the first port of call for immigrants in the early days of Singapore, the revitalised Clifford Pier has kept its original architectural characteristics and charm. Occupying an area of 13,731 sq.ft., the pier houses an elegant international restaurant and bar, featuring alfresco dining with breathtaking waterfront views.

36

Conrad Hong Kong

Towering 61 floors above one of Hong Kong's most prestigious and exclusive shopping and entertainment complexes, Conrad Hong Kong is located within the central business district and in close proximity to major sites of interest. The award-winning hotel features 514 elegantly appointed rooms and suites that offer business and leisure travelers the optimum in comfort, facilities and service. The property is renowned for spaciousness and breathtaking views of The Peak and Victoria Harbour.

37

Raffles City Shanghai

This 46-storey prime office-cum-retail tower is located in the central business area of Huangpu District and surrounded by boutique shops that attract heavy pedestrian flows. The project yields 1.35 million sq.ft. of total gross floor area.

REVIEW OF OPERATIONS

(1) LAND BANK

As at 30th June, 2012, the Group has 40.7 million square feet of land bank. This land bank consists of a well-diversified portfolio of properties, comprising: residential 64.3%, commercial 24.1%, industrial 5.3%, car parks 3.6% and hotels 2.7%. Most of the developments currently under construction are situated in good locations and are conveniently served by various modes of transport, including railway and subway lines. The tables below show the detailed breakdown of the Group's land bank as at 30th June, 2012.

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

	By Status and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
Properties under Development	25,677,317	2,285,944	0	0	386,202	28,349,463	69.7%
Investment Properties and Hotels	196,409	7,395,660	1,631,309	1,464,849	711,016	11,399,243	28.0%
Completed Properties for Sale	308,690	139,417	506,480	0	0	954,587	2.3%
Total	26,182,416	9,821,021	2,137,789	1,464,849	1,097,218	40,703,293	100.0%
Percentage	64.3%	24.1%	5.3%	3.6%	2.7%	100.0%	

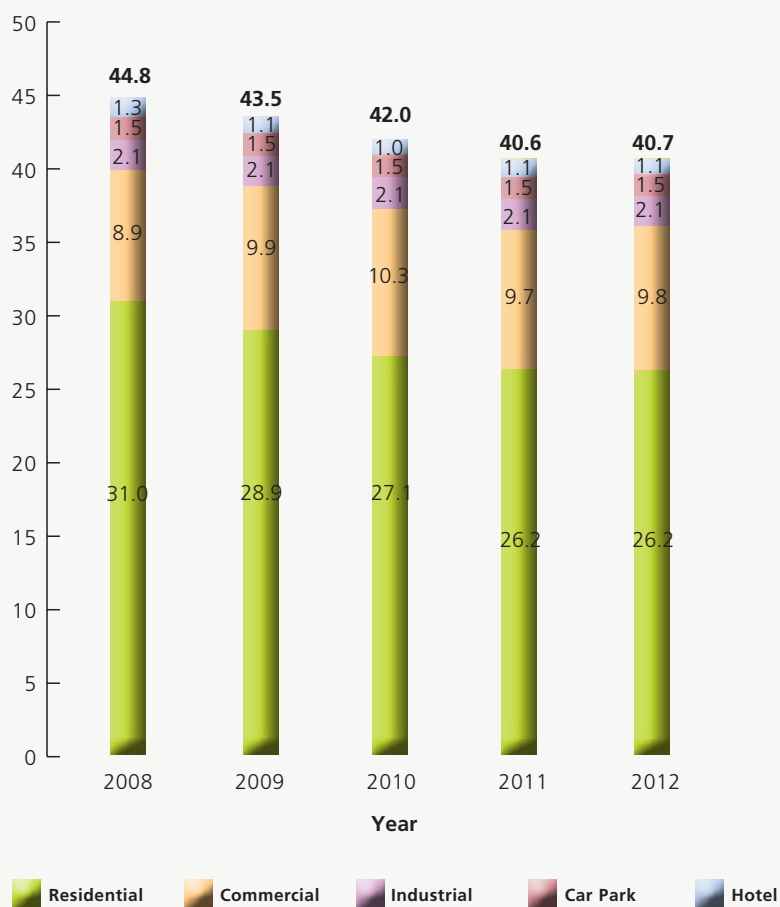
	By Location and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Gross Floor Area in Square Feet)</i>						
New Territories	2,542,174	2,100,677	644,007	1,000,234	0	6,287,092	15.4%
Kowloon	826,532	3,413,470	1,493,782	391,452	0	6,125,236	15.1%
Hong Kong Island	684,540	1,217,320	0	60,302	165,506	2,127,668	5.2%
China	22,129,170	2,958,825	0	12,861	386,202	25,487,058	62.6%
Singapore	0	130,729	0	0	545,510	676,239	1.7%
Total	26,182,416	9,821,021	2,137,789	1,464,849	1,097,218	40,703,293	100.0%

REVIEW OF OPERATIONS *(Continued)***(1) LAND BANK** *(Continued)*

The following charts show the changes of the Group's land bank by usage and geographical location over the last five financial years:

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

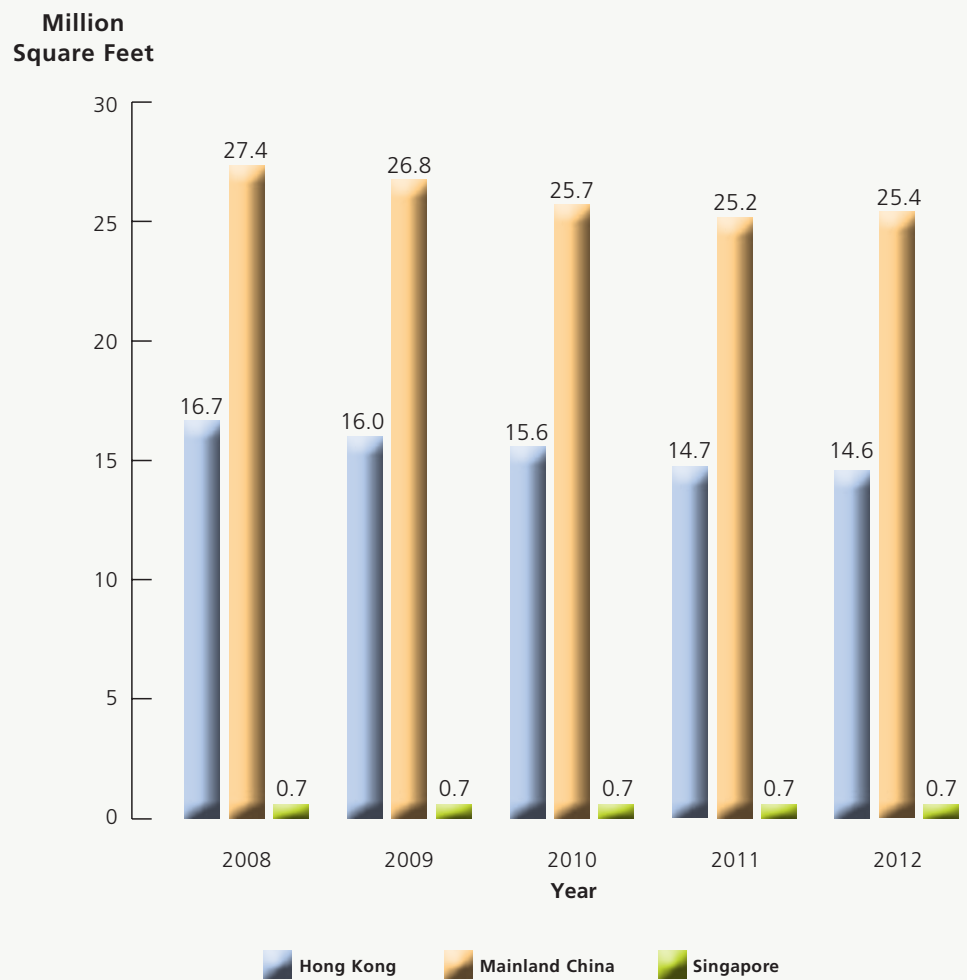
Million
Square Feet



REVIEW OF OPERATIONS *(Continued)*

(1) LAND BANK *(Continued)*

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



REVIEW OF OPERATIONS *(Continued)*

(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2011/2012

One Mayfair (100% owned)

1 Broadcast Drive, Kowloon Tong, Kowloon, Hong Kong

The Group acquired the site for residential development at a land auction in November 2006. The site has been developed into a low-density residential project with a total of approximately 196,592 square feet of gross floor area. A total of 120 units have been built and the project commands the panoramic views of the Kowloon Peninsula. The sale of One Mayfair was launched in October 2011. Market response has been good. Over 86% of the total number of units have been sold so far. The Occupation Permit for the project was issued by the Building Authority of HKSAR Government ("Building Authority") in December 2011. Sales revenue and earnings of the units that have been sold as of 30th June, 2012 have been recognised by the Group for the year ended 30th June, 2012.

Marinella (35% owned)

9 Welfare Road, Aberdeen, Hong Kong

In October 2007, the Group acquired the site of ALL451 in Aberdeen at a government land auction. The site is on the southern part of Hong Kong Island, historically, one of the earliest landing points for foreigners. It is within walking distance to the Aberdeen Marina Club and a few minutes' drive to Ocean Park, one of Southeast Asia's largest oceanariums and theme parks. The Wong Chuk Hang railway station which is on the South Island Line (East) connecting the MTR network at Admiralty to the Southern District of Hong Kong is currently developed by MTRCL. The station is just a few minutes' walk from Marinella and is expected to be in operations in 2015. The Occupation Permit for the project was issued by the Building Authority in April 2012.

Marinella has a total of 411 residential units. All units enjoy the sea views of Sham Wan and Aberdeen Channel. Total gross floor area of the residential space is 643,883 square feet. Since Marinella's first sales launch in August 2011, over 91% of the total number of units have been sold and attributable sales revenue to the Group are recognised over financial years 2011/2012 and 2012/2013. Attributable sales revenue of HK\$2,410 million has been recognized by the Group for the year ended 30th June, 2012.

REVIEW OF OPERATIONS *(Continued)*

(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2011/2012 *(Continued)*

Baker Residences (Joint Venture)

8 Baker Court, Hung Hom, Kowloon, Hong Kong

The Group was awarded the development rights by Urban Renewal Authority of Hong Kong to redevelop the site at Baker Court in Hung Hom in June 2008. A total of 22,357 square feet of gross floor area of residential space encompassing 68 units and 4,467 square feet of gross floor area of retail space have been built. The project was launched for sale in February 2012 and all units were sold within a few days. The Group obtained the Occupation Permit from the Building Authority in July 2011. Sales revenue and earnings of the project have been recognised by the Group for the year ended 30th June, 2012.

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

DEVELOPMENT PROJECTS IN HONG KONG

TPTL 200, Site D1 (100% owned)

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

The site was acquired at a government land auction in December 2009. The area is well-known for various types of sports including water sports and cycling. Upon completion, which is estimated to be in the financial year 2014/2015, a total of approximately 553 units with approximately 720,757 square feet of gross floor area will be built. Of this total gross floor area, 675,710 square feet will be for residential purposes and the remaining area of 45,047 square feet for commercial.

TPTL 201, Site D2 (85% owned)

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

The site was acquired at a government land auction in December 2009. It is connected to the site of TPTL 200 as well as the other three of the Group's developments in Pak Shek Kok including Providence Bay and Providence Peak. Foundation work has been completed. Upon completion of the development which is expected to be in the financial year 2014/2015, a total of approximately 720,757 square feet of gross floor area will be provided. Of this total gross floor area, 675,710 square feet will be for residential purposes comprising 561 units and the remaining area of 45,047 square feet for commercial.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

STTL525 (40% owned)

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

The site of STTL525 was acquired at a government land auction in August 2011. It is located in the mid-level of Kau To Shan and surrounded by greenery of the mountain. The project is for residential development and it is expected that a total of approximately 970 units will be built. The project is in the planning and site formation stage. Upon completion, which is expected to be in the financial year 2014/2015, a total of approximately 1,031,470 square feet of residential gross floor area will be built.

IL9018 (H15) (Joint Venture)

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

The Urban Renewal Authority of Hong Kong awarded the Group the development rights to the site at Lee Tung Street/McGregor Street in June 2009. The site is located in the heart of Wan Chai, a vibrant and exciting area with a diverse tourist attractions, local landmarks, historical conserved buildings as well as a wide variety of shops and restaurants offering a choice of cuisines. The area is regarded as a major art and cultural hub with two of the city's most popular performance venues, namely the Hong Kong Academy for Performing Arts and the Hong Kong Arts Centre. Wan Chai is also well-known for the school networks in the area. Commuters can easily access to other areas from Wan Chai or from other areas to Wan Chai via various well-established modes of transport, including the MTR, tram and buses.

This project incorporates redevelopment, conservation and revitalisation elements. After its completion estimated to be in the financial year 2014/2015, a total of approximately 731,032 square feet of gross floor area with approximately 1,275 residential units and a themed shopping mall of approximately 87,733 square feet of gross floor area will be built. Superstructure construction are currently in progress.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

The Coronation (45% owned)

1 Yau Cheung Road, South West Kowloon, Hong Kong

The Group acquired this prime site (KIL 11073) close to Kowloon and Austin Road Stations in the West Kowloon area at a government land auction in May 2007. A total of approximately 650,685 square feet of gross floor area encompassing 740 units have been built. Of the total gross floor area, approximately 563,927 square feet are designated for residential and approximately 86,758 square feet are retail space. The Coronation was launched for sale in December 2011. Over 99% of the total units have been sold to date. The Occupation Permit for the project was issued by the Building Authority in August 2012.

Providence Bay (35% owned)

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

This site (TPTL 186, Site B) was acquired at a government land auction in September 2007. It is located next to site TPTL 187 (Site A) and 188 (Site C). Upon completion, the site will yield a total of approximately 714,493 square feet of gross floor area of residential space which provides a total of 482 units. The sale of Providence Bay started in November 2011. Over 46% of the units have been sold since its first sale launch. The construction of the project is close to completion. The Group expects to obtain the Occupation Permit in the financial year 2012/2013.

NKIL6499 (Joint Venture)

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

In December 2009, the Group was awarded the rights to develop the site at Yuet Wah Street in Kwun Tong, which is situated at the eastern part of Kowloon Peninsula. Kwun Tong district is undergoing a redevelopment and revitalisation programme by the Urban Renewal Authority of Hong Kong. The site is located in the residential area of Kwun Tong with a wide range of public facilities nearby. The location of the project is within the vicinity of a bus terminus and Kwun Tong Station. It is easily accessed by public transport. The project is currently under superstructure construction. A total of approximately 232,800 square feet of residential space in 299 units will be built upon its expected completion in the financial year 2013/2014.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

Park Summit (Joint Venture)

88 Beech Street, West Kowloon, Hong Kong

In March 2008, the Group was awarded the development rights by the Urban Renewal Authority of Hong Kong to redevelop a site at KIL 11192 at Beech Street/Ivy Street in West Kowloon, close to the Olympian City. The project affords a total of approximately 225,527 square feet of gross floor area comprising 187,939 square feet of residential gross floor area in 462 units and 37,588 square feet of retail space. The sale of Park Summit was launched in April 2012 with over 98% of the total number of units sold so far. The project is estimated to be completed in the financial year 2012/2013.

Providence Peak (25% owned)

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

The development, in which the Group has 25% interest, will consist of approximately 749,788 square feet of residential premises. This site (TPTL 188, Site C) was acquired at a government land auction in March 2007. A total of approximately 548 units will be built. The project was launched for sales in June 2012 with over 27% of total units sold so far. Project completion is estimated to be in the financial year 2012/2013.

TPTL 187, Site A (50% owned)

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

Acquired in March 2007, the Group has built 345,406 square feet of low-density residential premises overlooking Tolo Harbour. Of the total gross floor area, approximately 323,824 square feet are residential area and approximately 21,582 square feet are retail space. A total of approximately 193 units will be built. The project is nearly completed and the Occupation Permit is expected to be obtained in the financial year 2012/2013.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

Lot 245 in Demarcation District No. 331 (100% owned)

Cheung Sha, Lantau Island, Hong Kong

This Cheung Sha site was acquired at a government land auction in October 2007. It is located in the picturesque southern part of Lantau Island overlooking an environmental reserve area. Upon completion, the project will provide a total of approximately 71,417 square feet of gross floor area of residential space in approximately 16 houses. The project is in the planning and site formation stage. Completion is estimated for the financial year 2013/2014.

IL2138 RP (100% owned)

53 Conduit Road, Hong Kong Island, Hong Kong

The Group acquired this site from a private landlord in August 2004. The site will be redeveloped into a residential project. On completion, estimated to be in the financial year 2013/2014, it will yield a total of approximately 60,421 square feet of gross floor area. Site formation and foundation work are in progress.

KIL11200 (Joint Venture)

Fuk Tsun Street/Pine Street, Tai Kok Tsui, West Kowloon, Hong Kong

The Group was awarded the development rights from Urban Renewal Authority of Hong Kong to develop the site of KIL11200 in West Kowloon in November 2011. The project comprises residential units and commercial area. Upon completion of the project, which is estimated to be in the financial year 2013/2014, a total of 54,251 square feet of gross floor area is expected to be built.

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

Mui Wo, Lantau Island, New Territories, Hong Kong

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

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

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

20 – 26 Staunton Street, Central, Hong Kong

The site is situated at the heart of an area rich in heritage establishments, including a section of the Dr. Sun Yat-sen Historical Trail, Central Police Station Compound, Man Mo Temple, Wing Lee Street and the original site of the Central School (the location of the former Police Married Quarters at Hollywood Road now under a revitalisation scheme that will convert the buildings for education use and promotion of creative industries). It is also close to the Soho entertainment area, featuring a number of upmarket restaurants, boutiques, café and shops. The Central-Mid-levels escalators system opened in 1994 have brought rapid changes to the life of the area, making it more accessible and inviting. The site was acquired by phases in the period from 2005 to 2006. The project is under planning stage and it is expected to be completed in the financial year 2015/2016. On completion, a total of approximately 39,966 square feet of gross floor area comprising approximately 33,199 square feet of residential space and approximately 6,767 square feet of retail space are expected to be built.

Lot 676 in Demarcation District (100% owned)

Peng Chau, New Territories, Hong Kong

The site of Lot 676 in DD in Peng Chau was acquired through a government tender in March 2012. It has a site area of 49,127 square feet and will be used for residential development. The project is currently under planning stage. Upon completion which is expected to be in the financial year 2014/2015, a total 36,845 square feet of gross floor area of residential space will be built.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

NKIL 3521 (100% owned)

12 – 18 Hau Wong Road, Kowloon City, Kowloon, Hong Kong

The project at Hau Wong Road in Kowloon City (originally named Kowloon Walled City) was a redevelopment project and the original building was acquired in March 2007. The site is surrounded by certain famous parks, namely Kowloon Walled City Park and the Kowloon Tsai Park where a wide range of facilities such as swimming pools, jogging track, football ground and tennis courts as well as some historical remains such as remnants of colonial construction and fort. It is also in close vicinity of the Kai Tak Development including the cruise terminal which is expected to be in operation in 2013. The project will be developed into a residential property with a total of approximately 35,751 square feet in approximately 78 units. The project is expected to be completed in the financial year 2013/2014.

RBL380 (100% owned)

38 Repulse Bay Road, Hong Kong

Located in one of the most prestigious charming areas in between the Deep Water Bay Beach and Repulse Bay Beach overlooking Deep Water Bay and Middle Island in southern part of the Hong Kong Island, the project will be redeveloped into 3 houses. All houses can enjoy full sea views. On completion expected to be in the financial year 2013/2014, the development will afford a total of 12,132 square feet of gross floor area of residential space.

DEVELOPMENT PROJECTS IN CHINA

Project in Cheng Hua District, Chengdu (100% owned)

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

The Group acquired the site in Cheng Hua District in Chengdu at a land auction in July 2007. The site is close to Tazhishan Park and the second ring road along the Sha He (River of Sand). It is only about 2 km from the new regional railway express station transport hub. It can be accessed by various transport modes including the metro.

Upon completion of the entire project, which is estimated to be in four to five years time, the approximately 13.3 million square feet development will include residential area of approximately 12 million square feet with over 11,300 units, commercial space of approximately 0.9 million square feet and a hotel of approximately 0.4 million square feet. The project will be developed in phases.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN CHINA *(Continued)*

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

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

Acquired in July 2007, the project is located in the prime area of the Jiang Bei District overlooking the Jialing River, Jia Ling Jiang Bridge and the People's Square in the Yuzhong district (or Central Chongqing District) in Chongqing. It is also situated in the New District of the Two Rivers (Liangjiang Xinqu), which is the new economic zone in the newly formed New District.

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

On full completion, which is expected to be in four to five years time, the project will yield approximately 10.7 million square feet of total gross floor area mainly comprising residences of approximately 9.3 million square feet in a total of approximately 6,500 units and commercial of approximately 1.4 million square feet. The project will be developed in phases.

Dynasty Park, Zhangzhou, Fujian Province, PRC (100% owned)

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

Located in the city centre of Zhangzhou, the site was acquired in 2005. Zhangzhou is a prefecture level city in Fujian Province, which is abundant in minerals and agricultural products. The city has close economic ties with Taiwan along with Xiamen.

Dynasty Park will be developed in phases and the entire project is expected to be completed in approximately five years time. Upon completion, a total of 4.5 million square feet of gross floor area will be built with 4.3 million square feet of residential area in approximately 3,400 units and the remaining commercial space.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN CHINA *(Continued)*

Central Park, Xiamen, PRC (100% owned)

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

This site has been designated for residential and commercial development. Upon completion, the project will offer a total of approximately 521,440 square feet of gross floor area consisting of approximately 470,176 square feet of residential area and approximately 51,264 square feet of commercial space. Approximately 450 residential units will be built for this project. The project is expected to be completed in the financial year 2013/2014.

Regency Park, Xiamen, PRC (100% owned)

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

On completion this development will offer a total of approximately 507,523 square feet of gross floor area consisting of approximately 489,011 square feet of residential space and approximately 18,512 square feet of retail space. Approximately 547 residential units will be built for this project. The foundation work has been completed and the superstructure construction is in progress. The project is expected to be completed in the financial year 2014/2015.

Le Sommet, Xiamen, PRC (100% owned)

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

The site has been developed into approximately 131,700 square feet of gross floor area on completion. Of the total gross floor area, 115,727 square feet are for residential units and 15,973 square feet for retail use. Approximately 138 residential units have been built in this project. Le Sommet (previously named as Mandarin Garden) was launched for sale in December 2011 and it was well received by market. All units have been sold to date. The project is expected to be completed in the financial year 2012/2013.

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

The Hermitage and Olympian City 3 (50% owned)

1 Hoi Wang Road, South West Kowloon, Hong Kong

The Group acquired two contiguous sites (KIL11167 and KIL11168) adjacent to the Central Park residence and the Olympian City 2 shopping mall on 27th September, 2005. The two sites have been developed to a residential-cum-retail project. The residential part is named The Hermitage and the retail mall is named Olympian City 3.

The Hermitage comprises six towers, offering a total of 964 residential units. The Hermitage is ideally located in the heart of West Kowloon, a transport and commercial hub. It is well served by various types of transports with Olympic Station along the West Rail and Airport Express Railway nearby. It is also within the proximity of the future West Kowloon Cultural District and Guangzhou-Shenzhen-Hong Kong Express Rail Link.

The project was completed in September 2010 with a total of approximately 1.1 million square feet of total gross floor area, of which approximately 949,842 square feet of gross floor area is designated for residential development and the remaining of approximately 118,846 square feet for retail use. Certificate of Compliance was obtained in March 2011. The project received the "Finest Architectural Design and Best Clubhouse Awards" in the Best Developer Awards 2011 by Capital Magazine in August 2011.

The Group launched residential units in The Hermitage for sale in June 2010. Market response has been favourable with almost all of the units sold so far.

Lake Silver (Joint Venture)

599 Sai Sha Road, Wu Kai Sha Station, Ma On Shan, New Territories, Hong Kong

Lake Silver is a residential and commercial project located atop the Wu Kai Sha Station on the Ma On Shan Line along the East Rail Extension, as well as a public transport interchange encompassing a bus terminal offering a number of routes to various locations, public light bus and taxi stands. This development comprises a total of 2,169 residential units with approximately 43,000 square feet of retail space and a clubhouse. The clubhouse, named Palace by the Sea, is inspired by world-class holiday resorts and it offers a wide range of leisure and recreational facilities for residents and their guests to enjoy. Sales of this project received good market response with over 99% of the total units sold. The Occupation Permit and Certificate of Compliance for Lake Silver were obtained in July and November 2009 respectively.

REVIEW OF OPERATIONS *(Continued)*

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

The Palazzo (Joint Venture)

28 Lok King Street, Shatin, New Territories, Hong Kong

The Palazzo is located in the prime area of Shatin overlooking spectacular panoramic views of the Shatin international racecourse, the lush Penfold Park, Tolo Harbour as well as the Shing Mun River. The project affords a total of 1,375 residential units in 10 towers and 21,528 square feet of retail space.

The design of the clubhouse in The Palazzo is inspired by Italian palaces and it is named The Palazzo Derby. The clubhouse offers a number of thematic gardens and areas, such as Borghese Garden, The Derby, Equestrian Courtyard, Piazza Michelangiolo and Olympic Hall as well as a spectrum of leisure and recreational facilities including a bowling alley, roman bath, mini theatre and gymnasium.

The Palazzo is well served by several public transport links and is opposite to the Fotan Station on the East Rail, which will also connect to the future Shatin to Central Link with phase 1 estimated to be completed in 2015 and the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link estimated to be completed in the same year. The surrounding road network is also well developed with Route 8 providing direct access to Central through the Western Harbour Crossing.

The Palazzo was launched on the market in May 2008. Market response was good with approximately 99% of the total units sold. The Occupation Permit for The Palazzo was obtained in December 2008 and Certificate of Compliance obtained in April 2009.

Vision City and Citywalk (Joint Venture)

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

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

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

REVIEW OF OPERATIONS *(Continued)*

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

Vision City and Citywalk (Joint Venture) *(Continued)*

The project offers a total of 1,466 residential flats in five towers with a total gross floor area of approximately 1.15 million square feet and approximately 250,000 square feet of retail space. Further details of Citywalk are mentioned in Section (6) of this Review of Operations. The residential units of the development were launched on the market in April 2006 and all of the units have been sold. The Occupation Permit and Certificate of Compliance for the project were obtained in March 2007 and September 2007 respectively.

The Dynasty and Citywalk 2 (Joint Venture)

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

The Urban Renewal Authority of Hong Kong awarded the Group the rights to redevelop a site close to the Vision City residential project in Yeung Uk Road in Tsuen Wan in April 2004. The development is well served by a wide range of public transports including two railway lines, West Rail and the Tsuen Wan Line. The development offers 288,160 square feet of residential area represented by 256 residential units as well as 191,568 square feet of retail space. The residential units are for sale and the retail area is retained for investment purposes. The Occupation Permit and Certificate of Compliance for the project were obtained in January and June 2009 respectively.

The Dynasty was launched on the market for sale in October 2008 and it was well received with all of the units sold.

The retail mall is named Citywalk 2 which complements Citywalk in terms of tenant mix, design and shopping themes. Combined, Citywalk 2 and the environmentally-friendly shopping mall Citywalk, will create a shopping hub for residents in the entire Tsuen Wan area. Further details of Citywalk can be found in Section (6) of this Review of Operations.

One SilverSea (100% owned)

18 Hoi Fai Road, West Kowloon, Hong Kong

A much sought after development on the West Kowloon waterfront, One SilverSea commands a panoramic view of Victoria Harbour. The project is only a few minutes' walk from the Olympic Station. It comprises 700 residential flats and 112,483 square feet of commercial space. All of the residential units have been sold. The Occupation Permit and Certificate of Compliance for the project were obtained in June 2006 and November 2006 respectively.

REVIEW OF OPERATIONS *(Continued)*

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

Mount Beacon (33.3% owned)

20 Cornwall Street, Kowloon Tong, Kowloon, Hong Kong

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

The Balmoral (100% owned)

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

In November 2004, the Group entered into a sale and purchase agreement for a plot of agricultural land of 63,603 square feet in Ma Wo, Tai Po, New Territories. Modification of the lease has been granted by the HKSAR Government. The site has been developed into a residential property consisting of 79 apartments in three medium-rise tower blocks. Over 75% of the units have been sold so far. The Occupation Permit and the Certificate of Compliance were obtained in January and June 2010 respectively.

St. Andrews Place (100% owned)

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

St. Andrews Place is the neighbourhood of the Hong Kong Golf Club and the Hong Kong Jockey Club Beas River Country Club. The project comprises 26 high quality detached houses, each with an individual car port. The Occupation Permit and the Certificate of Compliance were obtained in June 2005 and September 2006 respectively. All of the twenty-six detached houses have already been sold.

REVIEW OF OPERATIONS *(Continued)*

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

The Royal Oaks (100% owned)

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

Surrounded by acres of verdant greenery, this unique residential development is adjacent to the prestigious Hong Kong Golf Club and Hong Kong Jockey Club Beas River Country Club. The project consists of 44 quality detached country-style houses. The Occupation Permit and the Certificate of Compliance were obtained in December 2004 and March 2005 respectively. All 44 detached houses have been sold.

Goodwood Park (100% owned)

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

The Group acquired the site at 138 Hang Tau Road in Kwu Tung in January 2005. The project provides a total of 23,638 square feet of gross floor area in 13 houses with lush private gardens and clubhouse facilities. It is located near Beas River and its neighbours include The Royal Oaks, St. Andrews Place, The Hong Kong Golf Club and The Hong Kong Jockey Club Beas River Country Club. The Occupation Permit was obtained in December 2008 and the Certificate of Compliance was obtained in November 2009. A total of 9 houses have been sold.

DEVELOPMENT PROJECT IN SINGAPORE

The Fullerton Heritage (100% owned)

Singapore

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

The Fullerton Hotel Singapore and The Fullerton Bay Hotel Singapore are presented in the Chairman's Statement and Section (7) of this Review of Operations. Descriptions of One Fullerton, The Fullerton Waterboat House, Clifford Pier and Customs House can be found in Section (6) of this Review of Operations.

REVIEW OF OPERATIONS *(Continued)*

(5) MAJOR INVESTMENT PROPERTIES AND HOTELS

The Group's properties for investment and its hotels, including attributable share in associated companies, was approximately 11.4 million square feet as at 30th June, 2012. The portfolio comprises properties of diversified usage:

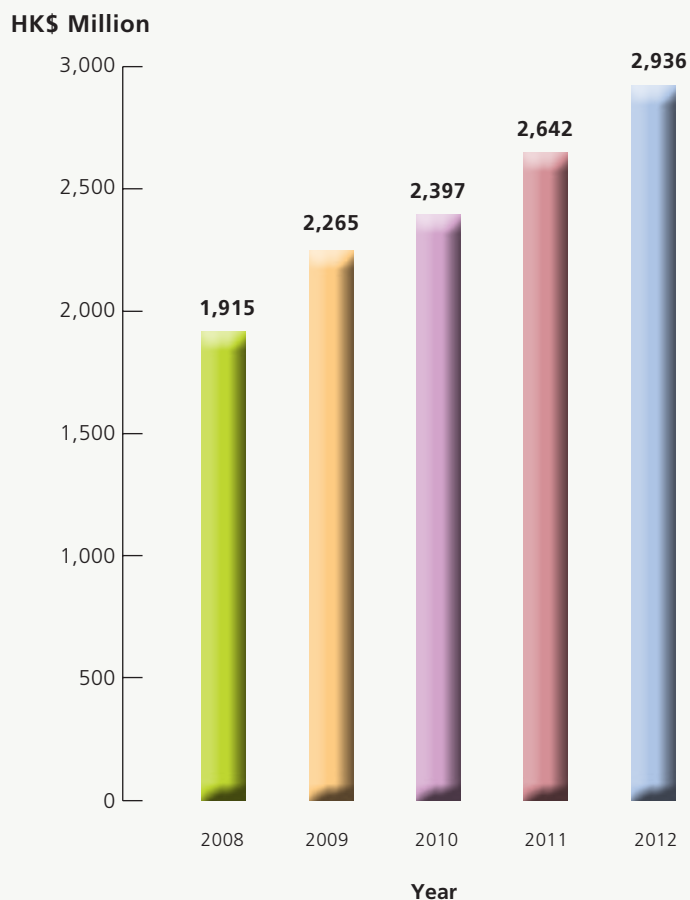
Use	Gross Floor Area <i>(Square feet)</i>	Percentage
Office/Retail	7,395,660	64.9%
Industrial	1,631,309	14.3%
Car parks	1,464,849	12.9%
Hotels	711,016	6.2%
Residential	196,409	1.7%
	<hr/> 11,399,243 <hr/>	

REVIEW OF OPERATIONS *(Continued)*

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

The Group's investment property portfolio has maintained high occupancy rates throughout the year. Including contributions from associated and related companies, the total gross rental revenue was HK\$2,936 million for the financial year 2011/2012.

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



REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES

Tuen Mun Town Plaza Phase I (100% owned)

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

Tuen Mun Town Plaza Phase I, also known as tmtplaza number 1, is one of the major retail malls and landmarks in North-West New Territories. It has been developed from a shopping mall to a retail hub for the region. With convenient access to the West Rail Tuen Mun Terminus, the local Light Rail system and bus terminus as well as its proximity to Shenzhen, the mall not only draws substantial shopper traffic from the transport system that links the western New Territories but also from China.

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

Olympian City 1 and 2 (Joint Venture)

11 Hoi Fai Road and 18 Hoi Ting Road, Olympic Station, Kowloon, Hong Kong

Olympian City 1 and 2 shopping malls are part of the developments that surround the Olympic Station in West Kowloon. They are inter-connected and linked to the Olympic Station by footbridges. These two shopping malls combined offer in excess of 650,000 square feet of retail space and they are conveniently accessed by MTR and other public road transports. Given the population growth and infrastructure development of West Kowloon in recent years, the malls have been developed as centre-point in the area. They have also become desirable locations and meeting places for major events during holiday seasons or special occasions such as Christmas, New Year and World Football Cup Competition.

REVIEW OF OPERATIONS *(Continued)*

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

Olympian City 1 and 2 (Joint Venture) *(Continued)*

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

Olympian City 3 (50% owned)

1 Hoi Wang Road, South West Kowloon, Hong Kong

Olympian City 3 is the shopping mall at the residence of The Hermitage and it is adjacent to the Olympian City 2 and Central Park residence which are also developed by the Group. The shopping mall has a total of approximately 120,000 square feet of retail space. Combining the existing Olympian City 1 and 2 shopping malls, the total gross floor area of close to 800,000 square feet accommodates an attractive trade mix that provides a wide spectrum of shopper choice. The two covered footbridges extending from Olympian City 3, one connecting to the existing Olympian City 2 and the other one to Mongkok area, has enhanced the accessibility of the 3 shopping malls thereby increasing more shoppers' flow. The Group strives to develop its malls as a favourite family destination by providing a pleasant environment and an exciting programme of special events and entertainment that add up to an enjoyable shopping experience. The mall attained high occupancy during the financial year.

Citywalk (Joint Venture)

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

Open since January 2008, Citywalk is an award-winning and environmentally friendly shopping mall that offers approximately 250,000 square feet of retail space. A joint venture with the Urban Renewal Authority of Hong Kong, the development is located in the heart of Tsuen Wan, within walking distance of both the Tsuen Wan Station and the Tsuen Wan West Station on the West Rail.

As a landmark shopping attraction, Citywalk includes an open piazza, a Vertical Green Wall, an optimal tenant mix, good floor layouts, ample car park facilities and high accessibility via public transport networks. Among the shopper attractions are an elegant retail environment with alfresco dining.

REVIEW OF OPERATIONS *(Continued)*

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

Citywalk (Joint Venture) *(Continued)*

The project has received a Platinum rating from the Hong Kong Building Environmental Assessment Method Society (HK-BEAM Society) for eleven distinctive green features and designs, which include the Vertical Green Wall, Citywalk Piazza, a hybrid water and air-cooled air-conditioning system and more.

Comprehensive promotion and marketing programmes designed to attract both shoppers and tenants are carried out on a regular basis. The mall was maintained at high occupancy rate and shoppers' flow during the year under review.

Citywalk 2 (Joint Venture)

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

Citywalk 2 is designed to complement and extend Citywalk. This contemporary three-storey technologically innovative mall comprises approximately 200,000 square feet of space accommodating brand-name shops, cinemas, lifestyle stores, restaurants and supermarkets.

The mall includes Hong Kong's first 'ArchiSculpture', the iGlobe, a distinctive giant pixelated wall with thousands of LED discs integrated into the exterior of the building as an electronic facade. Citywalk 2 and Citywalk are connected by a footbridge and together offer customers and local residents a complete spectrum of dynamic shopping, dining and entertainment. The occupancy of Citywalk 2 was at high level during the financial year.

Island Resort Mall (45% owned)

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

With approximately 189,190 square feet of retail space over three levels and approximately 1,240 car parks, Island Resort Mall offers a rich array of consumer choice. The ground floor comprises an air-conditioned public transport interchange equipped with a state of the art digital electronic information system. Served by different bus companies with more than 20 routes, it links with popular locations across the territory. The mall features fine retail shopping and the relaxed appeal of a spacious promenade with views of Victoria Harbour. The mall recorded good occupancy during the year under review.

REVIEW OF OPERATIONS *(Continued)*

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

Tsim Sha Tsui Centre (45% owned)

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

Located on the waterfront of Tsim Sha Tsui East overlooking panoramic views of Hong Kong Island, Tsim Sha Tsui Centre is conveniently accessed by various transport options. An enhanced transport and infrastructure network, which includes the East Tsim Sha Tsui Station on the East Rail Line, the Tsim Sha Tsui East (Mody Road) bus terminus and the Kowloon Southern Link in operation as well as the Tsim Sha Tsui Promenade Beautification Scheme, has brought in more shopper traffic to the area. Tsim Sha Tsui Centre has a total of approximately 514,020 square feet of gross floor area. The office was fully leased whilst the occupancy for the retail was maintained at high level throughout the financial year.

Hong Kong Pacific Centre (100% owned)

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

Located in the centre of Tsim Sha Tsui's vibrant retail neighbourhood, this commercial development comprises a high-rise office tower and shopping centre podium with a total gross floor area of 232,606 square feet. Most of the shops enjoy extensive street frontage with a heavy pedestrian flow at Hankow Road and from nearby Nathan Road. With the Kowloon Southern Link in operation and the new Austin Station commencing passenger service, these will bring in more shoppers' flow and business to the area. The property enjoyed full occupancy during the financial year.

China Hong Kong City (25% owned)

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

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

REVIEW OF OPERATIONS *(Continued)*

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

Exchange Tower (100% owned)

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

The site was acquired at a land auction in February, 2005. Conveniently located near the Kowloon Bay Station and connected by the East Kowloon Expressway, this commercial building offers a total of 609,027 square feet of gross floor area consisting of approximately 509,812 square feet of office space and 99,215 square feet of retail area. Exchange Tower is also close to the proposed Kowloon East Development, which will transform the former Kai Tak Airport site into an exciting metropolis for tourism, business, sports and residential developments. The cruise terminal, undertaken by the HKSAR Government and expected to be commissioned in 2013, will benefit the Kowloon East region. Further, with the latest policy in terms of development planning and infrastructure network set out by the HKSAR Government to establish Kowloon East as a new core business district, these will further enhance the economic value of the area and make it more attractive to businesses.

This building has a number of environmentally friendly features including a spacious green balcony on every office floor, an 11 metre high indoor vertical garden in the lobby atrium providing an oasis of serenity and greenery, and a five metre high Sky Garden on the 15th floor with facilities for tenants and office workers. Another key feature of Exchange Tower is its alfresco dining terrace on the podium featuring four special glass structures that will house hip and trendy food and beverage destinations. Exchange Tower tenants can enjoy panoramic sea views, landscaped areas and sky gardens. The project has attracted a good mix of tenants with firms from various industries and occupancy was maintained at high level during the financial year. The Occupation Permit and Certificate of Compliance for Exchange Tower were obtained in September 2008 and March 2009 respectively.

Skyline Tower (50% owned)

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

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

REVIEW OF OPERATIONS *(Continued)*

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

Futura Plaza (100% owned)

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

This 26-storey building located in Kwun Tong is only a few minutes' walk from the Kwun Tong Station. The property has been converted from industrial/office usage to an office building. The project was completed in November 2001 and enjoyed good occupancy during the year under review. Kwun Tong has been going through a significant improvement in terms of its commercial and residential landscape. The massive redevelopment programme for the Kwun Town Town Centre implemented by the Urban Renewal Authority of Hong Kong will revitalise the area. Combining the HKSAR Government's development programme to enhance the infrastructure of Kowloon East, the prospects of Kwun Tong are positive.

Central Plaza (10% owned)

18 Harbour Road, Wan Chai, Hong Kong

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

The Centrium (70% owned)

60 Wyndham Street, Central, Hong Kong

Completed in June 2001, this Grade-A commercial development is located near the Lan Kwai Fong 'expatriate quarter' known for its cosmopolitan lifestyle, entertainment and dining. It provides 255,911 square feet of commercial space with a retail space that complements the lively atmosphere and popular restaurants nearby. The building maintained at high occupancy during the year under review.

REVIEW OF OPERATIONS *(Continued)*

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

The Hennessy (100% owned)

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

The site was acquired in December 2004. It is conveniently located in a vibrant business area near the Wan Chai Station, is a stone's throw from the Causeway Bay entertainment hub and only minutes from the Central Business District. The building has been designed with full-height windows offering panoramic Victoria Harbour views, a 4.8 metre floor-to-floor height and flexible layout. The first three floors of retail space are encased in a 15-metre-high glass curtain providing excellent visibility from the street. The podium garden on the third level combines indoor and alfresco dining. The aptly named Sky Garden reaches a colossal 6 metre floor-to-floor height. The rooftop floor, with its stunning panoramic views of the harbour and the city, offers a visually spectacular setting for alfresco dining. The Occupation Permit for the project was obtained in November 2008. The building contains a total of 71,862 square feet of commercial space and the occupancy was maintained at high level during the financial year.

148 Electric Road (100% owned)

Electric Road, North Point, Hong Kong

This is a prime commercial development near the Fortress Hill Station and Cross-Harbour Tunnel. The development caters to a wide range of businesses and is within walking distance of five international hotels, including the City Garden Hotel. The project yields an attributable gross floor area of 197,400 square feet. The project enjoyed good occupancy during the financial year.

Pacific Plaza (100% owned)

418 Des Voeux Road West, Hong Kong

Pacific Plaza is situated in the popular Western district near the Western Harbour Tunnel. This 22-storey commercial building provides 131,960 square feet gross floor area of office space and a 32,500 square feet shopping podium. The occupancy rate was maintained at high level during the year under review.

REVIEW OF OPERATIONS *(Continued)*

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

One Fullerton (100% owned)

1 Fullerton Road, Singapore

One Fullerton, located adjacent to Singapore's Merlion Park, is a modern two-storey building offering over 80,000 square feet of gross floor area of commercial space. One Fullerton is the new focal point for waterfront dining where diners enjoy the views of the Marina Bay waterfront. The building, which includes serviced offices and some of Singapore's renowned cafes and fine dining restaurants, serves as a striking contrast to the surrounding heritage-rich buildings that make up The Fullerton Heritage precinct.

The Fullerton Waterboat House (100% owned)

3 Fullerton Road, Singapore

The Fullerton Waterboat House is a historic landmark that was formerly a dockyard where vessels took on fresh water. Built in 1900 and acquired by the Group in May 2002, the building is a favourite destination for intimate fine dining and an enclave of sophistication for those with discerning tastes. The property has a total of 21,743 square feet of gross floor area.

Clifford Pier (100% owned)

80 Collyer Quay, Singapore

A historic landmark and the first port of call for immigrants in the early days of Singapore, the revitalised Clifford Pier has kept its original architectural characteristics and charm. Occupying an area of over 10,000 square feet, the pier houses an elegant international restaurant and bar, featuring alfresco dining with waterfront views.

REVIEW OF OPERATIONS *(Continued)*

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

Customs House (100% owned)

70 Collyer Quay, Singapore

Built in the late 60s, Customs House was designed for the Marine Police to keep an eye on the comings and goings in the busy harbour while the shipping industry boomed. The refurbished conservation building offers the panoramic views of Marina Bay and is now a dining destination. The property has a total floor area of approximately 14,800 square feet.

The Fullerton Pavilion (100% owned)

Singapore

The newest addition to The Fullerton Heritage, The Fullerton Pavilion is a first-of-its-kind floating dome structure set on Marina Bay between One Fullerton and Clifford Pier. Home to Catalunya Singapore, a contemporary Spanish restaurant & bar helmed by an international team of award-winning culinary experts from the likes of world famous El Bulli, Santi and Drolma. The property has a total floor area of approximately 5,000 square feet.

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

137 Wu Xi Lu, Fuzhou, PRC

Sino International Plaza is located in the central business district of Fuzhou city, the capital city of Fujian Province. Conveniently accessible through an extensive transportation network, the development is in a desirable location for local and multinational firms. A number of local attractions, namely West Lake Park and Fujian Museum are also within the catchment area. The development, which provides approximately 499,000 square feet of commercial space, features environmentally friendly architectural characteristics. The project was completed in financial year 2010/2011 and was at high occupancy during the year under review.

Raffles City Shanghai (22.4% owned)

Plot 105 A & B, 228 Xizang Road Central, Huangpu District, Shanghai, PRC

Jointly developed by several international property developers, this 46 storey prime office tower is located in the central business area of Huangpu District and surrounded by boutique shops that attract heavy pedestrian flows. The project was completed in October 2003, yielding a total of 1.35 million square feet of gross floor area. The building enjoyed high occupancy during the financial year.

(7) HOTELS**The Fullerton Hotel Singapore (100% owned)**

1 Fullerton Square, Singapore

Characterised by its unique heritage architecture with distinguished Doric columns and monumental porte cocheres, the Fullerton Building represents the height of Palladian architecture in Singapore. The Fullerton Building underwent a major makeover and has been transformed into a prestigious, world class, 5-star hotel with 400 rooms and suites. Named The Fullerton Hotel Singapore, it officially opened on 1st January, 2001, featuring a contemporary interior design.

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

The hotel received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2011/2012. These awards included World's Best Hotels 2011 by Institutional Investor, Reader's Choice Awards 2011 – Top 125 Hotels in Asia by Condé Nast Traveler (US) and Best in Travel Poll – Amongst Top 25 Conference Hotels and Top 25 Business Hotels in Asia by SmartTravelAsia.com.

The hotel has previously received a number of awards in recognition of its quality of service as well as its architectural design and interior concepts. These awards included Awards of Excellence by Urban Land Institute (2004), FIABCI Prix d'Excellence under the Leisure Category Winner (2003), Urban Redevelopment Authority Architectural Heritage Award 2001 and The Singapore Institute of Architects Architectural Design Award 2001 (Conservation Category).

REVIEW OF OPERATIONS *(Continued)*

(7) HOTELS *(Continued)*

The Fullerton Bay Hotel Singapore (100%)

80 Collyer Quay, Singapore

Completed in July 2010, The Fullerton Bay Hotel Singapore is exclusively built on the waters of Marina Bay – Singapore's latest focal destination for both business and leisure. At its prime waterfront location, the Central Business District, the new Marina Bay Financial District and key attractions like the Merlion Park, Esplanade-Theatres on the Bay, Boat Quay and the Singapore Flyer are all within close proximity. The hotel features sophisticated décor that combine contemporary style and Singapore's illustrious seafaring history. Each of its 100 guestrooms further impresses with panoramic views of the vibrant Singapore skyline through full-length windows and private balconies or sundecks. Overlooking the city's landmarks from the privacy of the guestroom, guests are treated to natural light and a sense of destination.

The hotel's trio of culinary experiences includes the signature restaurants of The Landing Point, Clifford and Lantern. Lantern is a stylish rooftop bar, surrounding the hotel's 25-metre rooftop swimming pool, where guests can enjoy the panoramic views of the Marina Bay waterfront and the Singapore skyline.

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

The Landing Point is positioned alongside an indoor promenade paved in bespoke marble mosaics. With a 13-metre long bar and spacious outdoor terrace, The Landing Point is designed to attract the sophisticated chic.

The Fullerton Bay Hotel Singapore received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2011/2012. These awards included Urban Redevelopment of Singapore's Architectural Heritage Awards, Gold List 2012 in the Condé Nast Traveller (UK), the fourth Best New Business Hotel Worldwide in the Business Traveller (UK) and Best New Business Hotel in Asia Pacific by Business Traveller Asia Pacific.

REVIEW OF OPERATIONS *(Continued)*

(7) HOTELS *(Continued)*

Conrad Hong Kong (30% owned)

Pacific Place, 88 Queensway, Hong Kong

This five-star, international-class hotel is located above a major shopping complex on Hong Kong Island and is managed by a renowned international hotel operator. Its good location and high standard of service have placed Conrad Hong Kong among the most favoured hotels in the region. In recognition of its quality of service, Conrad Hong Kong received a number of awards from respected organisations and magazines during the financial year 2011/2012. These awards included Best in Travel 2011 by Smart Travel Asia, Readers' Choice Awards Top 125 in Asia by Condé Nast Traveler, Best Business Hotel 2012 by Business Traveller China, Travelers' Choice 2012 by Tripadvisor, 500 The World's Best Hotel 2011 by Travel + Leisure Southeast Asia and Best Hotels around the Region by Finance Asia.

REVIEW OF OPERATIONS *(Continued)*

(8) CORPORATE AFFAIRS

The Group affirms its commitment to maintaining a high degree of corporate transparency and communicating regularly with banks, research analysts and investors. The Corporate Finance Department disseminates information about the Group's latest developments through various channels, including meetings with investors, fund managers and analysts, investor conferences, site visits, results briefings and the www.sino.com website. During the financial year 2011/2012, the Group participated in a total of 19 investor conferences and 8 non-deal roadshows.

Date	Type	Region/Country/City	Organiser
Jul-11	Conference	Hong Kong	Citigroup
Sep-11	Non-deal Roadshow	Hong Kong	Goldman Sachs
Sep-11	Non-deal Roadshow	Europe	Goldman Sachs
Sep-11	Non-deal Roadshow	United States & Toronto	Credit Suisse
Sep-11	Conference	Hong Kong	CLSA
Sep-11	Conference	Hong Kong	UBS AG
Oct-11	Conference	Hong Kong	HSBC
Oct-11	Conference	Macau	Citigroup
Nov-11	Conference	Beijing	Bank of America Merrill Lynch
Nov-11	Conference	San Francisco	CLSA
Nov-11	Conference	Singapore	Morgan Stanley
Dec-11	Conference	Hong Kong	CLSA
Dec-11	Conference	Hong Kong	Royal Bank of Scotland
Jan-12	Conference	Hong Kong	Daiwa Capital Markets
Jan-12	Conference	Hong Kong	Nomura International
Jan-12	Conference	Hong Kong	Macquarie Capital Securities
Jan-12	Conference	Hong Kong	Citigroup
Jan-12	Non-deal Roadshow	Sydney	Macquarie Capital Securities
Feb-12	Non-deal Roadshow	Hong Kong	Goldman Sachs
Feb-12	Non-deal Roadshow	Singapore	Citigroup
Mar-12	Non-deal Roadshow	United States	HSBC
Mar-12	Conference	Hong Kong	Credit Suisse
Apr-12	Conference	Hong Kong	HSBC
May-12	Conference	Hong Kong	Macquarie Capital Securities
May-12	Non-deal Roadshow	Europe	UBS AG
May-12	Conference	Hong Kong	Barclays Capital
May-12	Conference	Hong Kong	Morgan Stanley

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

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

REVIEW OF OPERATIONS *(Continued)*

(8) CORPORATE AFFAIRS *(Continued)*

Sino Club was established in July 1997 to enhance communication between the Group and its customers and promote customer loyalty. Sino Club communicates regularly with members through newsletters, websites and email. The Group is developing web-based communication channels to help save paper.

Sino Club members are offered a wide range of shopping and hospitality incentives from the Group and Group-related malls and hotels both in Hong Kong and Singapore, which include exclusive home purchase privileges. They are also invited to priority previews of show flats and enjoy activities arranged exclusively for them. As the Group markets more residential units and commercial space, Sino Club will see further increases in membership.

(9) EMPLOYEE PROGRAMMES

Human capital is among the Group's most important assets. As at 30th June, 2012, the Group employed approximately 8,370 staff members, excluding part-time and temporary employees. In line with the Group's mission of being the "Preferred Choice for Customers, Investors and Employees", training courses and knowledge programmes are continually developed to meet corporate training and career development needs. During the financial year 2011/2012, approximately 41,537 hours of training were provided to employees within the Group. Language proficiency, professional knowledge, management know-how, corporate governance, productivity and efficiency, as well as other initiatives are addressed through ongoing training.

The Group's continuous commitment in manpower development and promotion of a learning culture was recognized by the Employees Retraining Board again in 2012 under the "ERB Manpower Developer Award Scheme", where the Group was conferred for the second time the title and logo 'Manpower Developer 1st (MD1st)', an honor that the Group first received in 2010.

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

To support employee's career development and the HKSAR Government's implementation of Qualification Framework for the Property Management Industry, the Group has assisted more than 120 employees in obtaining recognition of individual qualification under the Scheme.

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES *(Continued)*

Service Enhancement

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

It is the Group's policy that all staff, in particular those in front-line positions, must uphold meticulous standards of customer service. The company continues to channel efforts into enhancing customer service. Regular workshops and programmes related to customer service reinforce consistently high service standards across the Group. To further reinforce service culture, newly developed in-house training programs along the theme of "We can make a difference" were provided to over 400 frontline supervisors and 2,167 frontline employees in the year.

Sino's Academies offer systematic property services training programmes with more than 133 courses covering customer service, property management, building maintenance, security service, clubhouse management, environmental conservation, cleaning services, car park operation and language skills to help employees grow professionally and serve customers better. To equip our leasing and property management employees with knowledge of Leasing operations for enhancing work effectiveness, synergy and inter-departmental collaboration towards customer service excellence, the Leasing Academy which comprises 10 training modules was first introduced in 2010 and had provided training to a total of around 290 employees as of to-date.

Leadership and Management Practices

The Group emphasises teamwork as a critical factor to help achieve synergy among staff, internal processes and departments. "Dialogue in the Dark" training was first introduced in 2009 as a new team building initiative among executives and managers. Further to the ten workshops organized in the previous years, five more workshops were organized for 125 managerial staff and first-line supervisors in 2012, enabling a total of 365 staff to benefit from the programme.

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES *(Continued)*

Leadership and Management Practices *(Continued)*

To nurture a culture of systematic thinking while generating new ideas for continuous improvement and problem solving, the Group continued to organise the Six Thinking Hats training programme in 2011/2012. A total of around 220 middle managers have already attended the training since it was first launched in 2008.

In addition to leadership and personal effectiveness training programmes, seminars and talks on different topics, such as that related to “Professional Grooming”, “Achieving Organizational Greatness”, “Optimizing Service Quality” and “Hong Kong Competitiveness”, by external speakers are arranged regularly for the Group’s first-line supervisors and middle managers to keep abreast of the latest leadership and management practices and market trend.

Talent Management

The Group has taken steps to strengthen its leadership pipeline to support business development in Hong Kong and China. In addition to recruiting graduates from universities in Hong Kong, the Group expanded its talent base by encouraging graduates from top-notch universities in China and overseas to join the Group’s Corporate Management Trainee Programme. We also collaborate with renowned universities in China and overseas, such as Tsinghua University and Yale University, as well as local universities and education institutions to run internship programmes.

These have been established to identify and groom young talents for long-term career development within the Group and ensure a continual supply of executives with the skills and potential to support the Group’s drive for ongoing success and excellence. Apart from this, the Property Trainee Programme continues to prepare high-caliber candidates for long-term professional careers in property management with the Group.

Language and Corporate Governance

As the economic and social ties between China and Hong Kong strengthen, the Group continues its efforts to raise staff’s Putonghua proficiency by providing regular training course for various levels of fluency. In 2011/2012, 19 training courses were organised for staff of different business areas with a total attendance of 1,785 training hours. Courses and seminars on codes of practice in areas such as corporate governance, connected transactions, staff integrity and company securities dealing were also organised to enable staff members to keep abreast of latest developments in these areas.

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES *(Continued)*

Employment Engagement

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

Quality Improvement Teams with a membership of more than 80 employees and 20 management representatives were formed in 2012 to garner quality improvement ideas and suggestions from staff to help drive quality and excellence in customer service, operational effectiveness and office procedures, etc.

Apart from this, different forms of communication channels such as Town Hall Meetings, monthly and weekly Staff Communication Meetings, Department sharing, site visits, regular company newsletters and Staff Suggestion Scheme are deployed to gauge staff feedback and to promote staff's sense of belonging.

Regular recreational and welfare activities, including holiday flats at Hong Kong Gold Coast, holiday house at Cheung Sha, company sponsored local tours, movie nights, Children's Christmas Party and talks on workplace wellness, were arranged for staff from time to time. Activities held during the financial year of 2011/2012 were well-received by more than 1,731 participants.

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

(10) SINO PROPERTY SERVICES

The Group's fully integrated property management service is provided by Sino Property Services (SPS) which consists of four companies, namely Sino Estates Management Limited (SEML), Sino Security Services Limited (SSSL), Best Result Environmental Services Limited (BRESL) and Sino Parking Services Limited (SPSL). Each of these companies has its own specialized functions. SPS is set up to complement the Group's property development and investment businesses. SPS currently manages 185 projects with an aggregate floor area of over 53.7 million square feet.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Property Management Service

By providing property management services, the Group not only manages property assets, but also gains an opportunity to better serve customers, tenants and residents. SPS is an important channel that allows the Group to communicate with customers and receive feedback from them. This two-way communications channel spans daily observations, feedback from various sources, daily personal contact, regular inspections, mystery shopper reports and customer satisfaction surveys. From this, continual operational improvements can be made to bridge the gap between the Group's offerings and customer expectations. Delivering high-quality customer services is one of the Group's key business objectives. To achieve this objective, a quality recruitment process has been developed to select the right candidate for the right career. The Group cultivates a working environment that builds the sense of belonging and enables employees to work efficiently. Other initiatives that allow the Group to serve customers better include formal in-house training to enable staff to update and strengthen their skill set, a mentoring and coaching programme, efficient internal communications to ensure messages and experience sharing reaches all staff levels, and building a culture of teamwork and performance driven attitudes. This year, SPS has launched a Quality Improvement Champion taskforce, focusing on involving staff members from different departments and background and soliciting their ideas to further enhance quality services. Regular and thorough hardware checks are a must for effective property management and maintenance. Monitoring the maintenance process undertaken by contractors and staff, supply chain processes, efficient time management, effective process control and keeping close track of maintenance history are important to ensure the smooth running of daily operations and to optimise efficiency. SPS will continue to proactively make improvements in its quality of service with the aim to enhance both customer satisfaction and the value of the Group's properties.

Our efforts in quality services are recognized by public. SPS was awarded the "Premium Service Brand Award" by the Hong Kong Brand Development Council/Hong Kong Chinese Manufacturers Association in recognition of our continuous improvement and innovation in customer services. In the last 6 months, SPS received a total of 252 certificates from the Hong Kong Police Force and various District Fight Crime Committees.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Property Management Service *(Continued)*

SPS's continuous involvement in Corporate Social Responsibilities (CSR) has also been recognized by the industry. Under the Caring Company Scheme organized by The Hong Kong Council of Social Service, SEML received the Caring Company Logo for 10th consecutive year while SSSL was given the "5 Years Plus Caring Company Logo". Both SPSL & BRESL were awarded with the Caring Company Logo 2011 – 2012. SEML was also named as the "Friend of Social Enterprise 2011" by the Social Enterprises Advisory Committee, while BRESL was recognized as a Family-Friendly Employer under the Family Friendly Employers Award Scheme by the Family Council.

With continuous efforts in improving service quality as well as enhancing the efficiency of work process, both SEML and BRESL have integrated their three management systems in respect of Quality (ISO9001), Environment (ISO14001) and Occupational Health & safety (OHSAS18001) and thus qualified for the Integrated Management System Certificate.

Training

Property management is a human capital intensive business. Employees are the Group's most important assets. Managing and maintaining a portfolio of properties requires stringent regular controls, close communications, an efficient internal operation workflow system and an effective internal database. All these are executed by human interaction. Training and good communication systems are vital to ensure staff can deliver the required standards of service, adapt to the latest changes in the working environment, and upgrade their skill set, productivity and efficiency. Training and good communications also encourage staff to raise their value and increase their contributions to the Group, enhance job satisfaction and help ensure staff mindsets, attitudes and skill sets align with the interests of the Group. This all contributes to a knowledge-based management.

SPS has established 11 academies over the past few years designed to meet customer needs and expectations. Property management focused academies are Sino Property Management Academy, Sino Maintenance Academy, Sino Security Academy, Sino Cleaning Academy, Sino Parking Academy, Sino Safety Academy and Sino Clubhouse Academy. Service focused academies are Sino 5-star Service Academy and Sino Language Academy. Sino Green Academy and Sino Landscape Academy are formed to promote green living.

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

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Safety Management

Establishing and maintaining a safe working environment is of paramount importance for SPS to increase productivity and efficiency. As a socially responsible corporation, SPS reviews and analyses working procedures and operations from time to time with the objective of maintaining a safe workplace. Safety precaution measures are also implemented for events and activities held in the premises where SPS manages. In addition to procedures and measures, training is also important for staff to build their mindsets and habits to pursue safety standards. SPS has been recognised and authorised by the Labour Department to run the Green Card and the Confined Spaces Safety Training courses and endorse related professional qualifications for the staff that have completed the courses. Since 2008, over 2,376 staff members have completed the Green Card Course and 376 staff members have completed the Confined Spaces Safety Training Course. Our effort in safety management has been widely recognized, as evident in two award events organized by the Occupational Safety and Health Council. In the "4th Outstanding Employee in Occupational Health and Safety Award Scheme" organized by Occupational Safety and Health Council, SEML has won two bronze awards and one merit award, while BRESL won one merit award. SEML also won a silver award in the "Construction Safety Day – Best Property Management Company in OSH".

Environmental Protection

SPS recognises its role in promoting environmental protection. From the property management perspective, environmental protection initiatives can be applied in several main areas of the daily operations. These include treatment of used materials or waste; reduction of waste; use of sustainable materials, use of recycled materials, reduction of greenhouse gases (GHGs) or carbon footprints; conservation of nature and landscaping. Initiatives can be extended to raise the awareness of the residents and customers as well as to educate the young generation to be more cautious on protecting the nature and environment. SPS supports building a sustainable environment in Hong Kong. The Group has been one of the first corporations to become a 'Carbon Audit Green Partner' of the Environment Bureau since 2008 and has carried out carbon audits at their buildings and initiated carbon reduction programmes according to the 'Carbon Reduction Charter'. As of 30th June, 2011, 49 projects have been audited. Energy saving is also one of the main areas that can contribute to the reduction of fuel consumption thereby reducing carbon emission, much attention has been paid to minimising power consumption in the areas of lighting, electrical appliances and equipment, air-conditioning as well as lifts and escalators.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Environmental Protection *(Continued)*

In response to the trend towards electric vehicles, a total of 107 electric vehicle chargers have been installed at 50 flagship car parks managed by SPSL and this project will be reviewed and expanded to cover more car parks. SEML received a number of awards in recognition of its efforts in environmental protection. For example, in the 2011 Hong Kong Awards for Environmental Excellence organized by the Environmental Campaign Committee, SEML received one silver award (Exchange Tower), one bronze award (Mount Beacon) and four certificates of merit (Hong Kong Gold Coast, Island Resort, Vision City and Hong Kong Pacific Centre). In the Best Landscape Award for Private Property Development 2012, SEML won two gold awards (Citywalk and Olympian City) and five merit awards (China Hong Kong City, Hong Kong Gold Coast, One SilverSea, Pacific Palisades and Dynasty Heights) in various categories. Exchange Tower won a merit award in the Green Building Award 2012 organized by the Hong Kong Green Building Council. Meanwhile, Pacific Palisades, which is under SEML management, is one of the first residential developments in Hong Kong to join the Food Waste Recycling Scheme.

Others

With effect from 6th February 2012, Best Result Cleaning Services Limited was rebranded as Best Result Environmental Services Limited. The rebranding reflects the continuously expanding business scale and its increasing involvement in environmental management and green activities. More importantly, it helps in projecting professionalism of the company, one of the top priorities in strategic plan of BRESL. In addition, a wholly owned subsidiary, Perfect Green Supplies Company Limited, was incorporated under BRESL to pursue its goal of becoming an all-encompassing hygiene and environmental one-stop-shop for its clientele.

SPSL is seeing solid progress in developing their in-house car park control system, jointly with Hong Kong Polytechnics University. The first system was operational in May 2012. SPSL has successfully applied for the Government's Innovative Technology Funding (ITF) amounting to HK\$2 million, which should enable SPSL to develop innovative mobile and global technologies that would greatly enhance car park patrons' parking experience.

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

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, the Group has been actively participating in a wide range of community programmes, voluntary services, green initiatives, art and cultural events, and staff teambuilding activities over the years. The Group strengthened its CSR effort in December 2011 with the launches of Sino Care, Sino Green and Sino Art to better reflect how each of the pillars of CSR works and complements each other.

Sino Care

To encourage staff participation in volunteer programmes on a regular basis, the Group has established its 'Sino Caring Friends' volunteer team to spread the message of love and care to those in need. With an attempt to further nurture the volunteering culture, the Group encourages and supports staff to join voluntary services during office hours for at least one day a year. In 2011, the total number of hours for volunteer service of the Group exceeded 54,000.

The Group serves the community with an emphasis on helping the underprivileged. Since the launch of 'Sino Home Visit Programme' in June 2011, the Group has served over 1,000 underprivileged families in Sham Shui Po, Tai Kok Tsui, Kwai Chung, Kwun Tong and Wong Tai Sin. The programme includes home visits, home improvement services and monthly elderly home visits at festivals. 'Sino Caring Friends' collaborates with various charity organisations, including Society for Community Organization, and Tung Wah Group of Hospitals Jockey Club Tai Kok Tsui Integrated Services Centre, to organise home visits to families at Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival as well as Winter Solstice to give festive gift packs and to bring joy and care to them. To leverage professional expertise, a technical team was formed in December 2011 to offer home improvement services such as circuit checking and basic maintenance for underprivileged families on a monthly basis. This service is rendered with support from the Hong Kong Family Welfare Society, Ho Chui District Community Centre for Senior Citizens (sponsored by Sik Sik Yuen), and Tung Wah Group of Hospitals Yu Mak Yuen Integrated Service Centre. The Group's volunteer team also collaborates with Ho Chui District Community Centre for Senior Citizens (sponsored by Sik Sik Yuen) to pay monthly home visits to the elderly who live alone in Tsz Wan Shan.

In addition to voluntary services, the Group also supported 10 charity organisations in a day trip in January 2012. Over 1,500 participants, who are the members of the organisations, enjoyed the enchanting view of Tolo Harbour along the Pak Shek Kok Promenade.



Sino Caring Friends and children from underprivileged families explored the natural landscape in the Hong Kong Geopark.

REVIEW OF OPERATIONS *(Continued)*



Sino Caring Friends joined hands with children from underprivileged families to create furnishings with recycled materials. Through the Sino Summer Mentorship Programme, children can learn about green living and practise in their daily life.

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Care *(Continued)*

The Group is a long-standing supporter of the Community Chest, The Boys' and Girls' Clubs Association of Hong Kong, Hong Kong Young Women's Christian Association, Hong Chi Association and Agency for Volunteer Service. In 2011/2012, the Group was involved in a number of charitable activities which included 'New Territories Walk', 'Hong Chi Climbathon', 'Team Challenge 36', 'Charity Walk for Volunteering' and 'Hug Families Charity Day'.

We are delighted that the Group's commitment to community, green and art has been recognised, with the Hong Kong Council of Social Service awarding the Group the '5 Years Plus Caring Company Logo' for the ninth consecutive year for 2011/2012.

In Singapore, The Fullerton Heritage has also been working closely with key partners in various social sectors. In September 2011, The Fullerton Hotel Singapore hosted an event of Mid-Autumn Festival in partnership with Beyond Social Services, a non-profit-making organisation that strives to improve the lives of underprivileged families and individuals. Participants joined the event with the staff from The Fullerton Heritage to have moon gazing, moon cake appreciation and carrying of traditional paper lanterns. The families, accompanied by hotel staff, also experienced a tour of The Fullerton Heritage precinct with their paper lanterns.

From November to December 2011, the culinary team of The Fullerton Hotel Singapore created a festive collection of charity macaroons with part of the proceeds dedicated to the hotel's adopted charity. The Fullerton Hotel Singapore also partnered with MILK Fund (Mainly I Love Kids) to invite disadvantaged youths to participate in its 'My Fullerton Stamp' design contest. Participants were encouraged to show their creativity by drawing, painting or sketching the Hotel's iconic façade. The five best art pieces have been selected and are currently featured in the Hotel's Limited Edition Postage Stamp Sheet which is now available for sale at The Fullerton Shop. Part of the proceeds from the stamp sheets will be donated to the MILK Fund.

In November 2011, The Fullerton Hotel Singapore partnered with the Singapore Tourism Board (STB) to host the 'Care Day Dinner 2011' at the Hotel's Straits Room. Staff from STB paid for the fund-raising dinner and the sales proceeds were donated to Beyond Social Services to support their educational and developmental programmes. The Fullerton Hotel Singapore has also recently dedicated a retail item from The Fullerton shop – Post Master Teddy Bear – to charity. Part of the sales proceeds of Post Master bears has been donated to the MILK Fund.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Green

The Group puts substantial efforts to make its properties more environment friendly through well meticulous architectural planning, energy-saving and management initiatives. With its proactive involvement in various green programmes, the Group also aims to further promote green living to its stakeholders and the general public. In 2011/2012, the Group published its first Sustainability Report which highlighted the Group's corporate sustainability footprint and initiatives. It also demonstrated the Group's commitment to engaging with its stakeholders in shaping a greener future.

The Group encourages its staff to participate in campaigns initiated by green groups. In 2011/2012, over 140 staff members participated in green activities such as Green Power's 'Green Power Hike', Green Sense's annual walkathon, 'Island District Healthy City Tree Conservation Day', WWF's 'Earth Hour' and 'Walk for Nature'. Through their participation, employees have become more aware of green living and conserving the nature.

Sino Property Services, the Group's property services arm, has been actively supporting the development of a sustainable environment in Hong Kong. Efforts and initiatives, which have been adopted in different aspects of the daily operations for promoting environmental protection, are widely recognised from various achievements. During 2011/2012, the Group received a number of awards in recognition of its efforts in environmental protection from various organisations, including government departments, professional organisations and community bodies. Citywalk and Citywalk 2, the first green shopping mall in Hong Kong featuring a vertical green system, won the Gold Award at the inaugural Skyrise Greenery Awards initiated by the Development Bureau. It also received the Gold Award – Non Residential Property – Below 10 years of age (Horticultural Maintenance) at the 2012 Best Landscape Awards by the Leisure & Culture Service Department; while Olympian City was conferred Gold Award – Non Residential Property – 11-20 years of age (Horticultural Maintenance) at the same award. As a long-standing supporter of the Hong Kong Awards for Environmental Excellence, the Group also won several awards in the Sectoral Awards (Property Management), including Exchange Tower (Silver Award) and Mount Beacon (Bronze Award). Four other projects, namely Hong Kong Gold Coast, Island Resort, Vision City and Hong Kong Pacific Centre, received Certificate of Merit in 2011.



Mission Green Top

Sino Group and Hong Chi Association have been partnering on the Mission Green Top programme since 2008 in which members of Hong Chi Association cultivate plants and vegetables with organic methods at the rooftop garden of Skyline Tower. In addition to creating a greener environment in the office tower, the programme also provides employment opportunities for members of Hong Chi Association.



Mission Green Thumb

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

REVIEW OF OPERATIONS *(Continued)*



Sino Art

Sino Art and Olympian City collaborated with the Hong Kong Museum of History for the first time to present 'Transformation of the Qipao', showcasing about 70 pieces of qipao ranging from late Qing Dynasty to present day and promoting the unique Chinese cultural and artistic legacy of the qipao.

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Art

Having a belief that art and culture enrich the quality of life and promote creativity, the Group initiated Sino Art (formerly 'Art in Hong Kong') in 2006 to provide platforms and opportunities for local and international artists to display and promote their works at various properties of the Group, bringing art to people's daily lives and enhancing public appreciation of different types of art. In addition to providing free venues, Sino Art offers professional assistance that spans curatorial support, publicity, exhibition design and installation. Art education is also key to the programme, and Sino Art has organised a wide range of educational activities including workshops, talks and guided tours to engage visitors and enhance their understanding of art. The Group also shares its marketing expertise to help promote exhibitions through its extensive network. The Group received the 'Award for Arts Sponsorship' for the years of 2007 and 2008, and the bronze award of the 'Award for Arts Promotion' in 2008 from the Hong Kong Arts Development Council in recognition of its efforts on promoting art and culture in Hong Kong.

In the second half of 2011, the Group's commitment to support home-grown artists continued with a number of exhibitions of young and emerging artists. Among these were 'The Dreamscape – Joint Exhibition of 10 Budding Artists', 'Whispers to Passers-by – Margaret Chu Solo Exhibition', and 'The Quotidian Joy – Works by Eve Leung and Lewis Lau'. Sino Art has also worked closely with creative groups in Hong Kong to produce special, themed exhibitions. 'Stories of Our Neighbourhood' celebrated Tai Kok Tsui's indigenous culture, whereas 'Din Dong Christmas Anime Gallery' showcased made-in-Hong-Kong animation by creative duo Postgal.

In addition to local artists and art groups, Sino Art also collaborates with international artists. Notable examples include the exhibitions 'Dialogue – Prints and Collection by Liu Ye' and 'Casa Eva – Eva Armisen Art Exhibition', both of which infused the joy of art into the daily life of the general public. The former showcased works from renowned Chinese contemporary artist Liu Ye at Central Plaza while the latter featured works by eminent Spanish artist Eva Armisen at tmtplaza.

In April 2012, Sino Art and Olympian City collaborated with the Hong Kong Museum of History for the first time to present 'Transformation of the Qipao', promoting the unique Chinese cultural and artistic legacy of the qipao. The exhibition showcased about 70 pieces of qipao, ranging from late Qing Dynasty to present day and included around 50 pieces selected from the museum's collection.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Art *(Continued)*

Apart from organising exhibitions, the Group also sponsored major art events in Hong Kong during 2011/2012. The Group is a staunch supporter of art events and performances, and has sponsored a variety of events including the Business of Design Week 2011, Fotanian Open Studios 2012, and Hong Kong Arts Festival 2012. In addition, the Group provides rental sponsorships to house the Asia Art Archive, Opera Hong Kong and Asian Youth Orchestra.

Dedicated to promoting art and culture as well as infusing art with the cityscape, The Fullerton Heritage hosts art exhibitions themed in heritage and culture, and provides premier venues for art and cultural events. Beautiful, Love 2012 – A Love Story by Adeline Yeo, showcased 15 beautiful and vibrant art pieces depicting love. All of the proceeds from the auction of piece 'Bedtime Stories' as well as half of the proceeds from sales of her other paintings were pledged to the Duke-NUS Pediatric Research Fund, a non-endowed research fund administered by Duke-NUS Graduate Medical School Singapore. In addition, with a focus on heritage, local artist Aw Tee Hong's art exhibition held at The Fullerton Hotel Singapore in March 2012 featured a collection of paintings on Singapore's history and development from the early 1970s to 2000s.

Staff Engagement

In addition to providing professional development and personal growth opportunities that enable individual staff to realise their full potential, the Group cares about the well-being of staff and strives to enhance team spirit and work-life balance by encouraging staff to participate in various sports and events. In 2011/2012, our staff participated in several events including the 'New Territories Walk', 'Hong Chi Climbathon', 'Team Challenge 36', 'Charity Walk for Volunteering' and 'Hug Families Charity Day'.

Recognition

The Group has received the 2011/12 'President's Award' by The Community Chest in recognition of the Group's support to various fundraising activities organised by The Community Chest.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF SINO LAND COMPANY LIMITED

信和置業有限公司

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Sino Land Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 136 to 228, which comprise the consolidated and the Company's statements of financial position as at 30th June, 2012, 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.

INDEPENDENT AUDITOR'S REPORT *(Continued)*

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30th June, 2012, 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
29th August, 2012

CONSOLIDATED INCOME STATEMENT

For the year ended 30th June, 2012

	NOTES	2012 HK\$	2011 HK\$
Turnover	7	8,395,820,908	5,944,151,294
Cost of sales		(2,283,937,012)	(1,076,645,840)
Direct expenses		(1,652,278,167)	(1,439,197,085)
Gross profit		4,459,605,729	3,428,308,369
Increase in fair value of investment properties	18	4,470,950,610	5,999,114,359
Other income and other gains or losses		101,863,449	88,906,101
Gain on disposal of available-for-sale investments		78,492,734	131,076,070
(Loss) gain arising from change in fair value of trading securities		(109,518,974)	158,334,193
Gain on disposal of a subsidiary	40	143,139,005	–
Gain on disposal of an associate	23	389,223,795	–
Gain on disposal of investment properties		224,369,741	15,364,869
Administrative expenses		(630,122,961)	(730,619,802)
Other operating expenses		(163,215,377)	(169,033,332)
Finance income	9	248,301,281	152,768,882
Finance costs	10	(218,746,509)	(241,487,570)
Less: Interest capitalised	10	87,133,774	81,118,571
Finance income (costs), net		116,688,546	(7,600,117)
Share of results of associates	11	2,212,999,694	3,627,544,720
Profit before taxation	12	11,294,475,991	12,541,395,430
Income tax expense	15	(1,317,703,157)	(1,634,172,200)
Profit for the year		9,976,772,834	10,907,223,230
Attributable to:			
Company's shareholders		9,910,644,058	10,544,345,671
Non-controlling interests		66,128,776	362,877,559
		9,976,772,834	10,907,223,230
			(Restated)
Earnings per share (reported earnings per share)			
Basic	17(a)	1.692	1.867

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June, 2012

	2012 <i>HK\$</i>	2011 <i>HK\$</i>
Profit for the year	<u>9,976,772,834</u>	<u>10,907,223,230</u>
Other comprehensive (expense) income		
(Loss) gain on fair value change of available-for-sale investments	(100,805,393)	145,394,987
Exchange differences arising on translation of foreign operations	552,246,577	598,864,199
Reclassification adjustments upon disposal of available-for-sale investments	<u>(79,275,173)</u>	<u>(132,018,435)</u>
Other comprehensive income for the year	<u>372,166,011</u>	<u>612,240,751</u>
Total comprehensive income for the year	<u>10,348,938,845</u>	<u>11,519,463,981</u>
Total comprehensive income attributable to:		
Company's shareholders	10,282,810,069	11,156,586,422
Non-controlling interests	<u>66,128,776</u>	<u>362,877,559</u>
	<u>10,348,938,845</u>	<u>11,519,463,981</u>

STATEMENTS OF FINANCIAL POSITION

At 30th June, 2012

	NOTES	THE COMPANY		THE GROUP	
		2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Non-current assets					
Investment properties	18	-	-	51,643,719,403	47,773,861,006
Hotel properties	19	-	-	1,609,676,576	1,657,579,976
Property, plant and equipment	20	-	-	123,271,895	149,834,828
Prepaid lease payments – non-current	21	-	-	1,197,808,601	1,261,852,876
Investments in subsidiaries	22	437,560,757	196,474,608	-	-
Interests in associates	23	515,880,266	518,714,316	11,628,886,197	11,184,181,511
Interest in a jointly controlled entity	24	-	-	101,760,704	89,561,407
Available-for-sale investments	25	725,387,397	977,749,379	782,784,479	1,058,259,703
Advance to a subsidiary	22	3,459,656,140	3,400,139,833	-	-
Advances to associates	23	-	-	8,490,423,817	9,578,579,709
Advance to a jointly controlled entity	24	-	-	2,014,774,277	1,663,513,308
Advance to non-controlling interests	26	-	-	133,210,793	162,149,657
Advance to investee company	27	-	-	16,899,509	17,179,670
Long-term loans receivable	28	-	-	47,178,510	29,272,858
		5,138,484,560	5,093,078,136	77,790,394,761	74,625,826,509
Current assets					
Properties under development	45	-	-	21,869,542,575	22,812,356,603
Stocks of completed properties		-	-	1,519,208,274	1,058,542,810
Hotel inventories		-	-	27,337,338	27,271,674
Prepaid lease payments – current	21	-	-	19,104,164	19,809,674
Trading securities	29	570,874,967	879,730,173	570,874,967	879,730,173
Amounts due from subsidiaries	22	43,649,909,037	42,907,101,108	-	-
Amounts due from associates	23	235,535	232,256	3,097,093,173	25,733,746
Accounts and other receivables	30	5,507,776	4,220,131	2,519,927,659	1,283,242,610
Current portion of long-term loans receivable	28	-	-	2,236,139	1,237,374
Taxation recoverable		-	-	264,546	432,497
Restricted bank deposits	31	-	-	679,660,662	273,972,025
Time deposits, bank balances and cash	31	2,570,257	146,916,198	5,042,418,096	7,920,479,097
		44,229,097,572	43,938,199,866	35,347,667,593	34,302,808,283
Current liabilities					
Accounts and other payables	32	6,878,737	6,877,717	3,492,162,113	3,470,981,667
Deposits received on sales of properties		-	-	590,130,004	-
Amount due to a subsidiary	22	325,265,995	336,769,432	-	-
Amounts due to associates	23	67,103,258	67,116,314	706,076,620	1,728,128,683
Taxation payable		16,042,627	33,914,128	677,052,332	682,962,906
Current portion of long-term bank borrowings	33	-	-	-	202,212,486
Bank loans – secured	33	-	-	1,846,972,089	2,062,933,951
Financial guarantee contracts – current	42	887	1,992,480	887	1,645,869
		415,291,504	446,670,071	7,312,394,045	8,148,865,562
Net current assets		43,813,806,068	43,491,529,795	28,035,273,548	26,153,942,721
Total assets less current liabilities		48,952,290,628	48,584,607,931	105,825,668,309	100,779,769,230

STATEMENTS OF FINANCIAL POSITION (Continued)

At 30th June, 2012

	NOTES	THE COMPANY		THE GROUP	
		2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Capital and reserves					
Share capital	34	5,911,789,367	5,279,040,969	5,911,789,367	5,279,040,969
Share premium and reserves	35	43,039,700,910	43,303,917,014	83,800,402,966	75,386,357,195
Equity attributable to Company's shareholders		48,951,490,277	48,582,957,983	89,712,192,333	80,665,398,164
Non-controlling interests		–	–	686,000,818	658,647,389
Total equity		48,951,490,277	48,582,957,983	90,398,193,151	81,324,045,553
Non-current liabilities					
Long-term bank borrowings					
– due after one year	33	–	–	7,823,684,649	12,301,197,133
Financial guarantee contracts					
– non-current	42	800,351	1,649,948	–	948
Deferred taxation	36	–	–	5,283,754,510	4,532,418,677
Advances from associates	37	–	–	1,862,708,895	2,188,632,210
Advances from non-controlling interests	38	–	–	457,327,104	433,474,709
		800,351	1,649,948	15,427,475,158	19,455,723,677
		48,952,290,628	48,584,607,931	105,825,668,309	100,779,769,230

The consolidated financial statements on pages 136 to 228 were approved and authorised for issue by the Board of Directors on 29th August, 2012 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, 2012

	Attributable to Company's shareholders						Attributable to Company's shareholders HK\$	Non-controlling interests HK\$	Total HK\$
	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Investment revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$ (Note)			
At 1st July, 2010	4,902,690,690	22,489,548,719	501,906,000	305,992,054	561,441,801	36,553,478,806	65,315,058,070	378,678,205	65,693,736,275
Profit for the year	-	-	-	-	-	10,544,345,671	10,544,345,671	362,877,559	10,907,223,230
Other comprehensive income (expense):									
- gain on fair value change of available-for-sale investments	-	-	-	145,394,987	-	-	145,394,987	-	145,394,987
- exchange differences arising on translation of foreign operations	-	-	-	-	598,864,199	-	598,864,199	-	598,864,199
- reclassification adjustments upon disposal of available-for-sale investments	-	-	-	(132,018,435)	-	-	(132,018,435)	-	(132,018,435)
Total comprehensive income for the year	-	-	-	13,376,552	598,864,199	10,544,345,671	11,156,586,422	362,877,559	11,519,463,981
Issue of shares by placement	305,000,000	4,834,250,000	-	-	-	-	5,139,250,000	-	5,139,250,000
Shares issued in lieu of cash dividends	79,168,279	-	-	-	-	-	79,168,279	-	79,168,279
Premium on issue of shares upon scrip dividends	-	1,145,414,871	-	-	-	-	1,145,414,871	-	1,145,414,871
Share issue expenses	-	(72,103,890)	-	-	-	-	(72,103,890)	-	(72,103,890)
Cancellation upon repurchase of own shares	(7,818,000)	-	7,818,000	-	-	(101,700,094)	(101,700,094)	-	(101,700,094)
Deemed capital contribution from non-controlling interests in relation to interest-free advances from non-controlling interests	-	-	-	-	-	-	-	4,251,651	4,251,651
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(86,550,000)	(86,550,000)
Non-controlling interests written off upon deregistration of a subsidiary	-	-	-	-	-	-	-	(610,026)	(610,026)
Final dividend – 2010	-	-	-	-	-	(1,470,297,207)	(1,470,297,207)	-	(1,470,297,207)
Interim dividend – 2011	-	-	-	-	-	(525,978,287)	(525,978,287)	-	(525,978,287)
At 30th June, 2011	5,279,040,969	28,397,109,700	509,724,000	319,368,606	1,160,306,000	44,999,848,889	80,665,398,164	658,647,389	81,324,045,553
Profit for the year	-	-	-	-	-	9,910,644,058	9,910,644,058	66,128,776	9,976,772,834
Other comprehensive (expense) income:									
- loss on fair value change of available-for-sale investments	-	-	-	(100,805,393)	-	-	(100,805,393)	-	(100,805,393)
- exchange differences arising on translation of foreign operations	-	-	-	-	552,246,577	-	552,246,577	-	552,246,577
- reclassification adjustments upon disposal of available-for-sale investments	-	-	-	(79,275,173)	-	-	(79,275,173)	-	(79,275,173)
Total comprehensive (expense) income for the year	-	-	-	(180,080,566)	552,246,577	9,910,644,058	10,282,810,069	66,128,776	10,348,938,845
Shares issued in lieu of cash dividends	115,734,302	-	-	-	-	-	115,734,302	-	115,734,302
Bonus issue of shares	527,024,096	(527,024,096)	-	-	-	-	-	-	-
Premium on issue of shares upon scrip dividends	-	1,194,824,423	-	-	-	-	1,194,824,423	-	1,194,824,423
Share issue expenses	-	(90,000)	-	-	-	-	(90,000)	-	(90,000)
Cancellation upon repurchase of own shares	(10,010,000)	-	10,010,000	-	-	(113,010,844)	(113,010,844)	-	(113,010,844)
Deemed capital contribution from non-controlling interests in relation to interest-free advance from non-controlling interests	-	-	-	-	-	-	-	5,804,655	5,804,655
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(44,580,000)	(44,580,000)
Non-controlling interests written off upon deregistration of a subsidiary	-	-	-	-	-	-	-	(2)	(2)
Final dividend – 2011	-	-	-	-	-	(1,844,584,339)	(1,844,584,339)	-	(1,844,584,339)
Interim dividend – 2012	-	-	-	-	-	(588,889,442)	(588,889,442)	-	(588,889,442)
At 30th June, 2012	5,911,789,367	29,064,820,027	519,734,000	139,288,040	1,712,552,577	52,364,008,322	89,712,192,333	686,000,818	90,398,193,151

Note: At 30th June, 2012, retained profits of the Group include a sum of HK\$1,185,136,405 (2011: HK\$3,505,284,010) 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, 2012

	2012 HK\$	2011 HK\$
OPERATING ACTIVITIES		
Profit before taxation	11,294,475,991	12,541,395,430
Adjustments for:		
Finance costs	131,612,735	160,368,999
Depreciation	76,474,152	93,002,394
Release of prepaid lease payments	19,456,920	18,586,349
Gain on disposal of available-for-sale investments	(78,492,734)	(131,076,070)
Loss (gain) on disposal of property, plant and equipment	533,686	(150,816)
Adjustments to construction costs of investment properties	948,723	32,637,868
Cost of property, plant and equipment written off	1,487,995	1,549,966
(Reversal) recognition of impairment loss on trade receivables	(505,482)	1,398,417
Share of results of associates	(2,212,999,694)	(3,627,544,720)
Increase in fair value of investment properties	(4,470,950,610)	(5,999,114,359)
Finance income	(248,301,281)	(152,768,882)
Loss (gain) arising from change in fair value of trading securities	109,518,974	(158,334,193)
Gain on disposal of investment properties	(224,369,741)	(15,364,869)
Gain on disposal of a subsidiary	(143,139,005)	–
Gain on disposal of an associate	(389,223,795)	–
Reversal of impairment loss on loans receivable	(95,762)	(786,387)
Non-controlling interests written off upon deregistration of a subsidiary	(2)	(610,026)
Interest income from loans receivable	(1,143,925)	(873,194)
Dividend income from listed investments	(46,195,220)	(52,541,625)
Dividend income from unlisted investments	(19,612,689)	(14,249,333)
Operating cash flows before movements in working capital	3,799,479,236	2,695,524,949
(Increase) decrease in long-term loans receivable	(18,808,655)	15,794,639
Increase in properties under development	(1,821,990,968)	(1,940,698,352)
Decrease in stocks of completed properties	2,307,498,896	1,058,180,604
Increase in hotel inventories	(65,664)	(4,641,033)
Decrease in trading securities	199,336,232	35,781,350
Increase in accounts and other receivables	(1,238,539,934)	(277,089,192)
Increase in accounts and other payables and deposits received on sales of properties	631,551,140	24,926,053
Cash generated from operations	3,858,460,283	1,607,779,018
Hong Kong Profits Tax paid	(458,824,591)	(669,510,805)
Taxation in other jurisdictions paid	(38,611,806)	(43,436,567)
Interest received from loans receivable	1,143,925	873,194
Dividends received from listed investments	46,195,220	52,541,625
Dividends received from unlisted investments	19,612,689	14,249,333
NET CASH FROM OPERATING ACTIVITIES	3,427,975,720	962,495,798

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 30th June, 2012

	NOTE	2012 HK\$	2011 HK\$
INVESTING ACTIVITIES			
Repayments from associates		1,274,580,610	2,529,294,420
Proceeds from disposal of available-for-sale investments		182,537,900	208,081,890
Dividends received from associates		1,890,981,302	184,509,621
Placement of restricted bank deposits		(609,241,437)	(37,436,210)
Withdrawal of restricted bank deposits		203,552,800	136,069,159
Interest received		160,885,605	69,552,832
Proceeds from disposal of investment properties		668,224,812	68,299,439
Proceeds from disposal of property, plant and equipment		846,606	1,448,043
Repayments from investee company		280,161	453,150
Advances to associates		(3,123,695,199)	(494,798,208)
Additions to investment properties		(193,491,231)	(327,457,503)
Repayment from (advances to) non-controlling interests		28,938,864	(162,149,657)
Advance to a jointly controlled entity		(363,563,086)	(83,050,000)
Additions to hotel properties		(34,303,028)	(65,331,304)
Additions to property, plant and equipment		(32,105,252)	(49,646,451)
Additions to available-for-sale investments		(8,650,508)	(20,365,932)
Proceeds from disposal of a subsidiary (net of cash and cash equivalents disposed of)	40	579,082,879	–
Proceeds from disposal of an associate		687,484,332	–
Acquisition of additional interests in associates		(689,596)	–
NET CASH FROM INVESTING ACTIVITIES		1,311,656,534	1,957,473,289
FINANCING ACTIVITIES			
Proceeds from issue of shares		–	5,139,250,000
New bank loans		5,850,000,000	3,875,154,216
Advances from associates		421,838,888	1,572,303,724
Advances from non-controlling interests		29,657,050	19,720,223
Repayments of bank loans		(10,699,439,845)	(8,526,570,904)
Dividends paid		(1,122,915,056)	(771,692,344)
Repayments to associates		(1,765,323,870)	(375,221,123)
Interest paid		(182,216,746)	(250,521,322)
Repurchase of own shares		(113,010,844)	(101,700,094)
Dividends paid to non-controlling interests		(44,580,000)	(86,550,000)
Shares issue expenses paid		(90,000)	(72,103,890)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(7,626,080,423)	422,068,486
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(2,886,448,169)	3,342,037,573
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		7,920,479,097	4,494,666,421
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		8,387,168	83,775,103
CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing time deposits, bank balances and cash		5,042,418,096	7,920,479,097

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30th June, 2012

1. GENERAL

The Company is a public listed limited liability company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent and ultimate holding company is Tsim Sha Tsui Properties Limited, a public listed limited liability company incorporated in Hong Kong and listed on the Stock Exchange. The address of the registered office and principal place of business of the Company is 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 47.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

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

In the current year, the Group has applied the following revised Standard and Amendments ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
Amendment to HKFRS 7	Disclosures – Transfers of Financial Assets
HKAS 24 (as revised in 2009)	Related Party Disclosures
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement

The application of these new and revised HKFRSs has had no material impact 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, 2012

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

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle ³
Amendments to HKFRS 1	Government Loans ³
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ³
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁵
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ³
HKFRS 9	Financial Instruments ⁵
HKFRS 10	Consolidated Financial Statements ³
HKFRS 11	Joint Arrangements ³
HKFRS 12	Disclosure of Interests in Other Entities ³
HKFRS 13	Fair Value Measurement ³
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ¹
Amendments to HKAS 28	Deferred Tax: Recovery of Underlying Assets ²
HKAS 19 (as revised in 2011)	Employee Benefits ³
HKAS 27 (as revised in 2011)	Separate Financial Statements ³
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ³
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ⁴
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ³

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

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

³ Effective for annual periods beginning on or after 1st January, 2013

⁴ Effective for annual periods beginning on or after 1st January, 2014

⁵ Effective for annual periods beginning on or after 1st January, 2015

HKFRS 9 “Financial Instruments”

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

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 “*Financial Instruments: Recognition and Measurement*” to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

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

HKFRS 9 “Financial Instruments” *(Continued)*

Key requirements of HKFRS 9 are described as follows: *(Continued)*

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the changes in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The Directors of the Company anticipate that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities based on the analysis of the Group’s financial instruments as at 30th June, 2012.

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

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

Key requirements of these five standards are described below:

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and Separate Financial Statements” that deal with consolidated financial statements and HK (SIC)-Int 12 “Consolidation – Special Purpose Entities”. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

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

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

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

New and revised Standards on consolidation, joint arrangements, associates and disclosures *(Continued)*

Key requirements of these five standards are described below: *(Continued)*

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

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

The Directors of the Company anticipate that these five standards will be adopted in the Group’s consolidated financial statements for the annual period beginning 1st July, 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. However, the Directors have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

HKFRS 13 “Fair Value Measurement”

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

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

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

Amendments to HKAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1st July, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

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

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

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 “Investment Property” are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1st January, 2012. At 30th June, 2012, the deferred tax liabilities arising from the revaluation of the properties amounted to HK\$4,709,113,098 (2011: HK\$4,052,532,933). The Directors anticipate that the application of the amendments to HKAS 12 in future accounting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group’s investment properties of which the carrying amounts are presumed to be recovered through sale. The Directors are in the process of assessing the impact of the application of the amendments on the results and financial position of the Group.

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.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated 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 in full on consolidation.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Allocation of total comprehensive income to non-controlling interests

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

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained profits as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "*Financial Instruments: Recognition and Measurement*" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

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

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

- deferred taxation assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "*Income Taxes*" and HKAS 19 "*Employee Benefits*" respectively;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *"Share-based Payment"* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *"Non-current Assets Held for Sale and Discontinued Operations"* are measured in accordance with that standard.

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

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

Investments in subsidiaries

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

Investments in associates

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates *(Continued)*

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.

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

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

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

Jointly controlled entities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Jointly controlled entities *(Continued)*

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

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

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

Jointly controlled operations

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

Investment properties

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties *(Continued)*

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

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

Hotel properties and property, plant and equipment

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Stocks of completed properties

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

Hotel inventories

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

Borrowing costs

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

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

Leasing

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

The Group as lessor

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

The Group as lessee

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

Leasehold land and building

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasehold land and building *(Continued)*

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

Financial instruments

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

Financial assets

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

Effective interest method

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

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

Financial assets at fair value through profit or loss

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Loans and receivables

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

Available-for-sale financial assets

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

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

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

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

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

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

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

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

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

Financial liabilities and equity

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Equity instruments

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Other financial liabilities

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

Financial guarantee contracts

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

Derecognition

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition *(Continued)*

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

Revenue recognition

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

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

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. 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. Current and deferred taxation are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred taxation are also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

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

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

Retirement benefit costs

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

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\$21,869,542,575 (2011: HK\$22,812,356,603).

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\$1,519,208,274 (2011: HK\$1,058,542,810).

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, 2012, the carrying amount of the hotel properties is HK\$1,609,676,576 net of accumulated depreciation of HK\$151,826,267 (2011: HK\$1,657,579,976, net of accumulated depreciation of HK\$133,404,659). Details of the movements of the hotel properties are disclosed in Note 19.

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at 30th June, 2012 at their fair values of HK\$51,643,719,403 (2011: HK\$47,773,861,006). 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

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 loans, advances from associates/non-controlling interests and amounts due to associates and equity attributable to the Company's shareholders, comprising issued share capital, retained profits and other reserves as disclosed in the consolidated statement of changes in equity.

The management of the Group reviews the capital structure periodically. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new shares issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

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

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	THE COMPANY		THE GROUP	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Financial assets				
Trading securities (fair value through profit or loss)	570,874,967	879,730,173	570,874,967	879,730,173
Available-for-sale investments	725,387,397	977,749,379	782,784,479	1,058,259,703
Loans and receivables (including cash and cash equivalents)	47,117,170,516	46,457,412,014	21,818,961,931	20,624,839,837
Financial liabilities				
Amortised cost	397,490,664	409,006,640	14,636,438,013	20,968,394,213
Financial guarantee contracts	801,238	3,642,428	887	1,646,817

Financial risk management objectives and policies

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

The Company's major financial instruments includes accounts and other receivables, advance to a subsidiary, trading securities, available-for-sale investments, amounts due from/to subsidiaries/associates, time deposits, bank balances and cash, accounts and other payables and financial guarantee contracts.

Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

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

Currency risk

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

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

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

	THE GROUP	
	2012	2011
	HK\$	HK\$
Assets		
Renminbi ("RMB")	1,471,983,812	922,297,901
United States Dollars ("USD")	24,485,448	17,177,733
	<hr/>	<hr/>
Liabilities		
RMB	374,269,136	177,722,195
	<hr/>	<hr/>

Foreign currency sensitivity analysis

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Market risk (Continued)

Foreign currency sensitivity analysis (Continued)

The sensitivity analysis below has been determined based on the exposure to 5% increase and decrease in RMB against 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	
	2012	2011
	HK\$	HK\$
RMB	37,035,823	26,929,224

Certain available-for-sale investments are denominated in foreign currency of the group entities. For available-for-sale investments amounted to HK\$241,440,765 (2011: HK\$230,096,255) as at 30th June, 2012, an increase/a decrease in 5% of Singaporean dollar against the functional currency of the relevant group entities would result in an increase/a decrease of HK\$12,072,038 (2011: HK\$11,504,813) in the Group's investment revaluation reserve.

Interest rate risk

Long-term loans receivable, bank balances, advances to associates, advance to non-controlling interests, advance to investee company, accounts and other payables, advances from associates and bank borrowings at floating rates expose the Group to cash flow interest rate risk. Advances from non-controlling interests at fixed rates exposes the Group to fair value interest rate risk. The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

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

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the floating rate long-term loans receivable, advances to associates, advance to non-controlling interests, advance to investee company, accounts and other payables, advances from associates and bank borrowings. Bank balances are not included in the analysis as the management expects that bank deposit rates do not fluctuate significantly. The analysis is prepared assuming that the change in interest rate had occurred at the end of the respective reporting period and had been applied to the exposure to interest rate risk for these financial assets and financial liabilities in existence at that date and outstanding for the whole year. The 50 basis points represent the best estimation of the possible change in the interest rates over the period until the end of the next reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate sensitivity analysis (Continued)

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\$14,944,748 (2011: HK\$33,887,884). The Company has no other significant interest rate risk.

Other price risk

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

Other price risk sensitivity analysis

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

	THE COMPANY		THE GROUP	
	2012	2011	2012	2011
	HK\$	HK\$	HK\$	HK\$
Available-for-sale investments				
Increase (decrease) in investment revaluation reserve				
– as a result of increase in equity price	35,256,905	47,875,004	37,579,299	51,353,061
– as a result of decrease in equity price	(35,256,905)	(47,875,004)	(37,579,299)	(51,353,061)
Trading securities				
Increase (decrease) in profit for the year				
– as a result of increase in equity price	23,834,029	36,728,735	23,834,029	36,728,735
– as a result of decrease in equity price	(23,834,029)	(36,728,735)	(23,834,029)	(36,728,735)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

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

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 company and amounts due from associates, the Group does not have any other significant concentration of credit risk. Trade receivables and long-term loans receivable consist of a large number of customers and borrowers.

Liquidity risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

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

THE COMPANY

	Weighted average effective interest rate %	Repayable on demand or less than 1 month HK\$	1-3 months HK\$	3 months to 1 year HK\$	1-2 years HK\$	2-5 years HK\$	Over 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2012									
Accounts and other payables	N/A	5,121,411	-	-	-	-	-	5,121,411	5,121,411
Other non-interest bearing liabilities	N/A	392,369,253	-	-	-	-	-	392,369,253	392,369,253
Financial guarantee contracts	N/A	-	628,250,000	665,350,000	7,858,750,000	3,127,721,250	-	12,280,071,250	801,238
		<u>397,490,664</u>	<u>628,250,000</u>	<u>665,350,000</u>	<u>7,858,750,000</u>	<u>3,127,721,250</u>	<u>-</u>	<u>12,677,561,914</u>	<u>398,291,902</u>
2011									
Accounts and other payables	N/A	5,120,894	-	-	-	-	-	5,120,894	5,120,894
Other non-interest bearing liabilities	N/A	403,885,746	-	-	-	-	-	403,885,746	403,885,746
Financial guarantee contracts	N/A	-	-	3,081,000,000	3,116,600,000	12,223,750,000	2,170,246,500	20,591,596,500	3,642,428
		<u>409,006,640</u>	<u>-</u>	<u>3,081,000,000</u>	<u>3,116,600,000</u>	<u>12,223,750,000</u>	<u>2,170,246,500</u>	<u>21,000,603,140</u>	<u>412,649,068</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

THE GROUP

	Weighted average effective interest rate %	Repayable on demand or less than 1 month HK\$	1-3 months HK\$	3 months to 1 year HK\$	1-2 years HK\$	2-5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2012								
Accounts and other payables								
– non-interest bearing	N/A	566,995,363	59,855,948	200,698,002	273,586,836	820,000,325	1,921,136,474	1,921,136,474
– variable rate	7.00	18,532,182	–	–	–	–	18,532,182	18,532,182
Other liabilities								
– non-interest bearing	N/A	705,676,293	–	400,327	1,573,727,360	446,712,164	2,726,516,144	2,706,418,391
– variable rate	1.30	259,112	518,225	2,332,012	312,591,487	–	315,700,836	309,741,250
– fixed rate	1.00	–	–	–	9,952,978	–	9,952,978	9,952,978
Borrowings								
– variable rate	1.30	959,468,006	25,929,270	964,153,017	5,266,659,589	2,664,990,528	9,881,200,410	9,670,656,738
Financial guarantee contracts	N/A	–	–	3,232,200,000	1,518,700,000	2,500,000,000	7,250,900,000	887
		<u>2,250,930,956</u>	<u>86,303,443</u>	<u>4,399,783,358</u>	<u>8,955,218,250</u>	<u>6,431,703,017</u>	<u>22,123,939,024</u>	<u>14,636,438,900</u>
2011								
Accounts and other payables								
– non-interest bearing	N/A	573,370,013	61,502,630	168,696,575	278,234,979	951,490,330	2,033,294,527	2,033,294,527
– 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								
– variable rate	1.01	717,528,216	198,990,190	1,488,565,906	3,182,113,020	9,285,023,168	14,872,220,500	14,566,343,570
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>1,586,702,345</u>	<u>261,563,959</u>	<u>6,040,884,107</u>	<u>10,651,616,102</u>	<u>11,818,371,436</u>	<u>30,359,137,949</u>	<u>20,970,041,030</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

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

Fair value measurements

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

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

THE COMPANY

	2012		2011	
	Level 1 HK\$	Total HK\$	Level 1 HK\$	Total HK\$
Available-for-sale investments	705,138,092	705,138,092	957,500,074	957,500,074
Trading securities:				
Equity securities listed in Hong Kong	570,617,281	570,617,281	879,478,556	879,478,556
Equity securities listed elsewhere	257,686	257,686	251,617	251,617
Total	<u>1,276,013,059</u>	<u>1,276,013,059</u>	<u>1,837,230,247</u>	<u>1,837,230,247</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

6. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements (Continued)

THE GROUP

	2012		2011	
	Level 1 HK\$	Total HK\$	Level 1 HK\$	Total HK\$
Available-for-sale investments	751,585,989	751,585,989	1,027,061,213	1,027,061,213
Trading securities:				
Equity securities listed in Hong Kong	570,617,281	570,617,281	879,478,556	879,478,556
Equity securities listed elsewhere	257,686	257,686	251,617	251,617
Total	<u>1,322,460,956</u>	<u>1,322,460,956</u>	<u>1,906,791,386</u>	<u>1,906,791,386</u>

Fair values of financial instruments

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

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

The Directors 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, 2012

7. TURNOVER

	2012 HK\$	2011 HK\$
Sales of properties held for sale	4,279,287,892	2,256,316,924
Gross rental income from properties	2,365,587,093	2,148,711,406
Property management and service fee income	888,061,455	793,478,962
Hotel operations	795,932,634	677,979,850
Interest income from loans receivable	1,143,925	873,194
Dividend income		
listed investments	46,195,220	52,541,625
unlisted investments	19,612,689	14,249,333
	8,395,820,908	5,944,151,294

8. OPERATING SEGMENTS

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

Segment Results

For the year ended 30th June, 2012

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

8. OPERATING SEGMENTS *(Continued)*

Segment Assets

As at 30th June, 2012

	The Company and its subsidiaries <i>HK\$</i>	Associates and a jointly controlled entity <i>HK\$</i>	Total <i>HK\$</i>
Property			
Property sales	25,279,131,030	2,562,510,659	27,841,641,689
Property rental	52,116,006,578	8,388,388,244	60,504,394,822
	<u>77,395,137,608</u>	<u>10,950,898,903</u>	<u>88,346,036,511</u>
Property management and other services	171,124,717	5,964,153	177,088,870
Hotel operations	2,994,758,369	708,994,867	3,703,753,236
Investments in securities	1,372,338,395	63,247,148	1,435,585,543
Financing	13,751,713,060	1,541,830	13,753,254,890
	<u>95,685,072,149</u>	<u>11,730,646,901</u>	107,415,719,050
Segment assets			
Restricted bank deposits, time deposits, bank balances and cash			5,722,078,758
Taxation recoverable			<u>264,546</u>
Total assets			<u>113,138,062,354</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

8. OPERATING SEGMENTS *(Continued)*

Other Information

For the year ended 30th June, 2012

	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	2,589,347	1,334,229	8,364,203	19,817,473	–	–	32,105,252
– Investment properties	–	193,491,231	–	–	–	–	193,491,231
– Hotel properties	–	–	–	34,303,028	–	–	34,303,028
Amount regularly reviewed by the chief operating decision makers but not included in the measure of segment profit or loss:							
Increase in fair value of investment properties	–	4,470,950,610	–	–	–	–	4,470,950,610

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

8. OPERATING SEGMENTS (Continued)

Segment Results

For the year ended 30th June, 2011

	The Company and its subsidiaries		Associates		Total	
	External revenue	Results	Share of revenue	Share of results	Segment revenue	Segment results
	HK\$	HK\$	HK\$	HK\$	HK\$	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	2,148,711,406	1,795,204,003	506,273,523	459,293,209	2,654,984,929	2,254,497,212
	4,405,028,330	2,798,729,522	7,539,962,843	2,696,520,811	11,944,991,173	5,495,250,333
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	66,790,958	65,870,265	203,900	203,900	66,994,858	66,074,165
Financing	873,194	873,194	138,696	118,416	1,011,890	991,610
	5,944,151,294	3,327,974,281	7,818,759,551	2,827,166,758	13,762,910,845	6,155,141,039

Segment Assets

As at 30th June, 2011

	The Company and its subsidiaries HK\$	Associates and a jointly controlled entity HK\$	Total HK\$
Property			
Property sales	24,411,776,710	1,871,031,341	26,282,808,051
Property rental	48,394,325,590	8,433,950,847	56,828,276,437
	72,806,102,300	10,304,982,188	83,111,084,488
Property management and other services	178,396,212	5,816,375	184,212,587
Hotel operations	3,131,147,779	904,771,214	4,035,918,993
Investments in securities	1,950,394,416	56,740,424	2,007,134,840
Financing	11,393,967,548	1,432,717	11,395,400,265
Segment assets	89,460,008,255	11,273,742,918	100,733,751,173
Restricted bank deposits, time deposits, bank balances and cash			8,194,451,122
Taxation recoverable			432,497
Total assets			108,928,634,792

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

8. OPERATING SEGMENTS (Continued)

Other Information

For the year ended 30th June, 2011

	Property sales HK\$	Property rental HK\$	Property management and other services HK\$	Hotel operations HK\$	Investments in securities HK\$	Financing HK\$	Consolidated HK\$
Amounts included in the measure of segment assets:							
Capital additions							
– Property, plant and equipment	2,842,756	2,972,877	14,628,063	29,202,755	–	–	49,646,451
– 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

Measurement

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

Segment results represent the profit earned by each segment without allocation of certain other income and other gains or losses, certain administrative expenses and other operating expenses, changes in fair value of investment properties and trading securities, gains on disposal of available-for-sale investments, investment properties, a subsidiary and an associate and certain finance 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 the associates' certain other income and other gains or losses, certain administrative expenses and other operating expenses, change in fair value of investment properties, finance costs net of finance income and income tax expense. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

8. OPERATING SEGMENTS (Continued)

Reconciliation of profit before taxation

	2012 HK\$	2011 HK\$
Segment profit	6,319,720,272	6,155,141,039
Other income and other gains or losses	97,500,123	83,666,010
Increase in fair value of investment properties	4,470,950,610	5,999,114,359
(Loss) gain arising from change in fair value of trading securities	(109,518,974)	158,334,193
Gain on disposal of available-for-sale investments	78,492,734	131,076,070
Gain on disposal of investment properties	224,369,741	15,364,869
Gain on disposal of a subsidiary	143,139,005	–
Gain on disposal of an associate	389,223,795	–
Administrative expenses and other operating expenses	(672,101,889)	(794,021,519)
Finance income (costs), net	116,513,395	(7,657,553)
Results shared from associates		
– Other income and other gains or losses	36,404,992	32,005,020
– Increase in fair value of investment properties	1,073,552,768	1,754,727,073
– Administrative expenses and other operating expenses	(262,398,620)	(97,852,968)
– Finance costs net of finance income	(123,203,288)	(108,883,320)
– Income tax expense	(488,168,673)	(779,617,843)
	236,187,179	800,377,962
Profit before taxation	11,294,475,991	12,541,395,430

During the year ended 30th June, 2012, all inter-segment sales of HK\$44,934,044 (2011: HK\$35,932,550) were eliminated within the segment of “property management and other services”. There were no inter-segment sales in other operating segments. Inter-segment sales were charged at cost plus margin basis as agreed between both parties.

The fluctuation in the fair values of available-for-sale financial assets included in the segment assets of “investments in securities” is mainly attributable to volatile stock market and financial assets disposed of during the year.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

8. OPERATING SEGMENTS *(Continued)*

Geographical segments

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

Information about major customers

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

9. FINANCE INCOME

	2012 HK\$	2011 HK\$
Interest income on:		
advances to associates	71,275,544	22,517,337
advance to investee company	867,339	886,595
bank deposits	88,742,722	46,148,900
Imputed interest income on non-current interest-free		
advances to associates	85,769,746	75,993,385
Financial guarantee income	1,645,930	7,222,665
	<u>248,301,281</u>	<u>152,768,882</u>

10. FINANCE COSTS

	2012 HK\$	2011 HK\$
Interest and other finance costs on:		
bank loans wholly repayable within five years	197,151,118	221,325,442
other loans wholly repayable within five years	5,988,034	7,439,548
Imputed interest expense on non-current interest-free		
advances from associates	15,607,357	12,722,580
	<u>218,746,509</u>	<u>241,487,570</u>
Less: Amounts capitalised to properties under development	<u>(87,133,774)</u>	<u>(81,118,571)</u>
	<u>131,612,735</u>	<u>160,368,999</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

11. SHARE OF RESULTS OF ASSOCIATES

	2012 HK\$	2011 HK\$
Share of results of associates comprises:		
Share of profits of associates	2,701,168,367	4,407,162,563
Share of taxation of associates	<u>(488,168,673)</u>	<u>(779,617,843)</u>
	<u>2,212,999,694</u>	<u>3,627,544,720</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\$887,450,476 (2011: HK\$1,459,035,872) recognised in the income statement of the associates.

12. PROFIT BEFORE TAXATION

	2012 HK\$	2011 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Staff costs including Directors' remuneration:		
Staff salaries and other benefits	1,126,457,071	993,657,698
Retirement benefit scheme contributions	<u>45,653,214</u>	<u>40,796,529</u>
Total staff costs	<u>1,172,110,285</u>	<u>1,034,454,227</u>
Release of prepaid lease payments (included in other operating expenses)	19,456,920	18,586,349
Auditor's remuneration		
– audit services		
– current year provision	4,219,783	3,956,435
– (over)underprovision of previous years	(13,286)	14,601
– non audit services	678,240	562,279
Cost of hotel inventories consumed (included in direct expenses)	89,015,976	83,668,823
Cost of properties sold	2,283,937,012	1,076,645,840
Depreciation (included in other operating expenses)	76,474,152	93,002,394
Loss (gain) on disposal of property, plant and equipment	533,686	(150,816)
Cost of property, plant and equipment written off	1,487,995	1,549,966
(Reversal) recognition of impairment loss on trade receivables	(505,482)	1,398,417
Reversal of impairment loss on loans receivable	(95,762)	(786,387)
Net exchange gain (include in other income and other gains or losses)	<u>(26,269,439)</u>	<u>(8,224,766)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the twelve (2011: twelve) directors were as follows:

2012

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

2011

	Mr. Robert Ng Chee Siong HK\$	Mr. Yu Wai Wai HK\$	Mr. Thomas Tang Wing Yung HK\$ (Note viii)	Mr. Daryl Ng Win Kong HK\$	Mr. Ringo Chan Wing Kwong HK\$	Ms. Alice Ip Mo Lin HK\$ (Note v)	The Honourable Ronald Joseph Arculli HK\$ (Note ii)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Dr. Fu Yuning HK\$ (Note vi)	Mr. Wong Cho Bau HK\$ (Note iv)	Mr. Sunny Yeung Kwong HK\$ (Note iii)	Total HK\$
Fees	30,000	20,000	20,000	30,000	20,000	2,084	60,000	190,000	190,000	180,000	20,000	40,000	802,084
Other emoluments													
Salaries and other benefits	1,226,760	5,352,163	6,323,657	749,170	2,996,156	240,304	-	-	-	-	-	3,305,781	20,193,991
Retirement benefit scheme contributions	12,000	36,000	18,000	12,000	36,000	1,500	-	-	-	-	-	18,000	133,500
Discretionary bonus (Note i)	-	1,199,055	473,755	62,360	554,850	-	-	-	-	-	-	798,600	3,088,620
Total emoluments	<u>1,268,760</u>	<u>6,607,218</u>	<u>6,835,412</u>	<u>853,530</u>	<u>3,607,006</u>	<u>243,888</u>	<u>60,000</u>	<u>190,000</u>	<u>190,000</u>	<u>180,000</u>	<u>20,000</u>	<u>4,162,381</u>	<u>24,218,195</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

13. DIRECTORS' EMOLUMENTS (Continued)

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

Note ii: A consultancy fee of HK\$1,666,664 (2011: HK\$1,666,664) was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli is the sole proprietor.

Note iii: Mr. Sunny Yeung Kwong resigned as an Executive Director of the Company on 21st June, 2011.

Note iv: Mr. Wong Cho Bau was appointed as an Independent Non-Executive Director of the Company on 1st March, 2011.

Note v: Ms. Alice Ip Mo Lin was appointed as an Executive Director of the Company on 1st June, 2011.

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

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

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

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2011: three) are Directors of the Company whose emoluments are included in Note 13 above. The emoluments of the remaining two (2011: two) individuals disclosed pursuant to the Listing Rules are as follows:

	2012 HK\$	2011 HK\$
Salaries and other emoluments (including basic salaries, housing allowances, other allowances and benefits in kind)	7,283,252	6,999,664
Retirement benefit scheme contributions	54,500	54,000
Discretionary bonus	1,162,856	1,236,813
	8,500,608	8,290,477

The emoluments of the remaining two (2011: two) individuals were within the following bands:

	Number of individuals	
HK\$	2012	2011
3,500,001 – 4,000,000	–	1
4,000,001 – 4,500,000	2	1

For the years ended 30th June, 2012 and 2011, 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, 2012

15. INCOME TAX EXPENSE

	2012 <i>HK\$</i>	2011 <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% (2011: 16.5%)	455,725,388	325,879,664
Overprovision in previous years	(479,870)	(1,798,526)
Additional provisions in respect of tax inquiries <i>(Note)</i>	308,180	208,282,240
	455,553,698	532,363,378
Taxation in other jurisdictions		
Provision for the year	48,060,376	40,077,520
Overprovision in previous years	(6,423,635)	(6,521,756)
	41,636,741	33,555,764
	497,190,439	565,919,142
Deferred taxation <i>(Note 36)</i>		
Current year	820,512,718	1,068,253,058
	1,317,703,157	1,634,172,200

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, 2012

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:

	2012 HK\$	2011 HK\$
Profit before taxation	11,294,475,991	12,541,395,430
Tax at Hong Kong Profits Tax rate of 16.5% (2011: 16.5%)	1,863,588,538	2,069,330,246
Tax effect of share of results of associates	(365,144,950)	(598,544,879)
Tax effect of expenses not deductible for tax purpose	5,606,377	25,460,892
Tax effect of income not taxable for tax purpose	(199,949,198)	(50,412,999)
Additional provisions in respect of tax inquiries <i>(Note)</i>	308,180	208,282,240
Overprovision in previous years	(6,903,505)	(8,320,282)
Tax effect of tax losses not recognised	14,580,133	2,412,966
Tax effect of deferred taxation assets not recognised	20,440,052	12,232,988
Utilisation of tax losses previously not recognised	(12,848,904)	(18,376,362)
Utilisation of deferred taxation assets previously not recognised	(10,923,064)	(39,598,179)
Effect of different tax rates of subsidiaries operating in other jurisdictions	8,949,498	31,705,569
Tax charge for the year	1,317,703,157	1,634,172,200

Details of deferred taxation are set out in Note 36.

Note:

The Inland Revenue Department ("IRD") initiated tax inquiries for the years of assessment 1995/96 to 2004/05 on a wholly-owned subsidiary, Sing-Ho Finance Company Limited ("Sing-Ho Finance"). Notices of assessment for additional tax in an aggregate sum of approximately HK\$673,880,000 were issued to Sing-Ho Finance for the years under review and objections were properly lodged with the IRD by Sing-Ho Finance. The IRD agreed to hold over the tax claim subject to the purchase of tax reserve certificates (the "TRCs") of approximately HK\$109,940,000 for those years of assessments. These TRCs were purchased by the Group in prior years. During the year ended 30th June, 2011, provisions for tax payable in respect of the assessments of HK\$208,282,240 and for the estimated interest payable on additional tax of HK\$114,339,551 were made by the Group. During the current year, the Group has reached a settlement agreement with the IRD and the final additional tax and interest on additional tax to be settled are HK\$208,590,420 and HK\$99,436,653 respectively. Based on this settlement agreement, additional provision of tax of HK\$308,180 and overprovision of interest payable in prior year of HK\$14,902,898 have been charged and written back to administrative expenses in the consolidated income statement of the Group for the year, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

16. DIVIDENDS

	2012 <i>HK\$</i>	2011 <i>HK\$</i>
Dividends recognised as distribution during the year:		
Final dividend for the year ended 30th June, 2011: HK35 cents (2011: HK30 cents for the year ended 30th June, 2010) per share	1,844,584,339	1,470,297,207
Interim dividend for the year ended 30th June, 2012: HK10 cents (2011: HK10 cents for the year ended 30th June, 2011) per share	588,889,442	525,978,287
	<u>2,433,473,781</u>	<u>1,996,275,494</u>

During the year, scrip dividends were offered in respect of the 2011 final and 2012 interim dividends. These scrip alternatives were accepted by the majority of shareholders, as follows:

	2012 Interim dividend <i>HK\$</i>	2011 Final dividend <i>HK\$</i>
Dividends:		
Cash	266,461,725	856,453,331
Scrip alternatives	322,427,717	988,131,008
	<u>588,889,442</u>	<u>1,844,584,339</u>

Final and interim dividends paid for the year ended 30th June, 2011, which have been adjusted for the bonus issue that took place on 8th December, 2011, are HK31.82 cents and HK9.09 cents per share respectively.

A final dividend of HK36 cents per share for the year ended 30th June, 2012 (2011: HK35 cents or HK31.82 cents after adjusting for the bonus issue that took place on 8th December, 2011) has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting.

On 8th December, 2011 and 23rd April, 2012, the Company issued and allotted a total of 91,629,359 (2011: 54,074,182) ordinary shares and 24,104,943 (2011: 25,094,097) ordinary shares of HK\$1.00 each at an issue price of HK\$10.784 (2011: HK\$16.40) and HK\$13.376 (2011: HK\$13.46) per share in the Company in lieu of cash for the 2011 final and 2012 interim dividends (2011: 2010 final and 2011 interim dividends) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

17. EARNINGS PER SHARE

(a) Reported earnings per share

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

	2012 HK\$	2011 HK\$
Earnings for the purpose of basic earnings per share	<u>9,910,644,058</u>	<u>10,544,345,671</u>
	Number of shares	Number of shares (Restated)
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>5,854,870,907</u>	<u>5,647,627,554</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share for both years has been adjusted for the bonus issue that took place on 8th December, 2011.

No diluted earnings per share has been presented for the years ended 30th June, 2012 and 2011 as there were no potential ordinary shares outstanding during the current and prior years.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK\$5,310,690,106 (2011: HK\$4,401,442,725) is also presented, excluding the net effect of changes in fair value of the Group's and the associates' investment properties. The denominators used are the same as those detailed above for reported earnings per share. A reconciliation of profit is as follows:

	2012 HK\$	2011 HK\$
Earnings for the purpose of basic earnings per share	<u>9,910,644,058</u>	<u>10,544,345,671</u>
Increase in fair value of investment properties	4,470,950,610	5,999,114,359
Effect of corresponding deferred tax charges	(727,306,894)	(991,598,163)
Share of results of associates		
– Increase in fair value of investment properties	1,073,552,768	1,754,727,073
– Effect of corresponding deferred tax charges	(186,102,292)	(295,691,201)
	<u>4,631,094,192</u>	<u>6,466,552,068</u>
Non-controlling interests	(31,140,240)	(323,649,122)
	<u>4,599,953,952</u>	<u>6,142,902,946</u>
Net effect of changes in fair value of investment properties	4,599,953,952	6,142,902,946
	<u>5,310,690,106</u>	<u>4,401,442,725</u>
Underlying profit attributable to the Company's shareholders	<u>5,310,690,106</u>	<u>4,401,442,725</u>
Underlying earnings per share	<u>0.907</u>	<u>0.779</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

18. INVESTMENT PROPERTIES

	Investment properties in Hong Kong held under long leases HK\$	Investment properties in Hong Kong held under medium- term leases HK\$	Investment properties in the People's Republic of China held under medium- term lease HK\$	Investment properties under redevelopment in Hong Kong HK\$	Investment property under construction in the People's Republic of China HK\$	Investment properties in Singapore held under a long lease HK\$	Total HK\$
THE GROUP							
FAIR VALUE							
At 1st July, 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
Exchange realignment	-	-	25,934,326	-	-	(48,649,688)	(22,715,362)
Additions	98,897,692	74,889,934	66,102	19,186,477	-	451,026	193,491,231
Transfer from stocks of completed properties	-	33,888,993	-	-	-	-	33,888,993
Transfer to investment properties under redevelopment	(362,778,520)	-	-	362,778,520	-	-	-
Transfer from properties under development upon completion	-	81,129,097	-	-	-	67,917,622	149,046,719
Disposals	-	(443,855,071)	-	-	-	-	(443,855,071)
Disposal of a subsidiary (Note 40)	-	(510,000,000)	-	-	-	-	(510,000,000)
Adjustments to construction costs	-	(948,723)	-	-	-	-	(948,723)
Increase in fair value	323,880,828	3,931,288,573	98,373,141	53,035,003	-	64,373,065	4,470,950,610
At 30th June, 2012	2,733,000,000	45,134,182,925	1,323,202,378	1,036,000,000	-	1,417,334,100	51,643,719,403

The fair values of the Group's completed investment properties at 30th June, 2012 and 2011 have been arrived at on the basis of valuations carried out as at that date by Knight Frank Petty Ltd. and Colliers International Consultancy & Valuation (Singapore) Pte Ltd, firms of independent qualified professional property valuers not connected with the Group. The valuations were arrived at by reference to market evidence of recent transaction prices for similar properties and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

18. INVESTMENT PROPERTIES *(Continued)*

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

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

19. HOTEL PROPERTIES

	Hotel properties in Singapore held under a long lease <i>HK\$</i>
THE GROUP	
COST	
At 1st July, 2010	1,512,521,580
Exchange realignment	213,131,751
Additions	<u>65,331,304</u>
At 30th June, 2011	1,790,984,635
Exchange realignment	(63,784,820)
Additions	<u>34,303,028</u>
At 30th June, 2012	<u>1,761,502,843</u>
DEPRECIATION	
At 1st July, 2010	96,420,896
Exchange realignment	15,031,671
Provided for the year	<u>21,952,092</u>
At 30th June, 2011	133,404,659
Exchange realignment	(5,179,005)
Provided for the year	<u>23,600,613</u>
At 30th June, 2012	<u>151,826,267</u>
CARRYING VALUES	
At 30th June, 2012	<u>1,609,676,576</u>
At 30th June, 2011	<u>1,657,579,976</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

20. PROPERTY, PLANT AND EQUIPMENT

	Computer systems HK\$	Furniture, fixtures, equipment and hotel operating equipment HK\$	Leasehold improvements HK\$	Motor vehicles HK\$	Plant and machinery HK\$	Total HK\$
THE GROUP						
COST						
At 1st July, 2010	62,999,233	224,788,871	38,582,566	17,624,034	5,959,103	349,953,807
Exchange realignment	2,627,883	25,015,595	33,997	1,068,419	–	28,745,894
Additions	15,384,740	21,629,794	2,901,242	8,642,585	1,088,090	49,646,451
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	268,539,646	41,030,374	24,443,825	6,584,015	414,430,796
Exchange realignment	(922,227)	(7,765,483)	24,482	(273,612)	–	(8,936,840)
Additions	5,447,655	21,608,016	155,524	3,115,587	1,778,470	32,105,252
Write off	(144,634)	(2,413,691)	(25,550)	–	–	(2,583,875)
Disposals	(1,509,618)	(1,150,510)	(98,118)	(1,972,268)	(1,085,697)	(5,816,211)
At 30th June, 2012	76,704,112	278,817,978	41,086,712	25,313,532	7,276,788	429,199,122
DEPRECIATION						
At 1st July, 2010	47,233,152	96,044,606	27,850,084	13,088,061	4,407,137	188,623,040
Exchange realignment	1,815,271	13,569,942	20,201	585,375	–	15,990,789
Provided for the year	12,544,028	49,983,665	3,635,283	3,884,864	1,002,462	71,050,302
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	158,429,720	31,248,153	15,317,155	4,946,421	264,595,968
Exchange realignment	(721,304)	(5,132,190)	14,108	(171,095)	–	(6,010,481)
Provided for the year	9,721,319	35,430,808	3,567,202	3,189,338	964,872	52,873,539
Write off	(135,215)	(935,115)	(25,550)	–	–	(1,095,880)
Eliminated on disposals	(1,479,495)	(855,207)	(18,658)	(1,100,559)	(982,000)	(4,435,919)
At 30th June, 2012	62,039,824	186,938,016	34,785,255	17,234,839	4,929,293	305,927,227
CARRYING VALUES						
At 30th June, 2012	14,664,288	91,879,962	6,301,457	8,078,693	2,347,495	123,271,895
At 30th June, 2011	19,178,417	110,109,926	9,782,221	9,126,670	1,637,594	149,834,828

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

20. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

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

Included in furniture, fixtures, equipment and hotel operating equipment, the carrying value of HK\$74,819,459 as at 30th June, 2012 (2011: HK\$89,606,160) represents furniture, fixtures and equipment relating to the hotel operations of the Group.

21. PREPAID LEASE PAYMENTS

	THE GROUP	
	2012	2011
	HK\$	HK\$
The Group's prepaid lease payments comprise:		
Leasehold land for hotel properties outside Hong Kong – long lease	<u>1,216,912,765</u>	<u>1,281,662,550</u>
Analysed for reporting purposes as:		
Current assets	19,104,164	19,809,674
Non-current assets	<u>1,197,808,601</u>	<u>1,261,852,876</u>
	<u>1,216,912,765</u>	<u>1,281,662,550</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

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

	THE COMPANY	
	2012 HK\$	2011 HK\$
Investments in subsidiaries:		
Unlisted shares, at cost	482,511,579	241,425,430
Less: impairment losses recognised	(44,950,822)	(44,950,822)
	<u>437,560,757</u>	<u>196,474,608</u>
Advance to a subsidiary	<u>3,459,656,140</u>	<u>3,400,139,833</u>

The advance to a subsidiary is unsecured, bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and has no fixed repayment terms. In the opinion of the Directors, the Company will not demand for repayment within the next twelve months from the end of the reporting period and accordingly the advance is classified as a non-current asset in the statement of financial position of the Company as at 30th June, 2012 and 2011.

The amounts due from/to subsidiaries of the Company grouped under current assets/current liabilities are unsecured, interest-free and repayable on demand.

Particulars of the Company's principal subsidiaries at 30th June, 2012 and 2011 are set out in Note 47.

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

	THE COMPANY		THE GROUP	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Interests in associates:				
Unlisted shares, at cost	515,880,266	518,714,316	2,655,741,983	2,698,117,948
Share of post-acquisition profits	–	–	8,973,144,214	8,486,063,563
	<u>515,880,266</u>	<u>518,714,316</u>	<u>11,628,886,197</u>	<u>11,184,181,511</u>
Advances to associates	–	–	10,068,233,063	11,082,739,399
Less: allowance	–	–	(1,577,809,246)	(1,504,159,690)
	<u>–</u>	<u>–</u>	<u>8,490,423,817</u>	<u>9,578,579,709</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

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

Movements in the allowance

	THE GROUP	
	2012	2011
	HK\$	HK\$
Balance at the beginning of the year	1,504,159,690	1,631,212,021
Impairment losses recognised (reversed)	73,649,556	(127,052,331)
	1,577,809,246	1,504,159,690

Included in the cost of investment in associates is goodwill of HK\$142,498,716 (2011: HK\$142,498,716) arising on acquisitions of associates in prior years.

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 30th June, 2012, out of the Group's advances to associates net of allowance, HK\$4,299,249,963 (2011: HK\$1,577,535,011) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$4,191,173,854 (2011: HK\$8,001,044,698) is interest-free. The effective interest rate for imputed interest income for the interest-free loan is determined based on the cost-of-funds of the borrower per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

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, 2012, out of the Group's amounts due from associates, no balance (2011: HK\$576,437) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$3,097,093,173 (2011: HK\$25,157,309) is interest-free. The Company's amounts due from associates are unsecured, interest-free and repayable on demand.

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

Particulars of the principal associates at 30th June, 2012 and 2011 are set out in Note 48.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

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

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

	2012 HK\$	2011 <i>HK\$</i>
Total assets	119,415,604,397	100,545,920,505
Total liabilities	(84,702,726,331)	(67,970,844,077)
Net assets	34,712,878,066	32,575,076,428
Group's share of net assets of associates	11,486,387,481	11,041,682,795
Turnover	11,098,467,743	17,872,180,917
Profit for the year	7,238,951,690	10,333,882,632
Group's share of results of associates for the year	2,212,999,694	3,627,544,720

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

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

	THE GROUP	
	2012	2011
	HK\$	HK\$
Interest in a jointly controlled entity:		
Unlisted shares	<u>101,760,704</u>	<u>89,561,407</u>
Advance to a jointly controlled entity	<u>2,014,774,277</u>	<u>1,663,513,308</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 of the borrower. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advance is therefore shown as non-current.

Particulars of the jointly controlled entity at 30th June, 2012 and 2011 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
				2012	2011	
				%	%	
<i>Indirect:</i>						
Grand Site Development Limited	Hong Kong	Ordinary	HK\$2	50	50	Property development

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

	2012	2011
	HK\$	HK\$
Non-current assets	239,391,336	119,308,572
Current assets	3,333,331,576	1,663,901,335
Current liabilities	(2,128,476,015)	(1,783,360,190)
Non-current liability	<u>(1,444,500,000)</u>	<u>–</u>
Group's share of net liabilities of a jointly controlled entity	<u>(253,103)</u>	<u>(150,283)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

25. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	THE COMPANY		THE GROUP	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Listed investments:				
Equity securities listed in				
Hong Kong	459,558,178	627,728,523	485,301,986	668,479,399
Singapore	245,579,914	329,771,551	266,284,003	358,581,814
	705,138,092	957,500,074	751,585,989	1,027,061,213
Unlisted securities:				
Equity securities	19,949,305	19,949,305	30,898,490	30,898,490
Club debenture	300,000	300,000	300,000	300,000
	20,249,305	20,249,305	31,198,490	31,198,490
Total	725,387,397	977,749,379	782,784,479	1,058,259,703

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.

26. ADVANCE TO NON-CONTROLLING INTERESTS

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

27. ADVANCE TO INVESTEE COMPANY

The advance to investee company of the Group is unsecured, has no fixed repayment terms and bears interest at effective rate determined based on the cost-of-fund 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, 2012

28. LONG-TERM LOANS RECEIVABLE

	THE GROUP	
	2012	2011
	<i>HK\$</i>	<i>HK\$</i>
Total long-term variable-rate loans receivable	49,414,649	30,510,232
Less: Current portion shown under current assets	(2,236,139)	(1,237,374)
	47,178,510	29,272,858

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, 2012 is HK\$49,414,649 net of accumulated impairment loss of HK\$12,646,510 (2011: carrying amount of HK\$30,510,232 net of accumulated impairment loss of HK\$12,742,272).

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

	2012	2011
	<i>HK\$</i>	<i>HK\$</i>
Variable-rate loans receivable:		
Within one year	2,236,139	1,237,374
In more than one year but not more than five years	9,930,710	6,755,824
In more than five years	37,247,800	22,517,034
	49,414,649	30,510,232

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 4 to 20 years (2011: ranging from 5 to 20 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

28. LONG-TERM LOANS RECEIVABLE (Continued)

Movements in the allowance for doubtful debts

	THE GROUP	
	2012	2011
	HK\$	HK\$
Balance at the beginning of the year	12,742,272	13,528,659
Impairment losses reversed	(95,762)	(786,387)
	12,646,510	12,742,272

At 30th June, 2012 and 2011, no balance has been past due but not impaired. The Group has assessed the creditworthiness, past payment history and subsequent settlement, and considered that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Loans receivable which are neither overdue nor impaired are in good quality. The allowance for doubtful debts made for loans receivable are individually impaired in accordance with the credit policy of the Group.

29. TRADING SECURITIES

Trading securities comprise:

	THE COMPANY		THE GROUP	
	2012	2011	2012	2011
	HK\$	HK\$	HK\$	HK\$
Listed investments:				
Equity securities listed in				
Hong Kong	570,617,281	879,478,556	570,617,281	879,478,556
Equity securities listed elsewhere	257,686	251,617	257,686	251,617
Total	570,874,967	879,730,173	570,874,967	879,730,173

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

30. ACCOUNTS AND OTHER RECEIVABLES

At 30th June, 2012, included in accounts and other receivables of the Group are trade receivables net of allowance for doubtful debts of HK\$2,007,633,655 (2011: HK\$843,855,615), of which HK\$1,819,308,060 (2011: HK\$658,534,246) are to be settled based on the terms of sales and purchase agreements of property. Trade receivables mainly comprise rental receivables and properties sales receivables.

	THE GROUP	
	2012	2011
	HK\$	HK\$
Trade receivables	2,032,250,331	868,977,773
Less: Allowance for doubtful debts	(24,616,676)	(25,122,158)
	2,007,633,655	843,855,615
Other receivables	512,294,004	439,386,995
	2,519,927,659	1,283,242,610

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:

	2012	2011
	HK\$	HK\$
Not yet due	1,819,308,060	643,093,551
0 – 30 days	119,479,097	143,256,265
31 – 60 days	23,379,237	19,435,515
61 – 90 days	6,362,944	3,911,603
Over 90 days	39,104,317	34,158,681
	2,007,633,655	843,855,615

Movements in the allowance for doubtful debts

	2012	2011
	HK\$	HK\$
Balance at the beginning of the year	25,122,158	23,723,741
Impairment losses (reversed) recognised on trade receivables	(505,482)	1,398,417
	24,616,676	25,122,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

30. ACCOUNTS AND OTHER RECEIVABLES *(Continued)*

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

Ageing of trade receivables which are past due but not impaired

	THE GROUP	
	2012	2011
	HK\$	HK\$
Overdue within 30 days	119,479,097	116,425,003
Overdue between 31 days to 60 days	23,379,237	19,435,515
Overdue between 61 days to 90 days	6,362,944	3,911,603
Overdue more than 90 days	39,104,317	34,158,681
	<u>188,325,595</u>	<u>173,930,802</u>

For those past due but not impaired receivables, although no collateral is held, the Group has assessed the creditworthiness, past payment history and subsequent settlement, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Trade receivables over 90 days amounting to HK\$39,104,317 (2011: HK\$34,158,681) 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, 2012 and 2011 which are neither overdue nor impaired are in good quality.

Other receivables mainly comprise receivables in relation to rental, utility and other deposits paid of approximately HK\$89,000,000 (2011: HK\$95,000,000), prepayments for operating expenses of approximately HK\$73,000,000 (2011: HK\$20,000,000) and interest receivables of approximately HK\$6,000,000 (2011: HK\$4,000,000).

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

Included in restricted bank deposits amounted to HK\$609,224,028 (2011: Nil) in total were the proceeds received from sale of properties of certain property projects deposited into designated bank accounts of the Group which were limited to be used for settlement of construction costs of these property projects, interest payment and principal repayment of the corresponding secured bank loans. The remaining balances represent rental income received from certain properties and the usage of which are restricted for settlement of property expenses, interest payment and principal repayment of the corresponding secured bank loans.

The restricted bank deposits, bank balances and time deposits carry floating interest rates, ranging from 0.005% to 1.4% (2011: 0.0001% to 1.06%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

32. ACCOUNTS AND OTHER PAYABLES

At 30th June, 2012, included in accounts and other payables of the Group are trade payables of HK\$184,175,001 (2011: HK\$213,569,453).

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

	THE GROUP	
	2012	2011
	HK\$	HK\$
0 – 30 days	149,636,142	154,958,357
31 – 60 days	20,288,226	42,157,329
61 – 90 days	1,732,937	3,564,369
Over 90 days	12,517,696	12,889,398
	<u>184,175,001</u>	<u>213,569,453</u>

At 30th June, 2012, out of the other payables, HK\$18,532,182 (2011: HK\$18,520,514) are unsecured, repayable on demand and bear interest at prime rate plus a margin per annum which represent the amount due to a related company, in which Mr. Robert Ng Chee Siong, Director and the controlling shareholder of the Company, holds controlling interest and directorship of the related company. The remaining other payables comprise mainly construction cost payable of approximately HK\$1,315,000,000 (2011: HK\$1,233,000,000), rental and utilities deposits received of approximately HK\$611,000,000 (2011: HK\$545,000,000) and rental receipt in advance of approximately HK\$130,000,000 (2011: HK\$113,000,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

33. BANK BORROWINGS

	THE GROUP	
	2012	2011
	HK\$	HK\$
Short-term bank loans – secured	<u>1,846,972,089</u>	<u>2,062,933,951</u>
Long-term unsecured bank loans		
More than one year but not exceeding two years	<u>–</u>	<u>497,246,128</u>
Long-term secured bank loans		
Within one year	–	202,212,486
More than one year but not exceeding two years	5,202,000,000	2,573,032,004
More than two years but not exceeding three years	700,000,000	7,060,672,501
More than three years but not exceeding four years	1,921,684,649	–
More than four years but not exceeding five years	<u>–</u>	<u>2,170,246,500</u>
	7,823,684,649	12,006,163,491
Less: Current portion shown under current liabilities	<u>–</u>	<u>(202,212,486)</u>
	<u>7,823,684,649</u>	<u>11,803,951,005</u>
Total bank loans – due after one year	<u>7,823,684,649</u>	<u>12,301,197,133</u>
Total bank loans	<u>9,670,656,738</u>	<u>14,566,343,570</u>

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

34. SHARE CAPITAL

	2012		2011	
	Number of ordinary shares of HK\$1.00 each	Nominal value HK\$	Number of ordinary shares of HK\$1.00 each	Nominal value HK\$
Authorised:				
At 1st July	6,000,000,000	6,000,000,000	6,000,000,000	6,000,000,000
Increase during the year	2,000,000,000	2,000,000,000	–	–
At 30th June	8,000,000,000	8,000,000,000	6,000,000,000	6,000,000,000
Issued and fully paid:				
At 1st July	5,279,040,969	5,279,040,969	4,902,690,690	4,902,690,690
Issue of shares in lieu of cash dividends	115,734,302	115,734,302	79,168,279	79,168,279
Bonus issue of shares	527,024,096	527,024,096	–	–
Cancellation upon repurchase of own shares	(10,010,000)	(10,010,000)	(7,818,000)	(7,818,000)
Issuance of shares by placement	–	–	305,000,000	305,000,000
At 30th June	5,911,789,367	5,911,789,367	5,279,040,969	5,279,040,969

On 9th November, 2010, arrangements were made for a top-up placement of 305,000,000 ordinary shares of HK\$1.00 each at a price of HK\$16.85 per ordinary share. The proceeds were used to finance the Group's general working capital.

On 8th December, 2011 and 23rd April, 2012, the Company issued and allotted a total of 91,629,359 (2011: 54,074,182) ordinary shares and 24,104,943 (2011: 25,094,097) ordinary shares of HK\$1.00 each at an issue price of HK\$10.784 (2011: HK\$16.40) and HK\$13.376 (2011: HK\$13.46) per ordinary share, to the shareholders in lieu of cash for the 2011 final and 2012 interim dividends (2011: 2010 final and 2011 interim dividends) respectively.

On 8th December, 2011, the Company issued and allotted a total of 527,024,096 ordinary shares of HK\$1.00 each as a bonus issue of shares ("Bonus Shares") by capitalising an amount standing to the credit of the share premium account of the Company equal to one-tenth of the aggregate nominal amount of the share capital of the Company in issue at the close of business on 4th November, 2011 ("Record Date"), and applying such sum in paying up in full at par such number of Bonus Shares to be allotted and distributed, credited as fully paid, to the shareholders whose names appeared on the register of members of the Company at the close of business on the Record Date in the proportion of one new ordinary share of HK\$1.00 each for every ten ordinary shares of HK\$1.00 each then held.

During the year, 10,010,000 (2011: 7,818,000) ordinary shares repurchased on the Stock Exchange were cancelled. The nominal value of HK\$10,010,000 (2011: HK\$7,818,000) of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$113,010,844 (2011: HK\$101,700,094) was paid out from the Company's retained profits.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

35. SHARE PREMIUM AND RESERVES

	Share premium HK\$	Investment revaluation reserve HK\$	Capital redemption reserve HK\$	Retained profits HK\$	Total HK\$
THE COMPANY					
At 1st July, 2010	22,489,548,719	240,982,623	501,906,000	13,796,290,465	37,028,727,807
Profit for the year	-	-	-	2,423,577,650	2,423,577,650
Gain on fair value change of available-for-sale investments	-	107,662,560	-	-	107,662,560
Reclassification adjustments upon disposal of available-for-sale investments	-	(73,454,396)	-	-	(73,454,396)
Total comprehensive income for the year	-	34,208,164	-	2,423,577,650	2,457,785,814
Issue of shares by placement	4,834,250,000	-	-	-	4,834,250,000
Premium on issue of shares upon scrip dividends	1,145,414,871	-	-	-	1,145,414,871
Share issue expenses	(72,103,890)	-	-	-	(72,103,890)
Cancellation upon repurchase of own shares	-	-	7,818,000	(101,700,094)	(93,882,094)
Final dividend – 2010	-	-	-	(1,470,297,207)	(1,470,297,207)
Interim dividend – 2011	-	-	-	(525,978,287)	(525,978,287)
At 30th June, 2011	28,397,109,700	275,190,787	509,724,000	14,121,892,527	43,303,917,014
Profit for the year	-	-	-	1,767,274,078	1,767,274,078
Loss on fair value change of available-for-sale investments	-	(156,821,527)	-	-	(156,821,527)
Reclassification adjustments upon disposal of available-for-sale investments	-	(5,904,357)	-	-	(5,904,357)
Total comprehensive (expense) income for the year	-	(162,725,884)	-	1,767,274,078	1,604,548,194
Bonus issue of shares	(527,024,096)	-	-	-	(527,024,096)
Premium on issue of shares upon scrip dividends	1,194,824,423	-	-	-	1,194,824,423
Share issue expenses	(90,000)	-	-	-	(90,000)
Cancellation upon repurchase of own shares	-	-	10,010,000	(113,010,844)	(103,000,844)
Final dividend – 2011	-	-	-	(1,844,584,339)	(1,844,584,339)
Interim dividend – 2012	-	-	-	(588,889,442)	(588,889,442)
At 30th June, 2012	29,064,820,027	112,464,903	519,734,000	13,342,681,980	43,039,700,910

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

36. DEFERRED TAXATION

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

	Accelerated tax depreciation <i>HK\$</i>	Revaluation of investment properties <i>HK\$</i>	Undistributed profits of associates <i>HK\$</i>	Tax losses <i>HK\$</i>	Others <i>HK\$</i>	Total <i>HK\$</i>
At 1st July, 2010	475,770,846	3,125,924,240	9,283,323	(155,459,053)	161,009	3,455,680,365
Exchange realignment	–	–	629,650	–	14,847,796	15,477,446
Settlement of withholding tax	–	–	(6,992,192)	–	–	(6,992,192)
Charged (credited) to profit or loss for the year	<u>113,391,702</u>	<u>926,608,693</u>	<u>19,220,405</u>	<u>26,381,328</u>	<u>(17,349,070)</u>	<u>1,068,253,058</u>
At 30th June, 2011	589,162,548	4,052,532,933	22,141,186	(129,077,725)	(2,340,265)	4,532,418,677
Exchange realignment	–	–	584,912	–	(5,022,791)	(4,437,879)
Disposed of a subsidiary (Note 40)	(1,062,195)	(63,676,811)	–	–	–	(64,739,006)
Charged to profit or loss for the year	<u>46,736,079</u>	<u>720,256,976</u>	<u>9,788,732</u>	<u>40,203,199</u>	<u>3,527,732</u>	<u>820,512,718</u>
At 30th June, 2012	<u>634,836,432</u>	<u>4,709,113,098</u>	<u>32,514,830</u>	<u>(88,874,526)</u>	<u>(3,835,324)</u>	<u>5,283,754,510</u>

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

At 30th June, 2012, the Group had unused tax losses of HK\$946,117,424 (2011: HK\$1,179,280,878) available for offset against future profits. A deferred taxation asset has been recognised in respect of HK\$538,633,491 (2011: HK\$782,289,242) of such losses. No deferred taxation asset has been recognised in respect of the remaining HK\$407,483,933 (2011: HK\$396,991,636) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 30th June, 2012, the Group had deductible temporary differences of HK\$218,284,763 (2011: HK\$160,606,048). 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\$381,953,392 (2011: HK\$293,587,506). 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, 2012

37. 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, 2012, HK\$309,741,250 (2011: HK\$637,467,156) of the advances bear interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$1,552,967,645 (2011: HK\$1,551,165,054) is interest-free. The effective interest rate for imputed interest expense for the interest-free loan is determined based on the cost-of-funds of the Group per annum.

38. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounted to HK\$9,952,978 (2011: HK\$10,916,213) are unsecured, bear interest at 1% (2011: 1.5%) per annum and have no fixed repayment terms. The remaining balance of HK\$447,374,126 (2011: HK\$422,558,496) 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\$452,518,781 had been initially reduced to its present value of HK\$446,714,126 based on management's estimates of future cash payments with a corresponding adjustment of HK\$5,804,655 which was regarded as a deemed contribution from the non-controlling interests during the year ended 30th June, 2012. The effective interest rate adopted for measurement at fair value at initial recognition of the advances from non-controlling interests of a subsidiary in respect of the year is determined based on the cost-of-funds of the Group per annum.

39. JOINTLY CONTROLLED OPERATIONS

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

At 30th June, 2012 and 2011, the aggregate amount of assets, liabilities, income and expenses recognised in the consolidated financial statements in relation to interests in jointly controlled operations are as follows:

	2012 HK\$	2011 HK\$
Investment properties	9,260,130,933	8,762,545,339
Other non-current assets	528,744	1,430,261
Current assets	<u>3,030,603,800</u>	<u>2,764,241,969</u>
	<u>12,291,263,477</u>	<u>11,528,217,569</u>
Non-current liabilities	525,806,023	422,607,954
Current liabilities	<u>1,882,981,268</u>	<u>1,886,351,123</u>
	<u>2,408,787,291</u>	<u>2,308,959,077</u>
Income	<u>1,322,678,599</u>	<u>1,838,930,593</u>
Expenses	<u>499,313,872</u>	<u>680,634,424</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

40. DISPOSAL OF A SUBSIDIARY

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

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

The subsidiary disposed of during the year did not contribute significantly to the turnover, operating results or cash flows to the Group in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

41. PLEDGE OF ASSETS

- (a) At 30th June, 2012, the aggregate facilities of bank loans granted to the Group amounting to approximately HK\$13,475,721,000 (2011: HK\$20,807,647,000) were secured by certain of the Group's properties, accounts and other receivables, restricted bank deposits and floating charges on bank balances amounting to a total of HK\$21,320,287,385 (2011: HK\$37,639,918,011). At that date, the facilities were utilised by the Group to the extent of approximately HK\$9,677,721,000 (2011: HK\$14,096,147,000).

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

	2012	2011
	HK\$	HK\$
Investment properties	5,320,238,475	19,796,182,950
Hotel properties	1,609,676,576	1,657,579,976
Prepaid lease payments	1,216,912,765	1,281,662,550
Property, plant and equipment	33,135	40,138
Properties under development	12,947,671,942	13,976,012,004
Stocks of completed properties	–	444,870,537
Accounts and other receivables	5,997,966	9,648,207
Bank balances	78,249,006	298,063,260
Others	141,507,520	175,858,389
	<u>21,320,287,385</u>	<u>37,639,918,011</u>

- (b) At 30th June, 2012, investments in and advances to certain associates and a jointly controlled entity amounting to approximately HK\$502,000 and HK\$8,452,659,000 respectively (2011: HK\$136,825,000 and HK\$7,201,079,000, respectively) and certain assets of the associates and a jointly controlled entity were pledged to or assigned to secure loan facilities made available by banks to such associates and jointly controlled entity. The Group's attributable portion of these facilities amounted to HK\$7,250,900,000 (2011: HK\$9,058,000,000), of which HK\$5,435,900,000 (2011: HK\$6,779,550,000) was utilised by the associates and a jointly controlled entity and guaranteed by the Company. Details of the relevant guarantees granted are set out in Note 42.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

42. CONTINGENT LIABILITIES

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

	THE COMPANY		THE GROUP	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Guarantees in respect of banking facilities of:				
Subsidiaries				
– Utilised	8,729,421,250	13,627,446,500	–	–
– Unutilised	3,550,650,000	6,964,150,000	–	–
	12,280,071,250	20,591,596,500	–	–
Associates and a jointly controlled entity				
– Utilised	5,435,900,000	6,779,550,000	5,435,900,000	6,779,550,000
– Unutilised	1,815,000,000	2,278,450,000	1,815,000,000	2,278,450,000
	7,250,900,000	9,058,000,000	7,250,900,000	9,058,000,000

As at 30th June, 2012, the Company issued corporate financial guarantees to banks in respect of banking facilities granted to associates and a jointly controlled entity. At the end of the reporting period, the amounts of HK\$887 (2011: HK\$1,646,817) and Nil (2011: Nil), respectively, have been recognised in the consolidated statement of financial position as liabilities.

As at 30th June, 2012, the Company issued corporate financial guarantees to banks in respect of banking facilities granted to subsidiaries, associates and a jointly controlled entity. At the end of the reporting period, amounts of HK\$800,351 (2011: HK\$1,995,611), HK\$887 (2011: HK\$1,646,817) and Nil (2011: Nil), respectively, have 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	
	2012 HK\$	2011 HK\$	2012 HK\$	2011 HK\$
Share of contingent liabilities (Note 23)	–	–	–	47,836,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

43. OPERATING LEASE ARRANGEMENTS

The Group as lessor

Property rental income earned during the year, net of outgoings of HK\$336,697,799 (2011: HK\$353,507,403), was HK\$2,028,889,294 (2011: HK\$1,795,204,003). 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:

	2012 HK\$	2011 HK\$
Within one year	1,881,035,866	1,848,699,536
In the second to fifth year inclusive	2,387,077,183	2,296,651,803
After five years	324,758,625	471,928,248
	<u>4,592,871,674</u>	<u>4,617,279,587</u>

The Group as lessee

Minimum lease payments paid under operating leases during the year was HK\$33,938,453 (2011: HK\$34,899,048).

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:

	2012 HK\$	2011 HK\$
Within one year	19,868,758	30,765,157
In the second to fifth year inclusive	3,274,389	12,820,775
	<u>23,143,147</u>	<u>43,585,932</u>

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

44. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The Group is also required to make contributions to state pension scheme, the Central Provident Fund, based on certain percentages of the monthly salaries of the employees of the Company's subsidiaries operating in Singapore. The Group has no other obligations under this state pension scheme other than the contribution payments.

45. PROPERTIES UNDER DEVELOPMENT

At the end of the reporting period, properties under development amounting to approximately HK\$20,315,744,000 (2011: HK\$20,580,123,000) were not expected to be realised within twelve months from the end of the reporting period.

46. RELATED PARTY DISCLOSURES

The Group had the following transactions with related parties:

(a) Related companies

	2012 HK\$	2011 HK\$
Service fees received therefrom (Note i)	161,560,810	130,638,105
Rental paid thereto (Notes i & iii)	33,938,453	34,899,048
Consultancy fee paid thereto (Note ii)	<u>1,666,664</u>	<u>1,666,664</u>

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

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

Note iii: The Group had commitments for future minimum lease payments under non-cancellable operating leases to its related companies. The details of such commitments are set out in Note 43.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

46. RELATED PARTY DISCLOSURES *(Continued)*

(b) Associates

	2012 HK\$	2011 HK\$
Service fees paid thereto	21,756,237	20,343,907
Administrative fees received therefrom	24,033,019	21,934,843
Interest income received therefrom	71,275,544	22,517,337
Interest expenses paid thereto	4,041,479	6,076,925
Imputed interest income on non-current interest-free advances to associates	85,769,746	75,993,385
Imputed interest expense on non-current interest-free advances from associates	<u>15,607,357</u>	<u>12,722,580</u>

Certain of the above related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and their details are disclosed on pages 61 to 66 in the Directors' report.

Included in the advances to associates, amounts due to associates and advances from associates, HK\$4,482,583,953 (2011: HK\$3,806,129,673), HK\$4,201,317 (2011: HK\$5,201,726) and HK\$1,828,922,352 (2011: HK\$1,941,762,990) represent the balances respectively with the associates in which Mr. Robert Ng Chee Siong, Director and the controlling shareholder of the Company, has controlling interests and directorships. Other than the aforesaid, details of the outstanding balances with subsidiaries, associates, a jointly controlled entity, non-controlling interests and a related company at the end of the reporting period are set out in the Group and the Company's statements of financial position and in Notes 22, 23, 24, 26, 32, 37 and 38.

In addition, as set out in Notes 41 and 42, the Company and the Group have granted guarantees and pledged certain assets to banks for facilities granted to the group entities, associates and a jointly controlled entity.

Compensation of key management personnel

The remuneration of Directors during the year was as follows:

	2012 HK\$	2011 HK\$
Short-term benefits	23,004,452	24,084,695
Retirement benefit scheme contributions	<u>130,250</u>	<u>133,500</u>
	<u>23,134,702</u>	<u>24,218,195</u>

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, 2012

47. 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, 2012 and 2011 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
				2012 %	2011 %	
Direct:						
Best Result Environmental Services Limited (formerly known as Best Result Cleaning Services Limited)	Hong Kong	Ordinary	HK\$2	100	100	Cleaning services
Fu King Investment Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Investment holding
Glorypark Limited	Hong Kong	Ordinary	HK\$1,000	100	100	Property investment
Hong Kong Elite Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
King Chance Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Prime Reward Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Serenity Park Building Management Limited	Hong Kong	Ordinary	HK\$10	100	100	Building management
Sharp Rise Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Sing-Ho Finance Company Limited	Hong Kong	Ordinary	HK\$30,000,000	100	100	Financing
Sino (MTN) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	N/A	Notes issuer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
Direct: (Continued)						
Sino Administration Services Limited	Hong Kong	Ordinary	HK\$3	100	100	Administration services
Sino Estates Management Limited	Hong Kong	Ordinary	HK\$5,500,000	100	100	Building management
Sino Estates Services Limited	Hong Kong	Ordinary	HK\$20	100	100	Building management
Sino Land (Fuzhou) Co., Ltd. (Note i)	The People's Republic of China, other than Hong Kong ("PRC")	Registered	HK\$50,000,000	100	100	Property investment
Sino Security Services Limited	Hong Kong	Ordinary	HK\$2	100	100	Security services
World Ace Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Indirect:						
Ackerley Estates Limited	Hong Kong	Ordinary	HK\$20,000,000	100	100	Property investment
Active Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Advance Profit Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Alfaso Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Allways Success Finance Limited	Hong Kong	Ordinary	HK\$10	100	100	Mortgage loan financing
Ample Way Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Apex Speed Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Beauty Plaza Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Benefit Bright Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Best Origin Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Bestone Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Brighton Development Limited	Hong Kong	Ordinary	HK\$2	100	N/A	Property development
Central Wisdom Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Century Profit Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Champion Asia Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Champion Rise Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Champion Top Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Cheer Asia Development Limited	Hong Kong	Ordinary	HK\$1	100	100	Property investment
Cheer Result Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Citywalk Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Building management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Citywalk 2 Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Building management
Dragon (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
e.Sino Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Elegant Lane Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Entertainment City Limited	Hong Kong	Ordinary	HK\$4,500,000	100	100	Property investment
Ever Champion Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Falcon City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Falcon Land Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Famous General Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Famous Palace Properties Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Far Gain Limited	Hong Kong	Ordinary	HK\$10,000	100	100	Property investment
Firm Wise Investment Limited	Hong Kong	Ordinary	HK\$10	70	70	Property investment
Forlink Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Fortune Garden Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	100	100	Share investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Fortune Glory Investments Limited	Hong Kong	Ordinary	HK\$1	100	N/A	Property development
Free Champion Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Full Fair Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Fullerton Hotels & Resorts Pte. Ltd.	Singapore	Ordinary	S\$10,000	100	100	Management services
Fung Yuen Construction Company Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Building construction
Global Honest Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Mortgage loan financing
Globaland Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Golden Leaf Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Golden Paradise (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Good Champion Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Grace Rays Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Grand Creator Investment (BVI) Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$10	60	60	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Grand Creator Investment Limited	Hong Kong	Ordinary	HK\$2	60	60	Property trading
Grand Empire Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Project management
Grand Start Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Grandeal Limited	Hong Kong/ PRC	Ordinary	HK\$2	100	100	Property trading
Great Land (HK) Limited	Hong Kong	Ordinary	HK\$1,000,000	–	100	Property trading and investment
Handsome Lift Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Hang Hau Station (Project Management) Limited	Hong Kong	Ordinary	HK\$2	60	60	Project management
Harvest Sun Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Harvestrade Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment
HCP Hong Kong Fully Co Ltd	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Hickson Limited	Hong Kong	Ordinary	HK\$20	100	100	Property investment
High Elite Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Mortgage loan financing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
High Elite Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Bird Development Limited	Hong Kong	Ordinary	HK\$100,000	100	100	Property trading and investment
Jade Line Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Mate Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Pine Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Jet Rise Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment and development
King Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
King Regent Limited	Hong Kong	Ordinary	HK\$1	85	85	Property development
Kingdom Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Kingsfield International Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Property investment
Land Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Lucky Fortress Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	100	100	Share investment
Masswell International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Mega Sino Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Morbest Profits Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Share investment
Multipurpose Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment
Nice Scene International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Ocean Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Ocean Treasure (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Octerworth Enterprises Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Olympian City 1 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	100	100	Project management
Olympian City 2 Finance Company Limited	Hong Kong	Ordinary	HK\$1,000	100	100	Mortgage loan financing
Olympian City 2 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	100	100	Project management
Orient Harvest International Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Peace Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Pacific Talent Investments Limited	Hong Kong	Ordinary	HK\$1	100	N/A	Financing
Perfect Sun Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Precious Land Pte. Limited	Singapore	Ordinary	S\$2	100	100	Property investment
Precious Quay Pte. Ltd	Singapore	Ordinary	S\$10,000	100	100	Hotel operation, property investment and development
Precious Treasure Pte Ltd	Singapore	Ordinary	S\$20,000,000	100	100	Hotel operation and property investment
Premium Living Limited	Hong Kong	Ordinary	HK\$2	100	100	Premium living services
Pridegate (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Prime Harvest (Administration Services) Limited	Hong Kong	Ordinary	HK\$2	100	100	Consultant services provider
Prime Harvest Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Primewin Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Rainbow City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Rankchief Company Limited	Hong Kong	Ordinary	HK\$200	100	100	Property trading

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Real Maker Development Limited	Hong Kong	Ordinary	HK\$200,000	90	90	Property investment
Regent Profit Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Region One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Residence Oasis Finance Company Limited	Hong Kong	Ordinary	HK\$2	60	60	Mortgage loan financing
Rich Tact International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Rich Treasure Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Mortgage loan financing
Rickson Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Roystar Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Ruddiman Trading Company Limited	Hong Kong	Ordinary	HK\$100,000	100	100	Investment holding
Saky Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Shine Harvest International Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Sidak Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Silver Palm Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Silver Target Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Sincere Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Sino (Xiamen) Realty Development Co., Ltd. (Note i)	PRC	Registered	HK\$290,000,000	100	100	Property development, trading and investment
Sino Land Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Deposit placing
Sino Land (Guangzhou) Company Limited (Note i)	PRC	Registered	US\$3,200,000	100	100	Property investment
Sino Land (Zhangzhou) Company Limited (Note i)	PRC	Registered	HK\$284,150,000	100	100	Property development
Sino Land Investment (Holdings) Ltd.	Cayman Islands/ Hong Kong	Ordinary	US\$6,000,000	100	100	Investment holding
Sky Target (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	100	N/A	Property development
Standard Union Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Share investment
Star Talent Development Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Success One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Success United Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Sunfairs International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Sunny Force Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Sunrise Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Super One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Thousand Growth Development Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Timeshare Development (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Top Gallant Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Top Route Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Trans China Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Triple Reach International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Triumph One Limited	Hong Kong	Ordinary	HK\$10,000	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Union Century (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Union Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Union Harvest Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Union Rich Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Union Treasure Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Union Vision Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
United Link Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Vantage Plus Investments Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$100	85	85	Investment holding
Vasilon Pte Ltd	Singapore	Ordinary	S\$2	100	100	Investment holding
Vista Commercial Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Property management
Weiland Development Company Limited	Hong Kong	Ordinary	HK\$33,140,000	100	100	Property investment
Well Growth International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

47. 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
				2012 %	2011 %	
<i>Indirect: (Continued)</i>						
Well Victory Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Wellord Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Wendia Limited	Hong Kong	Ordinary	HK\$20	100	100	Property investment
Will Glory Company (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Win Harvest (HK) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Winchamp Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Winning Limited	Hong Kong	Ordinary	HK\$1	100	100	Investment holding
Wisdom Power Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Wise Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Wise Mate Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
World Empire Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
信和置業(成都)有限公司 (Note i)	PRC	Registered	HK\$4,971,254,400	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, 2012 and 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

48. 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, 2012 and 2011 which materially affected the results of the year or form a substantial portion of the net assets of the Group.

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

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
			2012		2011	Total %	
			Directly %	Indirectly %	Total %		
Ace Glory Limited	Hong Kong	Ordinary	–	25	25	25	Property development
Asian Success Investments Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property trading
Astoria Estate Management Company Limited	Hong Kong	Ordinary	–	50	50	50	Building management
Best Profit Limited	Hong Kong	Ordinary	–	50	50	50	Property trading and investment
Better Chief Limited	Hong Kong	Ordinary	–	–	–	50	Property investment
Beverhill Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Boatswain Enterprises Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Brisbane Trading Company Limited	Hong Kong	Ordinary and non-voting deferred	–	50	50	50	Property trading
Century Link (Hong Kong) Limited	Hong Kong	Ordinary	–	50	50	N/A	Property investment
Century Rise Limited	Hong Kong	Ordinary	–	50	50	50	Property development
Cheer City Properties Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Chongqing Champion Globe Company Limited	PRC	Registered	–	N/A	N/A	50	Deregistered

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

48. PRINCIPAL ASSOCIATES (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
			2012		2011 Total %		
			Directly %	Indirectly %		Total %	
Chongqing Champion King Company Limited	PRC	Registered	–	N/A	N/A	50	Deregistered
Chongqing Sino Land Company Limited	PRC	Registered	–	50	50	50	Property development
C.H.K.C. Building Management Limited	Hong Kong	Ordinary	–	25	25	25	Building management
Cosmos Door Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Credit World Limited	Hong Kong	Ordinary	–	20	20	20	Property trading
Direct Win Development Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property trading
Dramstar Company Limited	Hong Kong	Ordinary	–	22	22	22	Property trading
Empire Funds Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Enterprico Investment Limited	Hong Kong	Ordinary	–	50	50	50	Loan financing
Eternal Honest Finance Company Limited	Hong Kong	Ordinary	–	50	50	50	Mortgage loan financing
Famous Empire Finance Limited	Hong Kong	Ordinary	–	40	40	40	Mortgage loan financing
Famous Empire Properties Limited	Hong Kong	Ordinary	–	40	40	40	Property trading and investment
Finedale Industries Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property investment
Full Raise International Limited	British Virgin Islands/ Hong Kong	Ordinary	–	25	25	25	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

48. PRINCIPAL ASSOCIATES *(Continued)*

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
			2012		2011 Total %		
			Directly %	Indirectly %		Total %	
Gloryland Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property investment
Golden Famous International Limited	Hong Kong	Ordinary	–	25	25	25	Property trading
Grace Sign Limited	Hong Kong	Ordinary	–	30	30	30	Property trading
Grand Palisades Finance Company Limited	Hong Kong	Ordinary	–	20	20	20	Mortgage loan financing
Grand Rise Investments Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Greenroll Limited	Hong Kong	Ordinary	–	30	30	30	Hotel operation
Hua Qing Holdings Pte Ltd	Singapore	Ordinary	–	23.5	23.5	23.5	Investment holding
Island Resort Estate Management Company Limited	Hong Kong	Ordinary	–	45	45	40	Building management
Jet Fame (Hong Kong) Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Lead Bright Finance Limited	Hong Kong	Ordinary	–	20	20	20	Mortgage loan financing
Lead Bright Limited	Hong Kong	Ordinary	–	20	20	20	Property trading
Million Success Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
More Treasure Company Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
Murdoch Investments Inc.	Republic of Panama/ Hong Kong	Ordinary	–	45	45	45	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2012

48. PRINCIPAL ASSOCIATES (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
			2012		2011 Total %		
			Directly %	Indirectly %		Total %	
Nimble Limited	British Virgin Islands/ Hong Kong	Ordinary	–	45	45	45	Investment holding
Orient Field Holdings Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Pacific Bond Limited	Hong Kong	Ordinary	–	35	35	35	Property development
Pembroke Development Investments Limited	British Virgin Islands/ Hong Kong	Ordinary and non-voting deferred	–	40	40	N/A	Property development
Prime Force Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Providence Bay Finance Company Limited	Hong Kong	Ordinary	–	35	35	N/A	Mortgage loan financing
Pui Hay Enterprises Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Rich Century Investment Limited	Hong Kong	Ordinary	50	–	50	50	Property investment
Silver Link Investment Limited	Hong Kong	Ordinary	–	45	45	40	Property trading and investment
Sino Parking Services Limited	Hong Kong	Ordinary	50	–	50	50	Carpark operation
Sino Real Estate Agency Limited	Hong Kong	Ordinary	50	–	50	50	Real estate agency
Tat Lee Construction Company Limited	Hong Kong	Ordinary	25	–	25	25	Building construction
Teamer International Limited	Hong Kong	Ordinary	–	35	35	35	Property development
The Hermitage Estates Management Limited	Hong Kong	Ordinary	–	50	50	50	Building management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2012

48. PRINCIPAL ASSOCIATES *(Continued)*

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
			2012		2011 Total %		
			Directly %	Indirectly %		Total %	
Union King (Hong Kong) Limited	Hong Kong	Ordinary	–	45	45	45	Property development
Union Top Properties Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Victory Top Properties Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Victory World Limited	Hong Kong	Ordinary	–	50	50	50	Property trading and investment
Wide Harvest Investment Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
Win Chanford Enterprises Limited	Hong Kong	Ordinary	5	45	50	50	Property investment
Wisekey Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	–	50	50	50	Investment holding
深圳中海信和地產開發有限公司	PRC	Registered	–	50	50	50	Property trading
中海信和(成都)物業發展有限公司	PRC	Registered	–	20	20	20	Property development and trading

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

In accordance with Rule 13.22 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies as at the end of the most recent financial period. This information has been extracted from the relevant audited financial statements of the affiliated companies.

	At 30th June, 2012 HK\$	At 30th June, 2011 <i>HK\$</i>
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	5,647,885,080	7,073,351,881
Advances from the Group	15,560,620,979	13,134,046,457
	<u>21,208,506,059</u>	<u>20,207,398,338</u>
The Group's share of contingent liabilities of its affiliated companies	<u>–</u>	<u>47,836,000</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, 2012

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
HONG KONG							
1. No. 1 Chatham Path Mid-levels, Hong Kong	2072	100.0%	–	7,800	R	Completed	Existing
2. 148 Electric Road North Point, Hong Kong	2047	100.0%	13,160	197,400	C	Completed	Existing
3. Bayview Park 3 Hong Man Street, Chai Wan, Hong Kong	2047	100.0%	17,122	14,313	R	Completed	Existing
4. Central Plaza 18 Harbour Road, Wan Chai, Hong Kong	2047	10.0%	77,824	140,000	C	Completed	Existing
5. The Centrium 60 Wyndham Street, Central, Hong Kong	2047	70.0%	17,061	179,138	C	Completed	Existing
6. Conrad Hong Kong Pacific Place, 88 Queensway, Hong Kong	2047	30.0%	–	165,506	H	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area <i>(sq.ft.)</i>	Approx. floor area attributable to the Group <i>(sq.ft.)</i>	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
HONG KONG							
7. Fraser Suites Hong Kong 74-80 Johnston Road, Wan Chai, Hong Kong	2047	100.0%	5,353	46,331 <u>11,777</u> <u>58,108</u>	R C	Completed	Existing
8. Harbour Centre Harbour Road & Fleming Road, Hong Kong	2128	16.7%	32,626	40,167	C	Completed	Existing
9. The Hennessy 256 Hennessy Road, Wan Chai, Hong Kong	2127	100.0%	4,791	71,862	C	Completed	Existing
10. Hollywood Centre 233 Hollywood Road, Hong Kong	2128	50.0%	6,706	47,053	C	Completed	Existing
11. Island Resort Mall 28 Siu Sai Wan Road, Chai Wan, Hong Kong	2047	45.0%	275,470	85,136 <u>60,302*</u> <u>145,438</u>	C P	Completed	Existing
* 540 carparks							
12. Marina House 68 Hing Man Street, Shau Kei Wan, Hong Kong	2047	100.0%	7,818	119,298	C	Completed	Existing
13. One Capital Place 18 Luard Road, Wan Chai, Hong Kong	2127	100.0%	5,315	73,443	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
HONG KONG							
14. Pacific Palisades 1 Braemar Hill Road, Hong Kong	2047	20.0%	165,550	93,550	R	Completed	Existing
15. Pacific Plaza 418 Des Voeux Road West, Hong Kong	2860	100.0%	9,450	164,460	C	Completed	Existing
16. 25/F United Centre Queensway, Hong Kong	2128	50.0%	–	10,225	C	Completed	Existing
KOWLOON							
17. No. 1 Hung To Road Kwun Tong, Kowloon	2047	33.3%	60,970	177,337	I	Completed	Existing
18. The Astrid 180 Argyle Street, Kowloon	2047	100.0%	61,118	14,547	R	Completed	Existing
19. Cameron Plaza 23 Cameron Road, Tsim Sha Tsui, Kowloon	2038	100.0%	5,413	65,550	C	Completed	Existing
20. China Hong Kong City 33 Canton Road, Tsim Sha Tsui, Kowloon	2135	25.0%	165,334	359,433	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
21. Corporation Square 8 Lam Lok Street, Kowloon Bay, Kowloon	2047	100.0%	21,745	155,910	I	Completed	Existing
22. Exchange Tower 33 Wang Chiu Road, Kowloon Bay, Kowloon	2055	100.0%	50,752	609,027	C	Completed	Existing
23. Fullerton Centre 19 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,394	114,334	I	Completed	Existing
24. Futura Plaza 111-113 How Ming Street, Kwun Tong, Kowloon	2047	100.0%	18,783	225,396	C	Completed	Existing
25. Hong Kong Pacific Centre 28 Hankow Road, Tsim Sha Tsui, Kowloon	2039	100.0%	18,028	232,606	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
26. Kwun Tong Harbour Plaza 182 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	31,018	130,728 <u>198,758*</u> <u>329,486</u>	C P	Completed	Existing
* 474 carparks							
27. Kwun Tong Plaza 68 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	25,995	192,694*	P	Completed	Existing
* 366 carparks							
28. Maison Rosé 270 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon	2047	100.0%	4,490	6,873	C	Completed	Existing
29. Olympian City 1 11 Hoi Fai Road, MTR Olympic Station, Kowloon	2047	Joint Venture	712,614	139,931 [†]	C	Completed	Existing
30. Olympian City 2 18 Hoi Ting Road, MTR Olympic Station, Kowloon	2047	Joint Venture	708,577	511,287 [†]	C	Completed	Existing
31. Olympian City 3 1 Hoi Wang Road, South West Kowloon, Kowloon	2055	50.0%	146,131	59,423	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area <i>(sq.ft.)</i>	Approx. floor area attributable to the Group <i>(sq.ft.)</i>	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
32. Omega Plaza 32 Dundas Street, Kowloon	2047	100.0%	5,385	80,775	C	Completed	Existing
33. One Madison 305 Castle Peak Road, Kowloon	2047	100.0%	7,200	12,800	C	Completed	Existing
34. One New York 468 Castle Peak Road, Kowloon	2047	100.0%	6,448	9,621	C	Completed	Existing
35. One SilverSea 18 Hoi Fai Road, Kowloon	2052	100.0%	112,484	112,483	C	Completed	Existing
36. Parmanand House 51-52 Haiphong Road, Kowloon	2863	100.0%	1,800	18,043	C	Completed	Existing
37. Remington Centre 23 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,370	114,103	I	Completed	Existing
38. Skyline Tower 39 Wang Kwong Road, Kowloon Bay, Kowloon	2047	50.0%	68,986	413,915	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
39. Sunshine Plaza Shopping Arcade, 17 Sung On Street, Hung Hom, Kowloon	2047	100.0%	26,598	58,887	C	Completed	Existing
40. Tsim Sha Tsui Centre Salisbury Road, Tsim Sha Tsui, Kowloon	2127	45.0%	42,835	231,309	C	Completed	Existing
41. Vista 188 Fuk Wa Street, Sham Shui Po, Kowloon	2054	Joint Venture	14,895	22,335 [†]	C	Completed	Existing
42. Westley Square 48 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	21,110	238,187	I/O	Completed	Existing
43. Yau Tong Industrial City 17 Ko Fai Road, Yau Tong, Kowloon	2047	90.0%	100,580	464,627	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area <i>(sq.ft.)</i>	Approx. floor area attributable to the Group <i>(sq.ft.)</i>	Type	Stage of completion	Estimated completion date
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Properties for investment and hotels

NEW TERRITORIES

44. Avon Park Shopping Mall, 15 Yat Ming Street, Fanling, New Territories	2047	100.0%	145,649	101,980	C	Completed	Existing
45. Citywalk 1 Yeung Uk Road, Tsuen Wan, New Territories	2052	Joint Venture	207,659	245,419 [†]	C	Completed	Existing
46. Citywalk 2 18 Yeung Uk Road, Tsuen Wan, New Territories	2054	Joint Venture	77,823	191,568 [†]	C	Completed	Existing
47. Golden Plaza 28 Shui Che Kwun Street, Yuen Long, New Territories	2047	100.0%	21,420	32,178 <u>173,571*</u> <u>205,749</u>	C P	Completed	Existing
* 438 carparks							
48. Grand Regentville Shopping Arcade, 9 Wo Mun Street, Fanling, New Territories	2049	100.0%	131,448	71,462 <u>148,292*</u> <u>219,754</u>	C P	Completed	Existing
* 415 carparks							

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
49. Lake Silver Shopping Arcade, 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	43,056 [†]	C	Completed	Existing
50. Mansfield Industrial Centre 19 Hong Yip Street, Tung Tau, Yuen Long, New Territories	2047	100.0%	52,582	111,253	I	Completed	Existing
51. Oceania Heights Shopping Mall, 2 Hoi Chu Road, Tuen Mun, New Territories	2052	100.0%	65,552	29,082	C	Completed	Existing
52. The Palazzo Shopping Arcade, 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	21,528 [†]	C	Completed	Existing
53. Parklane Centre 25 Kin Wing Street, Tuen Mun, New Territories	2047	100.0%	26,522	84,988 <u>166,976*</u> <u>251,964</u>	I P	Completed	Existing

* 116 carparks

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
54. Ping Wui Centre 13-17 Ping Wui Street, Yuen Long, New Territories	2047	100.0%	20,376	20,401 <u>173,267*</u> <u>193,668</u>	C P	Completed	Existing
* 450 carparks							
55. Rosedale Gardens Shopping Arcade, 133 Castle Peak Road, Tuen Mun, New Territories	2047	100.0%	29,956	35,213	C	Completed	Existing
56. Shatin Galleria 18-24 Shan Mei Street, Fo Tan, Shatin, New Territories	2047	100.0%	38,234	268,798 <u>93,691*</u> <u>362,489</u>	C P	Completed	Existing
* 268 carparks							
57. Springdale Villas Shopping Arcade, 80 Ma Tin Road, Yuen Long, New Territories	2047	100.0%	45,273	39,668 <u>87,102*</u> <u>126,770</u>	C P	Completed	Existing
* 261 carparks							
58. Sunley Centre 9 Wing Yin Street, Tsuen Wan, New Territories	2047	100.0%	17,362	170,570	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
59. Tuen Mun Town Plaza, Phase I 1 Tuen Shun Street & 1 Tuen Shing Street, Tuen Mun, New Territories	2047	100.0%	262,715	853,553 <u>157,335*</u> <u>1,010,888</u>	C P	Completed	Existing
* 525 carparks							
60. The Waterside Shopping Mall, 15 On Chun Street, Ma On Shan, Shatin, New Territories	2047	40.0%	69,428	22,772	C	Completed	Existing
MAINLAND CHINA							
61. Greenfields Chuangye Road, Guangzhou Economic & Technology Development District, Guangzhou	2054	100.0%	53,131	14,931 <u>12,861*</u> <u>27,792</u>	C P	Completed	Existing
*52 carparks							
62. Park Place 130 Jia He Lu, Xiamen	2039	100.0%	44,118	10,689	C	Completed	Existing
63. Raffles City Shanghai Plot 105 A&B, 228 Xizang Road Central, Huangpu District, Shanghai	2044 2046	22.4%	163,624	301,145	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area <i>(sq.ft.)</i>	Approx. floor area attributable to the Group <i>(sq.ft.)</i>	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
MAINLAND CHINA							
64. Sino International Plaza 137 Wu Xi Lu, Fuzhou	2059	100.0%	58,126	499,158	C	Completed	Existing
OVERSEAS – SINGAPORE							
65. Clifford Pier 80 Collyer Quay, Singapore	2067	100.0%	70,397	13,731	C	Completed	Existing
66. Customs House 70 Collyer Quay, Singapore	2067	100.0%	44,348	14,822	C	Completed	Existing
67. The Fullerton Hotel Singapore 1 Fullerton Square, Singapore	2096	100.0%	139,469	466,423	H	Completed	Existing
68. The Fullerton Bay Hotel 80 Collyer Quay, Singapore	2067	100.0%	38,965	79,087	H	Completed	Existing
69. The Fullerton Waterboat House 3 Fullerton Road, Singapore	2032	100.0%	16,921	21,743	C	Completed	Existing
70. One Fullerton 1 Fullerton Road, Singapore	2096	100.0%	92,646	80,433	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

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							
HONG KONG							
1. Far East Finance Centre 16 Harcourt Road, Hong Kong	2130	19.1%	34,595	9,869	C	Completed	Existing
2. Marinella 9 Welfare Road, Aberdeen, Hong Kong	2057	35.0%	68,922	46,782	R	Completed	Existing
KOWLOON							
3. Chevalier Commercial Centre Wang Hoi Road, Kowloon Bay, Kowloon	2047	33.3%	44,350	11,484	C	Completed	Existing
4. Hewlett Centre 54 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	38,000	15,099	I	Completed	Existing
5. Kowloon Plaza 485 Castle Peak Road, Cheung Sha Wan, Kowloon	2047	100.0%	19,375	25,702	I	Completed	Existing
6. Metro Centre 32 Lam Hing Street, Kowloon Bay, Kowloon	2047	100.0%	27,125	18,395	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area <i>(sq.ft.)</i>	Approx. floor area attributable to the Group <i>(sq.ft.)</i>	Type	Stage of completion	Estimated completion date
Properties held for sale							
KOWLOON							
7. One Mayfair 1 Broadcast Drive, Kowloon Tong, Kowloon	2056	100.0%	65,531	47,608	R	Completed	Existing
8. Pan Asia Centre 137 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	5,760	66,512	I	Completed	Existing
9. Westin Centre 26 Hung To Road, Kwun Tong, Kowloon	2047	50.0%	17,280	103,576	I	Completed	Existing
NEW TERRITORIES							
10. The Balmoral 1 Ma Shing Path, Tai Po, New Territories	2055	100.0%	63,603	32,403	R	Completed	Existing
11. Cambridge Plaza 188 San Wan Road, Sheung Shui, New Territories	2047	100.0%	–	174,358	I	Completed	Existing
12. Goodwood Park 138 Hang Tau Road, Kwu Tung, Sheung Shui, New Territories	2054	100.0%	61,032	12,238	R	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2012

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							
13. Lake Silver 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	44,169 [†]	R	Completed	Existing
14. Lincoln Centre 20 Yip Fung Street, Fanling, New Territories	2047	100.0%	21,163	61,144	I	Completed	Existing
15. The Palazzo 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	36,296 [†]	R	Completed	Existing
16. Poly Centre 15 Yip Fung Street, Fanling, New Territories	2047	100.0%	18,191	10,430	I	Completed	Existing
17. Raleigh Centre 9 Yip Cheong Street, Fanling, New Territories	2047	100.0%	10,194	8,386	I	Completed	Existing
18. Sea Crest Terrace Mui Wo, Lantau Island, New Territories	2047	100.0%	7,976	800 <u>7,498</u> <u>8,298</u>	R C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

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							
19. Technology Plaza 29-35 Sha Tsui Road, Tsuen Wan, New Territories	2047	100.0%	20,000	15,468	I	Completed	Existing
MAINLAND CHINA							
20. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074	20.0%	14,253,628	69,418 <u>101,273</u> <u>170,691</u>	R C	Completed	Existing
Properties under development							
HONG KONG							
1. 38 Repulse Bay Road, Hong Kong Rural Building Lot No. 380 (*)	2084	100.0%	16,176	12,132	R	Superstructure works in progress	July 2013
2. 53 Conduit Road, Hong Kong The Remaining Portion of Inland Lot No. 2138 and Inland Lot No. 2613	2065	100.0%	24,930	60,421	R	Foundation works in progress	October 2013

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2012

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							
3. Lee Tung Street/ McGregor Street Project, Wan Chai, Hong Kong Inland Lot No. 9018	2060	Joint Venture	88,652	731,032 <u>87,733</u> <u>818,765</u> [†]	R C	Superstructure works in progress	January 2015
4. 20-26 Staunton Street, Hong Kong Inland Lot No.118 Section A Remaining Portion and Inland Lot No.119 Section M, Section L and Remaining Portion (*)	2844	100.0%	4,482	33,199 <u>6,767</u> <u>39,966</u>	R C	Ground investigation in progress	April 2016
KOWLOON							
5. The Coronation 1 Yau Cheung Road, South West Kowloon, Kowloon Kowloon Inland Lot No. 11073	2057	45.0%	86,757	253,767 <u>39,041</u> <u>292,808</u>	R C	Superstructure works in progress	August 2012
6. Park Summit 88 Beech Street, 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
7. 12-18 Hau Wong Road Ma Tau Kok, Kowloon (*)	2047	100.0%	3,967	25,890 <u>9,861</u> <u>35,751</u>	R C	Pile cap works in progress	September 2013

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

Description	Lease expiry	Group's interest	Approx. site area <i>(sq.ft.)</i>	Approx. floor area attributable to the Group <i>(sq.ft.)</i>	Type	Stage of completion	Estimated completion date
Properties under development							
KOWLOON							
8. 8 Yuet Wah Street Kwun Tong, Kowloon New Kowloon Inland Lot No. 6499	2059	Joint Venture	46,565	232,825 [†]	R	Superstructure works in progress	February 2014
9. 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
NEW TERRITORIES							
10. Providence Bay Pak Shek Kok Reclamation Phase I Site B, Tai Po, New Territories Tai Po Town Lot No. 186	2057	35.0%	238,164	250,072	R	Superstructure works in progress	September 2012
11. Providence Bay Pak Shek Kok Reclamation Phase I Site A, Tai Po, New Territories Tai Po Town Lot No. 187	2057	50.0%	107,941	161,912 <u>10,791</u> <u>172,703</u>	R C	Superstructure works in progress	September 2012
12. Providence Peak Pak Shek Kok Reclamation Phase I Site C, Tai Po, New Territories Tai Po Town Lot No. 188	2057	25.0%	214,225	187,447	R	Superstructure works in progress	September 2012

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2012

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							
13. Cheung Sha Lantau Island Lot No. 245 in DD331	2057	100.0%	178,542	71,417	R	Site formation & foundation works in progress	September 2013
14. Pak Shek Kok Development Area Site D1, Tai Po, New Territories Tai Po Town Lot No. 200	2059	100.0%	225,237	675,710 45,047 <u>720,757</u>	R C	Foundation works completed	July 2014
15. Pak Shek Kok Development Area Site D2, Tai Po, New Territories Tai Po Town Lot No. 201	2059	85.0%	225,237	574,354 38,289 <u>612,643</u>	R C	Foundation works completed	July 2014
16. Kau To (Site A) Shatin Area 56A, New Territories Shatin Town Lot No. 525	2061	40.0%	248,175	412,588	R	Foundation works in progress	April 2015
17. Mui Wo, New Territories Lot No.726 in Demarcation District No.4	2062	100.0%	24,327	32,400 17,007 <u>49,407</u>	R C	Planning stage	June 2015
18. Peng Lei Road, Peng Chau, New Territories Lot No.676 in Demarcation District	2062	100.0%	49,127	36,845	R	Planning stage	June 2015

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2012

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							
19. Le Sommet West Side of Jia He Lu & North of Song Bai Zhong Lu, Xiamen Lot No. 89-C2	2061 2041	100.0%	33,188	115,727	R C	Superstructure works in progress	December 2012
				<u>15,973</u>			
				<u>131,700</u>			
20. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074 2044	20.0%	14,253,628	81,529	C	Superstructure works in progress	December 2012
21. Central Park Jia He Lu, South-East Side of Lu Ling Lu, Xiamen Lot No. 90-C5, C6	2068 2046	100.0%	113,904	470,176	R C	Superstructure works in progress	December 2013
				<u>51,264</u>			
				<u>521,440</u>			
22. Regency Park Hu Bin Bei Lu, Xiamen Lot No. 88-C5	2066 2046	100.0%	64,904	489,011	R C	Superstructure works in progress	June 2015
				<u>18,512</u>			
				<u>507,523</u>			
23. Dynasty Park Kaisawangchao at East, Zhanghua Lu at South, Donglinghao Lu at West & Zhangxiang Lu at North Zhangzhou, Fujian Province, 2004G12	2075 2045	100.0%	1,004,199	4,306,607	R C	Foundation works in progress	December 2017
				<u>215,698</u>			
				<u>4,522,305</u>			

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2012

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. West of Cheng Kun Railway, East of Sha He, South of Cheng Luo Road, North of Ying Hui Road, Cheng Hua District, Chengdu	2078	100.0%	2,630,284	12,034,274	R	Foundation	June 2018
	2048			946,449	C	works in	
				<u>386,202</u>	H	progress	
				<u>13,366,925</u>			
25. 1 Zhong Xing Duan, Qiao Bei Cun, Hua Xin Street, Jiang Bei District, Chongqing	2058	50.0%	1,993,549	4,641,879	R	Planning stage	December 2019
	2048			<u>699,219</u>	C		
				<u>5,341,098</u>			

Note: C: Commercial

R: Residential

I: Industrial

I/O: Industrial/Office

H: Hotel

P: Multi-storey carpark

(*): Property under redevelopment

t: it represents the total approximate floor area of the property.

Sino Land Company Limited

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

I/We ^(Note 1) _____
of _____
being the registered holder(s) of ^(Note 2) _____
ordinary shares of HK\$1.00 each in the capital of the above-named Company, **HEREBY APPOINT** the Chairman of the Meeting or ^(Note 3) _____
of _____
as my/our proxy to act for me/us at the Annual General Meeting (or at any adjournment thereof) of the Company to be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon on Wednesday, the 31st day of October, 2012 at 9:30 a.m. and at such Meeting (or at any adjournment thereof) and in the event of a poll to vote for me/us and in my/our name(s) as indicated below or if no such indication is given, as my/our proxy thinks fit.

	For ^(Note 4)	Against ^(Note 4)
1. To receive and consider the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2012.		
2. To declare a final dividend of HK\$0.36 per ordinary share with an option for scrip dividend.		
3. (i) To re-elect The Honourable Ronald Joseph Arculli as Director.		
(ii) To re-elect Dr. Allan Zeman as Director.		
(iii) To re-elect Mr. Steven Ong Kay Eng as Director.		
(iv) To re-elect Mr. Yu Wai Wai as Director.		
(v) To authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2013.		
4. To re-appoint Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorise the Board to fix their remuneration.		
5. (i) To approve share repurchase mandate (Ordinary Resolution on item 5(i) of the Notice of Annual General Meeting).		
(ii) To approve share issue mandate (Ordinary Resolution on item 5(ii) of the Notice of Annual General Meeting).		
(iii) To approve extension of share issue mandate (Ordinary Resolution on item 5(iii) of the Notice of Annual General Meeting).		
6. To approve the amendments to the Articles of Association and adopt the new Articles of Association (Special Resolutions on item 6 of the Notice of Annual General Meeting).		

Dated _____ Signature ^(Note 5) _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of ordinary shares of HK\$1.00 each registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares of the Company registered in your name(s).
3. If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the Chairman of the Meeting or" herein inserted and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "AGAINST"**. Failure to complete the boxes will entitle your proxy to cast his vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
6. In order to be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company, 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting (as the case may be).
7. In the case of joint holders, any one of such joint holders may vote at the Meeting, either personally or by proxy, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons whose name stands first on the register of members in respect of the relevant shares shall alone be entitled to vote in respect thereof.
8. Any member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and on a poll vote instead of him. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
9. Completion and deposit of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish.
10. At the Annual General Meeting, the Chairman of the Meeting will put each of the above resolutions to the vote by way of a poll. On a poll, every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder.



