



信和置業有限公司
Sino Land Company Limited

2012-2013
INTERIM REPORT
二零一二至二零一三年度
中期報告書



THE
CORONATION
御金·國峯

This interim report (“Interim 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 Interim 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 Interim Report posted on the Company’s website will upon request be sent the Interim 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.

此中期報告書（「中期報告書」）（英文及中文版）已於本公司網站www.sino.com登載。凡選擇以本公司網站覽閱所登載之公司通訊（其中包括但不限於年報、財務摘要報告（如適用）、中期報告書、中期摘要報告（如適用）、會議通告、上市文件、通函及代表委任表格）以代替任何或所有印刷本之股東，均可要求索取中期報告書之印刷本。

凡選擇以透過本公司網站之電子方式收取公司通訊之股東，如在本公司網站收取或覽閱中期報告書時遇有困難，可於提出要求下即獲免費發送中期報告書印刷本。

股東可隨時發出書面通知予本公司股票登記處，卓佳標準有限公司，郵寄地址為香港皇后大道東28號金鐘匯中心26樓，或透過電郵地址sinoland83-ecom@hk.tricorglobal.com，要求更改所選擇收取公司通訊的語言版本及收取方式（印刷方式或以透過本公司網站之電子方式）。

CONTENTS

CORPORATE INFORMATION	3
CHAIRMAN'S STATEMENT	4
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	14
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	15
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	16
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	18
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	19
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	20
CLOSURE OF REGISTER OF MEMBERS	42
PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES	42
DIRECTORS' INTERESTS	43
SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS	46
DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES	47
DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES	48
REMUNERATION COMMITTEE	49
NOMINATION COMMITTEE	49
AUDIT COMMITTEE	49
COMPLIANCE COMMITTEE	50
CODES FOR DEALING IN THE COMPANY'S SECURITIES	50
COMPLIANCE WITH CORPORATE GOVERNANCE CODE	50
REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	51

CORPORATE INFORMATION

Board of Directors

Robert Ng Chee Siong, Chairman
Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP[#]
Allan Zeman, GBM, GBS, JP*
Adrian David Li Man-kiu, JP*
Wong Cho Bau, JP*
Steven Ong Kay Eng*
Daryl Ng Win Kong
Ringo Chan Wing Kwong
Alice Ip Mo Lin
Gordon Lee Ching Keung (*appointed on 3rd January, 2013*)

([#] Non-Executive Director)

(* Independent Non-Executive Directors)

Audit Committee

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

Nomination Committee

Robert Ng Chee Siong, Chairman
Allan Zeman, GBM, GBS, JP
Adrian David Li Man-kiu, JP

Remuneration Committee

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

Authorized Representatives

Robert Ng Chee Siong
Ringo Chan Wing Kwong

Company Secretary

Velencia Lee

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants, Hong Kong

Solicitors

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

Shareholders' Calendar

Closure of Register of Members for dividend entitlement	15th to 19th March, 2013 (both dates inclusive)
Record Date for interim dividend entitlement	19th March, 2013
Last Date for lodging form of election for scrip dividend	11th April, 2013 4:30 p.m.
Interim Dividend Payable	HK12 cents per share 23rd April, 2013

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
Sumitomo Mitsui Banking Corporation
Industrial and Commercial Bank of China (Asia) Limited
BNP Paribas
Mizuho Corporate Bank, Ltd.
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)
Depositary Bank The Bank of New York
101 Barclay Street,
22nd Floor – West,
New York, NY 10286,
U.S.A.

CHAIRMAN'S STATEMENT

I am pleased to present my interim report to shareholders.

INTERIM RESULTS

The Group's unaudited underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the six months ended 31st December, 2012 ("Interim Period"), was HK\$4,487.3 million, an increase of 80.5% from HK\$2,486.6 million in the corresponding period last year. Underlying earnings per share was HK\$0.759 (2011: HK\$0.428).

The Group's net profit attributable to shareholders for the Interim Period was HK\$8,117.4 million, representing an increase of 75.8% from HK\$4,617.2 million for the corresponding period last year. Earnings per share was HK\$1.372 (2011: HK\$0.794). The reported profit for the period included a revaluation surplus (net of deferred taxation) on investment properties of HK\$3,630.0 million compared with a revaluation surplus (net of deferred taxation) of HK\$2,130.5 million for the last period.

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

DIVIDEND

The Directors have declared an interim dividend of 12 cents per share payable on 23rd April, 2013 to those shareholders whose names appear on the Register of Members of the Company on 19th March, 2013.

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

A circular containing details of the scrip dividend scheme will be despatched to shareholders together with the form of election for scrip dividend on or about 22nd March, 2013. It is expected that the interim dividend warrants and share certificates will be despatched to shareholders on or about 23rd April, 2013.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW

(1) Sales Activities

Total revenue from property sales recognised for the Interim Period, including property sales of associates recognised by the Group, was HK\$10,233.4 million (2011: HK\$3,957.4 million).

Total revenue from property sales comprises mainly the sales of residential units in The Coronation in West Kowloon, Park Summit in Mongkok and Le Sommet in Xiamen completed during the Interim Period as well as those completed in previous financial years. Market response to the sales of the units in these three projects was favourable. Over 99% of the total number of residential units in both The Coronation and Park Summit have been sold and as for Le Sommet, all of the units have been sold. In respect of projects completed in previous financial years, these mainly included One Mayfair, Marinella, The Palazzo, The Hermitage, The Balmoral, Goodwood Park and Lake Silver as well as car parking spaces in several residential projects including Island HarbourView, Ocean View, Majestic Park and Dynasty View. Contributions from property sales, including property sales of associates recognised by the Group, was HK\$3,880.6 million (2011: HK\$1,700.5 million).

The Group continues to seek good opportunities to sell its projects to enhance shareholders' value. During the Interim Period, the Group continued to sell Providence Bay and Providence Peak, both in Pak Shek Kok, and to date, over 52% and 78% of the total number of residential units in these two projects have been sold respectively. As for China, over 400 residential units in Dynasty Park in Zhangzhou have been launched for sale and over 88% have been sold so far.

(2) Land Bank

As at 31st December, 2012, the Group has a land bank of approximately 40.5 million square feet of attributable gross floor area comprising a balanced portfolio of properties of which 64.0% is residential; 24.4% commercial; 5.3% industrial; 3.6% car parks and 2.7% hotels. In terms of breakdown of the land bank by status, 28.2 million square feet were properties under development, 11.5 million square feet of properties for investment and hotels, together with 0.8 million square feet of properties held for sale. Including the site for residential development (Lot 1949 in DD221) in Sai Kung acquired in January 2013, the Group has approximately 40.8 million attributable square feet of land bank in total, of which 28.5 million square feet are properties under development. The Group will continue to be selective in replenishing its land bank to optimise its earnings potential.

CHAIRMAN'S STATEMENT (Continued)

BUSINESS REVIEW (Continued)

(2) Land Bank (Continued)

During the period from July 2011 to January 2013, the Group has acquired a total of six sites from the HKSAR Government and the development right of a site at Long Ping Station (North) from MTR Corporation Limited with a total attributable gross floor area of 1.2 million square feet mainly for residential development. 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.	TKOTL 117 Area 66C2, Tseung Kwan O, New Territories	Residential/ Commercial	60%	291,939
3.	Lot 1949 in Demarcation District 221 Sha Kok Mei, Sai Kung, New Territories	Residential	100%	249,133
4.	YLTL 513 Long Ping Station (North), Yuen Long, New Territories	Residential	40%	209,575
5.	Lot 726 in Demarcation District No. 4, Mui Wo, Lantau Island, New Territories	Residential/ Commercial	100%	49,407
6.	Lot 676 in Demarcation District, Peng Chau, New Territories	Residential	100%	36,845
7.	Lot 674 in Demarcation District, Peng Chau, New Territories	Residential	100%	14,372
				<hr/> <u>1,263,859</u>

CHAIRMAN'S STATEMENT (Continued)

BUSINESS REVIEW (Continued)

(3) Property Development

During the Interim Period, the Group obtained Occupation Permits for the following projects in Hong Kong with a total attributable gross floor area of 1.1 million square feet. Details of these projects are presented 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.	The Graces • Providence Bay 9 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential/ Commercial	50%	172,703
				<hr/> <u>1,128,557</u>

As for China, Le Sommet, a wholly-owned residential project in Xiamen with total gross floor area of 131,700 square feet, was completed during the Interim Period.

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

(4) Rental Activities

For the Interim Period, the Group's gross rental revenue, including attributable share from associates, increased 9.0% to HK\$1,560.6 million (2011: HK\$1,431.1 million) and net rental income increased 8.8% to HK\$1,347.9 million (2011: HK\$1,239.0 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.

The Group's retail portfolio experienced favourable growth in rental rates with overall occupancy being maintained at high level during the Interim Period. The businesses of the tenants in the Group's shopping malls have been supported by domestic consumption and tourism. With new malls, namely Coronation Circle – the retail mall in The Coronation residences in West Kowloon and the retail mall in Park Summit in Mongkok, coming on-stream, the Group is expected to further expand its retail portfolio and enhance its rental revenue from the sector.

The leasing performance of the Group's office portfolio was stable during the period under review with overall occupancy rate at high level and improved rental rates. Corporations are gaining interests in setting up their offices in Grade-A office buildings in Kowloon East and this is mainly due to the HKSAR Government's "Energising Kowloon East" programme as well as the infrastructure development plan to re-position the area, including the old Kai Tak airport, into a well-connected, user-friendly and interesting place for businesses, families and tourists. As for the industrial sector, the overall occupancy for the Group's industrial properties has been at high level due to good demand for industrial space.

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, further enhancement of connectivity and accessibility of shopping malls, continuously review and reposition of tenants to optimise use of spaces, 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 31st December, 2012, the Group has approximately 11.5 million square feet of attributable gross floor area of investment properties and hotels. Of this portfolio, commercial developments (retail and office) account for 65.2%, industrial developments 14.2%, car parks 12.8%, hotels 6.2%, and residential 1.6%.

CHAIRMAN'S STATEMENT (*Continued*)

BUSINESS REVIEW (*Continued*)

(5) Hotels

The Fullerton Hotel and The Fullerton Bay Hotel, Singapore

With the steady growth in both leisure and business travels during the Interim Period, The Fullerton Hotel and The Fullerton Bay Hotel achieved favourable financial and operating results. The Group will continue to improve the quality of its hotel services to ensure our discerning guests have enjoyable experiences during their stays in the hotels.

Conrad Hong Kong

The financial and operating performance of Conrad Hong Kong for the Interim Period was supported by both business activities and visitor arrivals. Despite a difficult global economic environment, business activities and tourism in Asia remained resilient benefiting Hong Kong's hotel industry.

(6) China Business

2012 was an important year for China as a new generation of political leaders was appointed in the Eighteenth National Congress of the Communist Party of China and the new government will be formed under the National People's Congress in March 2013. This transition of leadership in China will continue to strengthen the economic and financial reforms as well as infrastructure developments set out in the Twelfth Five-Year Plan.

China's GDP growth in the fourth quarter of 2012 has shown signs of improvement with fixed asset investment, external trade and factory output on the recovering trend. Retail sales continued to show double-digit growth in 2012 while economic growth has been on a stable track. The residential property market has recently picked up in terms of transaction volume in most major cities as a result of a stable policy environment. The outlook of the residential property market is positive due to population growth and urbanisation. Demand for housing continues to expand in the long-run as urbanisation is central to stabilise future growth of China. Growing domestic consumption and rising incomes will be conducive to build a more resilient growth model for the economy to weather through unexpected external economic shocks.

Throughout the years, the Group has completed a number of projects in Xiamen and Fuzhou. The experience gained from developing and leasing projects in China has also built the Group's execution capability in the country. As at 31st December, 2012, the Group's land bank in China, including development land bank and investment properties, totaled 25.4 million square feet and these projects are in Shanghai, Chengdu, Chongqing, Zhangzhou, Guangzhou, Xiamen, Fuzhou and Shenzhen. Of this, 24.3 million square feet are projects currently 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, 2012.

CHAIRMAN'S STATEMENT *(Continued)*

FINANCE

As at 31st December, 2012, the Group's gearing was 1.5%, expressed as a percentage of bank and other borrowings net of cash and bank balances over shareholders' equity. Of the total borrowings, 18.2% was repayable within one year, 26.2% repayable between one and two years and 55.6% repayable between two and five years. The Group's borrowings are subject to floating and fixed interest rates. The Group, including the attributable share of its associates, had cash resources of approximately HK\$19,521.8 million as at 31st December, 2012, comprising cash on hand of approximately HK\$10,659.5 million together with committed undrawn facilities of approximately HK\$8,862.3 million. Total assets and shareholders' funds of the Group were HK\$124,108.3 million and HK\$101,786.4 million respectively.

In September, 2012, the Group successfully issued US\$500 million 5-year Notes at a coupon of 3.25% p.a. under the Medium Term Note Programme set up in April of the same year. The transaction was well received with the final order book reaching 7 times of the issued amount and over 140 fixed income investors around the world participated in the deal.

The majority of the Group's debts are denominated in Hong Kong dollars and US dollars, with the balance in Singapore dollars, mainly used to fund The Fullerton Heritage project in Singapore. Other than the above-mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars, with a relatively small portion of Renminbi denominated deposits. The Group has maintained a sound financial management policy and foreign exchange exposure has been prudently kept at a minimal level.

CORPORATE GOVERNANCE

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

CUSTOMER SERVICE

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

CHAIRMAN'S STATEMENT *(Continued)*

CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, the Group has been actively participating in a wide range of community programmes, voluntary services, charitable activities and green initiatives to promote environmental protection, art and cultural events, and staff team-building activities. In recognition of its continuous efforts in promoting sustainability and high standards of performance in environmental, social and corporate governance aspects, the Group has been selected as a constituent member of the Hang Seng Corporate Sustainability Index in September 2012. The Group also published its second Sustainability Report that highlights the Group's corporate sustainability footprint and initiatives. This report also demonstrates the Group's commitment to engaging its stakeholders in building a greener future.

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 architectural planning, energy saving and management initiatives. During the Interim Period, Sino Estates Management Limited was awarded the 1st Runner-up of Biggest Unit Saver Award (Property Management) in the energy saving contest Power Smart 2012 by Friends of the Earth in recognition of the efforts in environmental protection.

Dedicated to promoting local art and culture, the Group initiated Sino Art (formerly 'Art in Hong Kong') in 2006. Sino Art 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 July to December 2012, Sino Art has collaborated with local and international artists to hold three thematic exhibitions at the Group's flagship shopping malls, Olympian City and Tuen Mun Town Plaza, which included Happy Rainbow, The Street Market Symphony and X'mas Dreamland, bringing art to the daily lives of the general public.

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 Limited ("HCF"). In December 2008, HCF was fortunate to win the tender to revitalise and convert the Old Tai O Police Station, a Grade II historic building, into a boutique hotel. Named Tai O Heritage Hotel, it is home to nine colonial-style rooms and suites which commenced operation in March 2012.

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS

From the political perspective, the leadership in China and the presidential election in the United States have crystallised. On the economic side, the labour market in the United States has shown improvement since September 2012 and housing market has shown signs of initial recovery. The third round of quantitative easing rolled out in the United States in September 2012 demonstrated that the Federal Reserve is committed to reviving the economy of United States which is favourable to the global economy. The agreement reached among the members of the United States Congress in January 2013 to avert the 'fiscal cliff' has sent positive signals to the market that the government of the United States is committed to reducing unemployment and put the economy back on growth trend.

In the Euro zone, it has been a significant breakthrough to have the European Central Bank be in charge of supervising banks in the region as a solution to deal with the crisis. The reforms agreed by the member countries are beginning to provide some effects of financial stability.

In Hong Kong, the economic situation is stable with low unemployment, well-managed banking system and rising purchasing managers index. With increasing household formation, marriages and number of births, demand for housing is on a rising trend. The low mortgage interest rate environment, good liquidity in the mortgage loan market and favourable mortgage interest rate continue to support the purchase demand for residential homes.

Property development is one of the important pillar industries of the Hong Kong economy. It affects livelihood of the people, provides impetus to growth of other sectors, and creates employment. To this end, the HKSAR Government spent resources and efforts to formulate the long-term housing policy in 2012. A long-term housing policy will promote transparency and cater to the housing needs of Hong Kong people, which is important to ensure its social and economic stability. The property transaction volume in Hong Kong has seen improvement for the five consecutive months from July to November 2012 compared with the same period last year. It was mainly supported by good fundamentals mentioned earlier. In October 2012, the HKSAR Government introduced new measures on the residential property market such as the Buyer's Stamp Duty and extended the provisions of the Special Stamp Duty which have the effect of stabilising residential property prices. As a result, transaction volume of residential properties lowered in December 2012. In February 2013, the HKSAR Government increased the stamp duty rates for the purchase of a second residential property. As the measures have just been introduced, the impact on the residential property market is yet to be seen.

As stated in the Policy Address announced in January 2013, the HKSAR Government will provide more land for private housing development through a spectrum of solutions including rezoning areas for residential use, increasing the development density of residential sites and conversion of industrial land for residential use. The Group with its cash resources is well-positioned to benefit from this opportunity and continue to acquire land with good development value.

Management will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. In respect of property development and property management, the Group will incorporate more environmentally friendly elements in our projects. The Group will maintain a policy of selectively and continuously replenishing its land bank, which will enable it to strengthen earnings and shareholders' value.

CHAIRMAN'S STATEMENT *(Continued)*

STAFF AND MANAGEMENT

Mr. Yu Wai Wai, who served on the Board for more than 9 years resigned with effect from 31st October, 2012. I would like to express my appreciation for his valuable contributions during his directorship with the Company.

I would also like to take this opportunity to welcome Mr. Gordon Lee Ching Keung to the Board. Mr. Lee was appointed as Executive Director with effect from 3rd January, 2013.

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, 27th February, 2013

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31st December, 2012

		Six months ended	
		31st December, 2012	31st December, 2011
		<i>HK\$</i>	<i>HK\$</i>
		(Unaudited)	(Unaudited and restated)
	Notes		
Turnover	3	5,330,212,188	5,761,228,732
Cost of sales		(2,094,849,733)	(1,953,343,506)
Direct expenses		(965,442,605)	(886,347,913)
		<hr/>	<hr/>
Gross profit		2,269,919,850	2,921,537,313
Other income and other gains or losses		43,940,648	66,215,954
Increase in fair value of investment properties	11	2,923,644,810	1,782,318,490
Gain on disposal of a subsidiary	21	–	143,139,005
Gain on disposal of investment properties		80,910,312	74,723,188
Gain on disposal of available-for-sale investments		–	78,492,734
Gain (loss) arising from change in fair value of trading securities		125,944,149	(122,019,934)
Administrative expenses		(352,765,492)	(358,317,018)
Other operating expenses		(82,960,463)	(82,261,457)
		<hr/>	<hr/>
Finance income	4	267,929,567	107,958,282
Finance costs	5	(124,201,270)	(104,111,996)
Less: Interest capitalised		24,364,395	45,864,917
		<hr/>	<hr/>
Finance income, net		168,092,692	49,711,203
Share of results of associates	6	3,458,254,010	507,513,320
		<hr/>	<hr/>
Profit before taxation	7	8,634,980,516	5,061,052,798
Income tax expense	8	(390,121,466)	(425,389,944)
		<hr/>	<hr/>
Profit for the period		8,244,859,050	4,635,662,854
		<hr/>	<hr/>
Profit for the period attributable to:			
The Company's shareholders		8,117,393,821	4,617,195,538
Non-controlling interests		127,465,229	18,467,316
		<hr/>	<hr/>
		8,244,859,050	4,635,662,854
		<hr/>	<hr/>
Earnings per share (reported earnings per share)			
Basic	10(a)	1.372	0.794
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31st December 2012

	Six months ended	
	31st December, 2012 HK\$ (Unaudited)	31st December, 2011 HK\$ (Unaudited and restated)
Profit for the period	8,244,859,050	4,635,662,854
Other comprehensive income (expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Gain (loss) on fair value change of available-for-sale investments	305,611,635	(241,221,790)
Exchange differences arising on translation of foreign operations	321,046,212	42,795,522
	626,657,847	(198,426,268)
Reclassification adjustments upon disposal of available-for-sale investments	–	(79,275,173)
Other comprehensive income (expense) for the period	626,657,847	(277,701,441)
Total comprehensive income for the period	8,871,516,897	4,357,961,413
Total comprehensive income attributable to:		
The Company's shareholders	8,744,051,668	4,339,494,097
Non-controlling interests	127,465,229	18,467,316
	8,871,516,897	4,357,961,413

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December 2012

	<i>Notes</i>	31st December, 2012 HK\$ (Unaudited)	30th June, 2012 HK\$ (Audited and restated)
Non-current assets			
Investment properties	11	53,540,551,073	51,643,719,403
Hotel properties		1,659,873,699	1,609,676,576
Property, plant and equipment	12	119,436,729	123,271,895
Prepaid lease payments – non-current		1,237,406,520	1,197,808,601
Interests in associates	13	16,359,121,300	12,763,227,707
Interest in a jointly controlled entity	14	89,259,099	101,760,704
Available-for-sale investments		1,101,899,797	782,784,479
Advances to associates	13	9,655,291,158	8,490,423,817
Advance to a jointly controlled entity	14	2,109,121,726	2,014,774,277
Advance to non-controlling interests		116,801,677	133,210,793
Advance to investee company		14,430,474	16,899,509
Long-term loans receivable		29,923,282	47,178,510
		86,033,116,534	78,924,736,271
Current assets			
Properties under development		23,273,716,672	21,869,542,575
Stocks of completed properties		1,102,985,102	1,519,208,274
Hotel inventories		18,429,153	27,337,338
Prepaid lease payments – current		19,835,298	19,104,164
Trading securities		522,565,429	570,874,967
Amounts due from associates		2,188,373,488	3,097,093,173
Accounts and other receivables	15	1,291,766,501	2,519,927,659
Current portion of long-term loans receivable		1,976,491	2,236,139
Taxation recoverable		581,246	264,546
Restricted bank deposits		118,234,446	679,660,662
Time deposits, bank balances and cash		8,387,734,945	5,042,418,096
		36,926,198,771	35,347,667,593
Assets classified as held for sale	22	1,149,000,000	–
		38,075,198,771	35,347,667,593
Current liabilities			
Accounts and other payables	16	3,820,606,888	3,492,162,113
Deposits received on sales of properties		–	590,130,004
Amounts due to associates		2,369,514,513	706,076,620
Taxation payable		573,538,277	677,052,332
Bank loans – secured	17	1,833,930,401	1,846,972,089
Financial guarantee contracts		827	887
		8,597,590,906	7,312,394,045
Net current assets		29,477,607,865	28,035,273,548
Total assets less current liabilities		115,510,724,399	106,960,009,819

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 31st December 2012

		31st December, 2012 HK\$ (Unaudited)	30th June, 2012 HK\$ (Audited and restated)
Capital and reserves			
Share capital	18	5,940,216,558	5,911,789,367
Share premium and reserves		<u>95,846,274,727</u>	<u>88,874,512,102</u>
Equity attributable to the Company's shareholders		<u>101,786,491,285</u>	94,786,301,469
Non-controlling interests		<u>931,344,283</u>	<u>821,879,024</u>
Total equity		<u>102,717,835,568</u>	<u>95,608,180,493</u>
Non-current liabilities			
Long-term bank and other borrowings			
– due after one year	17	8,212,761,108	7,823,684,649
Deferred taxation		1,326,399,880	1,208,108,678
Advances from associates	19	1,870,609,713	1,862,708,895
Advances from non-controlling interests	20	1,383,118,130	457,327,104
		<u>12,792,888,831</u>	<u>11,351,829,326</u>
		<u>115,510,724,399</u>	<u>106,960,009,819</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st December 2012

	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Investment revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Attributable to the Company's shareholders HK\$	Non- controlling interests HK\$	Total HK\$
At 1st July, 2011 (audited)	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
Effect on changes in accounting policies (Note 2)	-	-	-	-	(8,639,458)	4,332,962,331	4,324,322,873	131,473,747	4,455,796,620
As restated	5,279,040,969	28,397,109,700	509,724,000	319,368,606	1,151,666,542	49,332,811,220	84,989,721,037	790,121,136	85,779,842,173
Profit for the period (restated)	-	-	-	-	-	4,617,195,538	4,617,195,538	18,467,316	4,635,662,854
Other comprehensive (expense) income for the period (restated)	-	-	-	(320,496,963)	42,795,522	-	(277,701,441)	-	(277,701,441)
Total comprehensive (expense) income for the period	-	-	-	(320,496,963)	42,795,522	4,617,195,538	4,339,494,097	18,467,316	4,357,961,413
Shares issued in lieu of cash dividend	91,629,359	-	-	-	-	-	91,629,359	-	91,629,359
Bonus issue of shares	527,024,096	(527,024,096)	-	-	-	-	-	-	-
Premium on issue of shares upon scrip dividend	-	896,501,649	-	-	-	-	896,501,649	-	896,501,649
Share issue expenses	-	(60,000)	-	-	-	-	(60,000)	-	(60,000)
Cancellation upon repurchase of own shares	(8,800,000)	-	8,800,000	-	-	(99,004,683)	(99,004,683)	-	(99,004,683)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(26,980,000)	(26,980,000)
Non-controlling interests written off upon deregistration of a subsidiary	-	-	-	-	-	-	-	(2)	(2)
Final dividend declared and paid – 2011	-	-	-	-	-	(1,844,584,339)	(1,844,584,339)	-	(1,844,584,339)
At 31st December, 2011 (unaudited and restated)	5,888,894,424	28,766,527,253	518,524,000	(1,128,357)	1,194,462,064	52,006,417,736	88,373,697,120	781,608,450	89,155,305,570
At 1st July, 2012 (audited)	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
Effect on changes in accounting policies (Note 2)	-	-	-	-	(20,758,043)	5,094,867,179	5,074,109,136	135,878,206	5,209,987,342
As restated	5,911,789,367	29,064,820,027	519,734,000	139,288,040	1,691,794,534	57,458,875,501	94,786,301,469	821,879,024	95,608,180,493
Profit for the period	-	-	-	-	-	8,117,393,821	8,117,393,821	127,465,229	8,244,859,050
Other comprehensive income for the period	-	-	-	305,611,635	321,046,212	-	626,657,847	-	626,657,847
Total comprehensive income for the period	-	-	-	305,611,635	321,046,212	8,117,393,821	8,744,051,668	127,465,229	8,871,516,897
Shares issued in lieu of cash dividend	28,667,191	-	-	-	-	-	28,667,191	-	28,667,191
Premium on issue of shares upon scrip dividend	-	358,683,894	-	-	-	-	358,683,894	-	358,683,894
Cancellation upon repurchase of own shares	(240,000)	-	240,000	-	-	(3,055,165)	(3,055,165)	-	(3,055,165)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	30	30
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(18,000,000)	(18,000,000)
Final dividend declared and paid – 2012	-	-	-	-	-	(2,128,157,772)	(2,128,157,772)	-	(2,128,157,772)
At 31st December, 2012 (unaudited)	5,940,216,558	29,423,503,921	519,974,000	444,899,675	2,012,840,746	63,445,056,385	101,786,491,285	931,344,283	102,717,835,568

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st December 2012

	Six months ended	
	31st December, 2012 <i>HK\$</i> (Unaudited)	31st December, 2011 <i>HK\$</i> (Unaudited)
Net cash from operating activities	1,570,694,207	1,168,194,724
Net cash from (used in) investing activities		
Advances to associates	(1,276,413,939)	(2,529,715,368)
Advance to a jointly controlled entity	(94,347,449)	(304,217,771)
Additions to investment properties	(53,982,630)	(162,744,336)
Additions to property, plant and equipment	(19,792,065)	(18,710,413)
Dividend received from associates	106,894,795	1,751,722,521
Proceeds from disposal of available-for-sale investments	–	182,537,900
Withdrawal of restricted bank deposits	609,224,029	171,332,387
Placement of restricted bank deposits	(47,797,813)	(1,666,263)
Proceeds from disposal of investment properties	262,260,803	143,414,818
Repayment from associates	1,160,980,671	81,698,002
Proceeds from disposal of a subsidiary	–	58,671,014
Other investing activities	89,792,076	98,361,158
	736,818,478	(529,316,351)
Net cash from (used in) financing activities		
New bank and other loans raised	3,877,250,000	3,705,000,000
Advances from associates	1,717,792,816	202,599,839
Repayment of bank and other loans	(3,538,690,000)	(2,223,196,000)
Repayment to associates	(56,475,450)	(1,599,618,352)
Dividend paid to non-controlling interests	(18,000,000)	(26,980,000)
Dividend paid	(1,740,806,687)	(856,453,331)
Repurchase of own shares	(3,055,165)	(99,004,683)
Interest paid	(75,523,530)	(94,222,287)
Advances from non-controlling interests	925,791,026	7,808,348
Other financing activities	(70,381,368)	(3,633,398)
	1,017,901,642	(987,699,864)
Net increase (decrease) in cash and cash equivalents	3,325,414,327	(348,821,491)
Cash and cash equivalents at the beginning of the period	5,042,418,096	7,920,479,097
Effect of foreign exchange rate changes	19,902,522	5,318,535
Cash and cash equivalents at the end of the period	8,387,734,945	7,576,976,141
Analysis of the balances of cash and cash equivalents:		
Time deposits, bank balances and cash	8,387,734,945	7,576,976,141

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st December 2012

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2012 except for the application of the following amendments to Standards issued by the HKICPA and new accounting policy on non-current assets classified as held for sale applied by the Group in the current period.

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

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

The amendments to HKAS 1 “*Presentation of Items of Other Comprehensive Income*” introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a ‘statement of comprehensive income’ is renamed as a ‘statement of profit or loss and other comprehensive income’ and an ‘income statement’ is renamed as a ‘statement of profit or loss’. 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 items of other comprehensive income to be 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 do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

Under the amendments to HKAS 12 “Deferred Tax – Recovery of Underlying Assets”, 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 Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the Directors of the Company (“Directors”) reviewed the investment property portfolios of the subsidiaries and associates of the Group and concluded that investment properties held by the subsidiaries and associates of the Group in Hong Kong and the People’s Republic of China (the “PRC”) are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

As a result of the application of the amendments to HKAS 12, no deferred taxes are recognised on changes in fair value of the investment properties held by the subsidiaries and associates of the Group in Hong Kong as those investment properties in Hong Kong are not subject to any income taxes on disposal.

For those investment properties in the PRC, the deferred taxes on changes in fair value of the investment properties are recognised taking into account the land appreciation tax (“LAT”) and enterprise income tax payable upon sales of those investment properties. Previously, the deferred taxes on changes in fair value of investment properties were recognised on the basis that the deferred tax was measured based on the assumption that the carrying amounts of the properties would be recovered through use and no LAT on changes in fair value of investment properties in the PRC was recognised. Amendments to HKAS 12 have been applied retrospectively.

The effect of the change in accounting policy on the results for the current and preceding periods described above by line items are as follows:

	Six months ended	
	31st December, 2012 HK\$ (Unaudited)	31st December, 2011 HK\$ (Unaudited)
Condensed consolidated statement of profit or loss		
Increase in share of results of associates	109,832,204	46,487,822
Decrease in income tax expense	384,183,209	270,400,364
	<hr/>	<hr/>
Increase in profit for the period	494,015,413	316,888,186
	<hr/>	<hr/>
Increase in profit for the period attributable to the Company’s shareholders	477,185,413	316,938,726
Increase (decrease) in profit for the period attributable to non-controlling interests	16,830,000	(50,540)
	<hr/>	<hr/>
Increase in profit for the period	494,015,413	316,888,186
	<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

	Six months ended		
	31st December, 2012 HK\$ (Unaudited)	31st December, 2011 HK\$ (Unaudited)	
Condensed consolidated statement of profit or loss and other comprehensive income			
Increase (decrease) in exchange differences arising on translation of foreign operations	3,914,450	(14,673,082)	
Increase in profit for the period	<u>494,015,413</u>	<u>316,888,186</u>	
Increase in total comprehensive income for the period	<u>497,929,863</u>	<u>302,215,104</u>	
Increase in total comprehensive income for the period attributable to the Company’s shareholders	481,099,863	302,265,644	
Increase (decrease) in total comprehensive income for the period attributable to non-controlling interests	<u>16,830,000</u>	<u>(50,540)</u>	
Increase in total comprehensive income for the period	<u>497,929,863</u>	<u>302,215,104</u>	
	As originally stated HK\$ (Unaudited)	Adjustments HK\$ (Unaudited)	As restated HK\$ (Unaudited)
Condensed consolidated statement of profit or loss for the six months ended 31st December, 2011			
Share of results of associates	461,025,498	46,487,822	507,513,320
Income tax expense	(695,790,308)	270,400,364	(425,389,944)
Profit for the period	4,318,774,668	316,888,186	4,635,662,854
Profit for the period attributable to the Company’s shareholders	4,300,256,812	316,938,726	4,617,195,538
Profit for the period attributable to non-controlling interests	<u>18,517,856</u>	<u>(50,540)</u>	<u>18,467,316</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

	As originally stated HK\$ (Unaudited)	Adjustments HK\$ (Unaudited)	As restated HK\$ (Unaudited)
Condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 31st December, 2011			
Exchange differences arising on translation of foreign operations	57,468,604	(14,673,082)	42,795,522
Profit for the period	4,318,774,668	316,888,186	4,635,662,854
Total comprehensive income for the period	4,055,746,309	302,215,104	4,357,961,413
Total comprehensive income attributable to the Company’s shareholders	4,037,228,453	302,265,644	4,339,494,097
Total comprehensive income attributable to non-controlling interests	<u>18,517,856</u>	<u>(50,540)</u>	<u>18,467,316</u>

The effect of the change in accounting policy described above on the financial position of the Group as at the beginning of the comparative period, i.e. 1st July, 2011, is as follows:

	As originally stated HK\$	Adjustments HK\$	As restated HK\$
Consolidated statement of financial position as at 1st July, 2011			
Interests in associates	11,184,181,511	999,160,547	12,183,342,058
Deferred taxation	<u>(4,532,418,677)</u>	<u>3,456,636,073</u>	<u>(1,075,782,604)</u>
Effects on net assets	<u>6,651,762,834</u>	<u>4,455,796,620</u>	<u>11,107,559,454</u>
Retained profits	44,999,848,889	4,332,962,331	49,332,811,220
Exchange reserve	1,160,306,000	(8,639,458)	1,151,666,542
Non-controlling interests	<u>658,647,389</u>	<u>131,473,747</u>	<u>790,121,136</u>
Effects on equity	<u>46,818,802,278</u>	<u>4,455,796,620</u>	<u>51,274,598,898</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December 2012

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

The effect of the change in accounting policy described above on the financial position of the Group as at the end of the immediately preceding financial year, i.e. 30th June, 2012, is as follows:

	As originally stated HK\$	Adjustments HK\$	As restated HK\$
Consolidated statement of financial position as at 30th June, 2012			
Interests in associates	11,628,886,197	1,134,341,510	12,763,227,707
Deferred taxation	(5,283,754,510)	4,075,645,832	(1,208,108,678)
	<u>6,345,131,687</u>	<u>5,209,987,342</u>	<u>11,555,119,029</u>
Effects on net assets			
Retained profits	52,364,008,322	5,094,867,179	57,458,875,501
Exchange reserve	1,712,552,577	(20,758,043)	1,691,794,534
Non-controlling interests	686,000,818	135,878,206	821,879,024
	<u>54,762,561,717</u>	<u>5,209,987,342</u>	<u>59,972,549,059</u>
Effects on equity			
Impact on basic earnings per share			
		Six months ended	
		31st December,	31st December,
		2012	2011
		HK\$	HK\$
		(Unaudited)	(Unaudited)
Basic earnings per share before adjustments		1.291	0.740
Adjustments arising on the application of the amendments to HKAS 12		0.081	0.054
		<u>1.372</u>	<u>0.794</u>
Basic earnings per share			

Except as described above, the application of other amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

In addition, the Group applied the new accounting policy on non-current assets classified as held for sale in the current period:

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale that are accounted for using the fair value model in HKAS 40 “Investment Property” are measured at fair value at the end of the reporting period.

The Group has not early adopted the following new and revised Standards and Amendments (“new and revised HKFRSs”) that have been issued but are not yet effective.

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

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

² Effective for annual periods beginning on or after 1st January, 2015

³ Effective for annual periods beginning on or after 1st January, 2014

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.
- 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 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 31st December, 2012.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

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 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 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.

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

3. SEGMENT INFORMATION

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

Six months ended 31st December, 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	3,115,199,479	816,467,534	7,118,198,353	3,064,196,860	10,233,397,832	3,880,664,394
Property rental	1,254,807,281	1,071,745,789	313,347,356	285,237,484	1,568,154,637	1,356,983,273
	<u>4,370,006,760</u>	<u>1,888,213,323</u>	<u>7,431,545,709</u>	<u>3,349,434,344</u>	<u>11,801,552,469</u>	<u>5,237,647,667</u>
Property management and other services	478,494,123	98,091,034	38,131,300	6,122,582	516,625,423	104,213,616
Hotel operations	453,720,939	194,177,157	117,810,300	70,338,600	571,531,239	264,515,757
Investments in securities	27,466,848	26,885,978	1,950	1,950	27,468,798	26,887,928
Financing	523,518	523,518	215,679	215,679	739,197	739,197
	<u>5,330,212,188</u>	<u>2,207,891,010</u>	<u>7,587,704,938</u>	<u>3,426,113,155</u>	<u>12,917,917,126</u>	<u>5,634,004,165</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December 2012

3. SEGMENT INFORMATION (Continued)

Six months ended 31st December, 2011

	The Company and its subsidiaries		Associates		Total	
	External revenue <i>HK\$</i>	Results <i>HK\$</i>	Share of revenue <i>HK\$</i>	Share of results <i>HK\$</i>	Segment revenue <i>HK\$</i>	Segment results <i>HK\$</i>
Property						
Property sales	3,735,755,127	1,577,845,720	221,688,825	122,738,619	3,957,443,952	1,700,584,339
Property rental	1,157,413,555	992,885,848	281,614,774	255,457,962	1,439,028,329	1,248,343,810
	4,893,168,682	2,570,731,568	503,303,599	378,196,581	5,396,472,281	2,948,928,149
Property management and other services	445,223,901	99,790,606	36,456,767	2,538,260	481,680,668	102,328,866
Hotel operations	399,222,928	171,409,342	116,115,900	67,600,306	515,338,828	239,009,648
Investments in securities	23,058,860	21,907,572	1,950	1,950	23,060,810	21,909,522
Financing	554,361	554,361	11,542	7,157	565,903	561,518
	5,761,228,732	2,864,393,449	655,889,758	448,344,254	6,417,118,490	3,312,737,703

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 and a subsidiary 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 resource allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December 2012

3. SEGMENT INFORMATION (Continued)

Reconciliation of profit before taxation

	Six months ended	
	31st December, 2012	31st December, 2011
	<i>HK\$</i>	<i>HK\$</i>
		(Restated)
Segment profit	5,634,004,165	3,312,737,703
Other income and other gains or losses	41,695,560	63,903,108
Increase in fair value of investment properties	2,923,644,810	1,782,318,490
Gain on disposal of a subsidiary	–	143,139,005
Gain on disposal of investment properties	80,910,312	74,723,188
Gain on disposal of available-for-sale investments	–	78,492,734
Gain (loss) arising from change in fair value of trading securities	125,944,149	(122,019,934)
Administrative expenses and other operating expenses	(371,276,696)	(381,053,617)
Finance income, net	167,917,361	49,643,055
Other results shared from associates		
– Other income and other gains or losses	15,951,931	8,625,419
– Administrative expenses and other operating expenses	(114,040,332)	(190,407,840)
– Increase in fair value of investment properties	922,089,317	400,758,449
– Finance costs, net	(188,846,278)	(42,749,030)
– Income tax expense	(603,013,783)	(117,057,932)
	32,140,855	59,169,066
 Profit before taxation	 8,634,980,516	 5,061,052,798

During the six months ended 31st December, 2012, inter-segment sales of HK\$43,006,559 (*six months ended 31st December, 2011: HK\$41,793,128*) 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 during the period.

4. FINANCE INCOME

	Six months ended	
	31st December, 2012	31st December, 2011
	<i>HK\$</i>	<i>HK\$</i>
Interest income on:		
advances to associates	44,646,553	32,810,441
advance to investee company	399,714	415,154
bank deposits	49,005,189	47,090,627
Imputed interest income on non-current interest-free		
advances to associates	173,878,051	25,998,629
Financial guarantee income	60	1,643,431
	267,929,567	107,958,282

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

5. FINANCE COSTS

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$
Interest on bank and other borrowings wholly repayable within five years	84,412,616	92,948,234
Imputed interest expense on non-current interest-free advances from associates	10,021,345	7,846,322
Loan facility arrangement fees and finance charges	29,767,309	3,317,440
	<u>124,201,270</u>	<u>104,111,996</u>
Less: Amounts capitalised to properties under development	(24,364,395)	(45,864,917)
	<u>99,836,875</u>	<u>58,247,079</u>

6. SHARE OF RESULTS OF ASSOCIATES

Share of results of associates included the Group's share of increase in fair value of investment properties of the associates of HK\$922,089,317 (six months ended 31st December, 2011: HK\$400,758,449).

7. PROFIT BEFORE TAXATION

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	9,743,683	9,625,836
Cost of properties sold recognised as cost of sales	2,094,849,733	1,953,343,506
Cost of hotel inventories recognised as direct expenses	62,781,251	45,784,054
Depreciation of owner-operated hotel properties	11,796,990	11,368,939
Depreciation of property, plant and equipment	26,232,219	26,692,284
(Reversal) recognition of provision for doubtful trade receivables	(220,717)	953,172
Loss on disposal of property, plant and equipment	86,390	1,467,387
	<u>2,284,567,059</u>	<u>2,092,675,178</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

8. INCOME TAX EXPENSE

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$ (Restated)
The charge comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax	232,039,426	330,489,522
Other jurisdictions	46,412,415	19,599,359
	<hr/>	<hr/>
	278,451,841	350,088,881
Deferred taxation	111,669,625	75,301,063
	<hr/>	<hr/>
	390,121,466	425,389,944

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 16.5% (six months ended 31st December, 2011: 16.5%).

Taxes on profits assessable in Singapore and the PRC are recognised based on management's best estimate of the weighted average annual income tax rates prevailing in the countries and the regions in which the Group operates. The estimated weighted average annual tax rates used are 17% in Singapore and 25% in the PRC (six months ended 31st December, 2011: 17% in Singapore and 25% in the PRC).

Deferred taxation is attributable to the change in fair value of investment properties and other temporary differences.

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. As at 31st December, 2011, provisions for tax payable in respect of the assessments of approximately HK\$208,282,000 and for the estimated interest payable on additional tax of approximately HK\$118,306,000 were made by the Group. During the six months ended 31st December, 2011, the Group had provided for an additional interest on additional tax of approximately HK\$4,000,000 that was included in administrative expenses and had not made any further provision for additional tax. During the year ended 30th June, 2012, the Group had reached a settlement agreement with the IRD and the final additional tax and interest on additional tax to be settled were approximately HK\$208,590,000 and HK\$99,437,000 respectively. The provisions for additional tax and interest on additional tax are to be settled by installments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

9. DIVIDEND PAID

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$
Final dividend paid for the year ended 30th June, 2012 of HK36 cents per share (six months ended 31st December, 2011: HK35 cents per share for the year ended 30th June, 2011), with a scrip dividend option	2,128,157,772	1,844,584,339

Final dividend paid for the year ended 30th June, 2011, which have been adjusted for the bonus issue that took place on 8th December 2011, is HK31.82 cents per share.

Subsequent to the end of the reporting period, the Directors determined that an interim dividend for the six months ended 31st December, 2012 of HK12 cents (six months ended 31st December, 2011: HK10 cents) per share amounting to HK\$712,825,987 (six months ended 31st December, 2011: HK\$588,889,442) would be paid to the Company's shareholders whose names appear on the Register of Members on 19th March, 2013.

10. EARNINGS PER SHARE

(a) Reported earnings per share

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

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$ (Restated)
Earnings for the purpose of basic earnings per share	8,117,393,821	4,617,195,538
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,915,061,749	5,812,440,580

No diluted earnings per share has been presented for the periods ended 31st December, 2012 and 2011 as there were no potential ordinary shares outstanding during the current and prior periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

10. EARNINGS PER SHARE (Continued)

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK\$4,487,341,845 (six months ended 31st December, 2011: HK\$2,486,652,819) 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:

	Six months ended	
	31st December,	31st December,
	2012	2011
	HK\$	HK\$
		(Restated)
Earnings for the purpose of basic earnings per share	8,117,393,821	4,617,195,538
Increase in fair value of investment properties	(2,923,644,810)	(1,782,318,490)
Effect of corresponding deferred tax charges	62,317,570	27,581,288
Share of results of associates		
– Increase in fair value of investment properties	(922,089,317)	(400,758,449)
– Effect of corresponding deferred tax charges	44,183,581	23,505,732
Non-controlling interests	(3,739,232,976)	(2,131,989,919)
	109,181,000	1,447,200
Net effect of changes in fair value of investment properties	(3,630,051,976)	(2,130,542,719)
Underlying profit attributable to the Company's shareholders	4,487,341,845	2,486,652,819
Underlying earnings per share	0.759	0.428

11. INVESTMENT PROPERTIES

The Group's investment properties at 31st December, 2012 and 30th June, 2012 were fair-valued by Knight Frank Petty Ltd. and Colliers International Consultancy & Valuation (Singapore) Pte Ltd, independent valuers not connected with the Group. The valuations were arrived at by reference to market evidence of recent transaction prices for similar properties and on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. During the six months ended 31st December, 2012, the Group did not acquire investment properties (six months ended 31st December, 2011: acquired investment properties of HK\$73,720,960) and incurred renovation cost on investment properties of HK\$53,982,630 (six months ended 31st December, 2011: HK\$81,175,754).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31st December, 2012, additions to property, plant and equipment amounted to HK\$19,792,065 (six months ended 31st December, 2011: HK\$18,710,413).

13. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES

	31st December, 2012 HK\$	30th June, 2012 HK\$ (Restated)
Interests in associates:		
Unlisted shares, at cost	3,151,196,078	3,149,614,433
Share of post-acquisition profits, net of dividends received	13,207,925,222	9,613,613,274
	16,359,121,300	12,763,227,707
Advances to associates net of allowances	9,655,291,158	8,490,423,817
	26,014,412,458	21,253,651,524

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 31st December, 2012, out of the Group's advances to associates net of allowances, HK\$4,443,451,655 (30th June, 2012: HK\$4,299,249,963) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$5,211,839,503 (30th June, 2012: HK\$4,191,173,854) is interest-free. The effective interest rate for imputed interest income for the interest-free loan is determined based on the cost-of-funds of the borrowers per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

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.

As at 30th June, 2012, MII had reached a settlement agreement with the IRD and the final amounts of additional tax and interest payable to be settled were approximately HK\$28,757,000 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 approximately HK\$12,941,000 and HK\$2,970,000 respectively. MII will settle the provisions for additional tax and interest on additional tax by installments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

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

	31st December, 2012 HK\$	30th June, 2012 HK\$
Interest in a jointly controlled entity:		
Unlisted shares	89,259,099	101,760,704
Advance to a jointly controlled entity	2,109,121,726	2,014,774,277
	<u>2,198,380,825</u>	<u>2,116,534,981</u>

The jointly controlled entity is engaged in property development during the reporting period.

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.

15. ACCOUNTS AND OTHER RECEIVABLES

At 31st December, 2012, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$776,559,932 (30th June, 2012: HK\$2,007,633,655), of which HK\$575,121,238 (30th June, 2012: HK\$1,819,308,060) are to be settled based on the terms of sale and purchase agreements of property. Rental receivables are billed and payable in advance by tenants. Trade receivables mainly comprise rental receivables and properties sales receivables.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting period:

	31st December, 2012 HK\$	30th June, 2012 HK\$
Not yet due	575,121,238	1,819,308,060
0 – 30 days overdue	119,928,296	119,479,097
31 – 60 days overdue	34,501,459	23,379,237
61 – 90 days overdue	5,438,000	6,362,944
Over 90 days overdue	41,570,939	39,104,317
	<u>776,559,932</u>	<u>2,007,633,655</u>

Other receivables mainly comprise receivables in relation to rental, utility and other deposits paid of approximately HK\$98,000,000 (30th June, 2012: HK\$89,000,000), prepayments for operating expenses of approximately HK\$46,000,000 (30th June, 2012: HK\$73,000,000) and interest receivables of approximately HK\$19,000,000 (30th June, 2012: HK\$6,000,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December 2012

16. ACCOUNTS AND OTHER PAYABLES

At 31st December, 2012, included in accounts and other payables of the Group are trade payables of HK\$227,764,921 (30th June, 2012: HK\$184,175,001).

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

	31st December, 2012 HK\$	30th June, 2012 HK\$
0 – 30 days	185,177,366	149,636,142
31 – 60 days	17,506,162	20,288,226
61 – 90 days	2,750,773	1,732,937
Over 90 days	22,330,620	12,517,696
	227,764,921	184,175,001

As at 31st December 2012, out of other payables, HK\$33,972,746 (30th June, 2012: HK\$18,532,182) 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 mainly comprise construction cost payable of approximately HK\$1,260,000,000 (30th June, 2012: HK\$1,315,000,000), rental and utility deposits received of approximately HK\$801,000,000 (30th June, 2012: HK\$611,000,000), and rental receipt in advance of approximately HK\$125,000,000 (30th June, 2012: HK\$130,000,000).

17. BANK AND OTHER BORROWINGS

During the six months ended 31st December, 2012, no new bank loan was obtained by the Group (six months ended 31st December, 2011: new bank loans amounting to HK\$3,705,000,000, of which HK\$850,000,000 were classified as non-current liabilities). For the six months ended 31st December, 2011, certain assets of the Group were pledged for the new bank loans amounting to HK\$3,655,000,000 as set out in Note 23 and the proceeds were mainly used to repay the existing bank loans. All of the bank borrowings carry contracted interest rates (which are also the effective interest rates) at Hong Kong Interbank Offer Rate/Singapore Interbank Offer Rate plus a margin per annum.

On 21st September, 2012, the Company through a wholly-owned subsidiary issued guarantee notes with an aggregate principal amount of US\$500,000,000 (equivalent to approximately HK\$3,877,250,000) under the US\$1,000,000,000 Medium Term Note Programme. The notes bear fixed interest rate at 3.25% per annum payable semi-annually in arrears. The notes are guaranteed by the Company and will mature on 21st September, 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

18. SHARE CAPITAL

	Number of ordinary shares of HK\$1.00 each	Nominal value HK\$
Authorised:		
At 1st July, 2012 and 31st December, 2012	<u>8,000,000,000</u>	<u>8,000,000,000</u>
Issued and fully paid:		
At 1st July, 2012	5,911,789,367	5,911,789,367
Issued in lieu of cash dividend	28,667,191	28,667,191
Cancellation upon repurchase of own shares	<u>(240,000)</u>	<u>(240,000)</u>
At 31st December, 2012	<u>5,940,216,558</u>	<u>5,940,216,558</u>

During the period, 240,000 (*six months ended 31st December, 2011: 8,800,000*) ordinary shares repurchased on the Stock Exchange were cancelled. The nominal value of HK\$240,000 (*six months ended 31st December, 2011: HK\$8,800,000*) of all the shares cancelled during the period was credited to the capital redemption reserve and the relevant aggregate consideration of HK\$3,055,165 (*six months ended 31st December, 2011: HK\$99,004,683*) was paid out from the Company's retained profits.

On 10th December, 2012, the Company issued and allotted 28,667,191 ordinary shares of HK\$1.00 each at an issue price of HK\$13.512 per ordinary share in lieu of cash for the 2012 final dividend.

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

19. ADVANCES FROM ASSOCIATES

The advances from associates of the Group are unsecured and have no fixed repayment terms. The associates agreed not to demand repayment within the next twelve months from the end of the reporting period. At 31st December, 2012, HK\$290,506,772 (*30th June 2012: HK\$309,741,250*) 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\$1,580,102,941 (*30th June 2012: HK\$1,552,967,645*) 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.

20. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounted to HK\$8,881,918 (*30th June 2012: HK\$9,952,978*) are unsecured, bear interest at 1% (*30th June 2012: 1%*) per annum and have no fixed repayment terms. The remaining balance of HK\$1,374,236,212 (*30th June 2012: HK\$447,374,126*) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

21. DISPOSAL OF A SUBSIDIARY

During the period ended 31st December, 2011, 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 consideration of approximately HK\$579,000,000 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	(24,396,755)
	<hr/>
	411,716,105
Assignment of amount due to a subsidiary of the Group to the purchaser	24,396,755
	<hr/>
	436,112,860
Gain on disposal of a subsidiary	143,139,005
	<hr/>
	579,251,865
	<hr/>
Satisfied by:	
Cash consideration received	58,840,000
Cash consideration receivable	520,411,865
	<hr/>
	579,251,865
	<hr/>
Net cash inflow arising on disposal:	
Cash consideration	58,840,000
Bank balances and cash disposed of	(168,986)
	<hr/>
	58,671,014
	<hr/>

The subsidiary disposed of during the period ended 31st December, 2011 did not contribute significantly to the turnover, operating results or cash flows to the Group for the period ended 31st December, 2011.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

22. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale represented the investment properties located in 16th to 22nd Floors (both inclusive) of Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon (the “Disposal Properties”) which would be disposed of within twelve months subsequent to period ended 31st December, 2012.

On 14th December, 2012, the Group entered into the provisional sale and purchase agreement with an independent third party (the “Purchaser”) in relation to the Disposal Properties at a cash consideration of approximately HK\$1,567,000,000. The Group and the Purchaser entered into a formal agreement for sale and purchase with respect to the disposal of the Disposal Properties on 7th January, 2013 and the disposal is expected to be completed on or before 31st May, 2013. The assets classified as held for sale are measured at fair value 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 at the end of the reporting period.

23. PLEDGE OF ASSETS

- (a) At 31st December, 2012, the aggregate facilities of bank loans granted to the Group amounting to approximately HK\$10,007,119,000 (30th June, 2012: HK\$13,475,721,000) 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 carrying amount of HK\$22,089,803,128 (30th June, 2012: HK\$21,320,287,385). At that date, the facilities were utilised by the Group to the extent of approximately HK\$6,209,119,000 (30th June, 2012: HK\$9,677,721,000).

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

	31st December, 2012 HK\$	30th June, 2012 HK\$
Investment properties	5,735,781,625	5,320,238,475
Hotel properties	1,659,873,699	1,609,676,576
Prepaid lease payments	1,257,241,818	1,216,912,765
Property, plant and equipment	27,996	33,135
Properties under development	13,188,009,710	12,947,671,942
Accounts and other receivables	6,154,562	5,997,966
Bank balances	114,061,741	78,249,006
Others	128,651,977	141,507,520
	22,089,803,128	21,320,287,385

- (b) At 31st December, 2012, investments in and advances to certain associates and a jointly controlled entity amounting to approximately HK\$502,000 and HK\$4,753,692,000 respectively (30th June, 2012: HK\$502,000 and HK\$8,452,659,000, 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\$4,667,050,000 (30th June, 2012: HK\$7,250,900,000), of which HK\$3,310,050,000 (30th June, 2012: HK\$5,435,900,000) 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 24.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December 2012

24. CONTINGENT LIABILITIES

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

	31st December, 2012 HK\$	30th June, 2012 HK\$
Guarantees in respect of banking facilities of associates and a jointly controlled entity:		
– Utilised	3,310,050,000	5,435,900,000
– Unutilised	1,357,000,000	1,815,000,000
Total guarantees	<u>4,667,050,000</u>	<u>7,250,900,000</u>

At 31st December, 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\$827 (30th June, 2012: HK\$887) have been recognised in the condensed consolidated statement of financial position as liabilities.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 15th March, 2013 to Tuesday, 19th March, 2013, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Tuesday, 19th March, 2013.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share Registrars, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 14th March, 2013.

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

During the interim period, the Company repurchased 240,000 shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$3,055,165. 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>
August 2012	240,000	12.72	12.62	3,055,165
	<u>240,000</u>			<u>3,055,165</u>

All 240,000 shares repurchased were cancelled on delivery of the share certificates during the interim period. The nominal value of HK\$240,000 of all the shares cancelled during the interim period was credited to capital redemption reserve and the relevant aggregate consideration of HK\$3,055,165 was paid out from the Company's retained profits.

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

DIRECTORS' INTERESTS

As at 31st December, 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), were as follows:

(I) 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	3,142,532,313 <i>(Note)</i>	Beneficial owner of 165,891 shares, spouse interest in 3,549,568 shares and trustee interest in 3,138,816,854 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	52.90%
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. Daryl Ng Win Kong	95,092	Beneficial owner	≈0%
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–

Note:

As regards trustee interest in 3,138,816,854 shares:

- (a) 1,369,073,983 shares were held by Tsim Sha Tsui Properties Limited which was 71.96% 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) 1,600,586,118 shares were held through certain other wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;*

DIRECTORS' INTERESTS (Continued)

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

Note: (Continued)

- (c) 93,386,187 shares were held through companies which were 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong – 152,453 shares by Fanlight Investment Limited, 149,325 shares by Garford Nominees Limited, 33,603,229 shares by Karaganda Investments Inc., 14,492,929 shares by Orient Creation Limited, 7,043,917 shares by Strathallan Investment Limited, 21,230,492 shares by Strong Investments Limited, 16,268,970 shares by Tamworth Investment Limited and 444,872 shares by Transpire Investment Limited; and
- (d) 33,343,497 shares were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

(II) 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	1,129,844,468 (Note)	Beneficial owner of 606,762 shares and trustee interest in 1,129,237,706 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.00%
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. Daryl Ng Win Kong	–	–	–
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–

Note:

As regards trustee interest in 1,129,237,706 shares:

- (a) 1,040,115,383 shares were held through companies which were 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong – 107,807,940 shares by Fanlight Investment Limited, 146,095,484 shares by Nippomo Limited, 3,357,124 shares by Orient Creation Limited, 287,339,069 shares by Strathallan Investment Limited, 428,787,926 shares by Tamworth Investment Limited and 66,727,840 shares by Transpire Investment Limited; and
- (b) 89,122,323 shares were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

DIRECTORS' INTERESTS (Continued)

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

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 31st December, 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 of Hong Kong Limited pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 31st December, 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	3,150,183,865 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 11,367,011 shares and trustee interest in 3,138,816,854 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.03%
Mr. Robert Ng Chee Siong	3,142,532,313 <i>(Notes 2, 3, 4 and 5)</i>	Beneficial owner of 165,891 shares, spouse interest in 3,549,568 shares and trustee interest in 3,138,816,854 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	52.90%
Tsim Sha Tsui Properties Limited	3,012,087,170 <i>(Notes 2(a), 2(b), 3 and 4)</i>	Beneficial owner of 1,369,073,983 shares and interest of controlled corporations in 1,643,013,187 shares	50.70%

Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Share Capital
Spangle Investment Limited	370,913,254 <i>(Note 3)</i>	Beneficial owner	6.24%
Ka Fai Land Investment Limited	323,467,851 <i>(Note 4)</i>	Beneficial owner	5.44%

Notes:

1. 11,367,011 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 7,857,894 shares by Western Properties Pte Ltd.
2. As regards trustee interest in 3,138,816,854 shares:
 - (a) 1,369,073,983 shares were held by Tsim Sha Tsui Properties Limited which was 71.96% 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) 1,600,586,118 shares were held through certain other wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 370,913,254 shares held by Spangle Investment Limited (Note 3) and 323,467,851 shares held by Ka Fai Land Investment Limited (Note 4));

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS (Continued)

Long Positions in Shares of the Company (Continued)

Notes: (Continued)

2. (Continued)

(c) 93,386,187 shares were held through companies which were 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong – 152,453 shares by Fanlight Investment Limited, 149,325 shares by Garford Nominees Limited, 33,603,229 shares by Karaganda Investments Inc., 14,492,929 shares by Orient Creation Limited, 7,043,917 shares by Strathallan Investment Limited, 21,230,492 shares by Strong Investments Limited, 16,268,970 shares by Tamworth Investment Limited and 444,872 shares by Transpire Investment Limited; and

(d) 33,343,497 shares were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

3. 370,913,254 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. 323,467,851 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 31st December, 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.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

In accordance with Rule 13.22 of the Listing Rules, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies as at the end of the most recent financial period.

	At 31st December, 2012 HK\$	At 30th June, 2012 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	3,515,814,180	5,647,885,080
Advances from the Group	15,770,401,696	15,560,620,979
	<u>19,286,215,876</u>	<u>21,208,506,059</u>
The Group's share of capital commitments and contingent liabilities of its affiliated companies	<u>–</u>	<u>–</u>

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

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

Directors' Updated Biographical Details

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

The Honourable Ronald Joseph Arculli

- ceased to be the Chairman of World Federation of Exchanges;
- appointed as the Chairman of The Hong Kong Arts Festival Society Limited; and
- appointed as the Chairman of the Executive Committee of West Kowloon Cultural District Authority.

Mr. Adrian David Li Man-kiu

- appointed as a member of the Election Committee responsible for electing deputies of the HKSAR to the 12th National People's Congress;
- appointed as an Independent Non-Executive Director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.;
- appointed as a member of the HKSAR Government-mandated Banking Industry Training Advisory Committee; and
- appointed as a Steering Committee member of the Asian Financial Forum.

Mr. Daryl Ng Win Kong

- appointed as a member of the Twelfth Beijing Committee of Chinese People's Political Consultative Conference.

Ms. Alice Ip Mo Lin

- ceased to be a member of the Hong Kong Management Association Training & Development Awards Organizing Committee; and
- appointed as a member of the Hong Kong Management Association Organizing Committee for Quality Award.

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

Directors' Emoluments

During the interim period, the Executive Directors Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong and Ms. Alice Ip Mo Lin received discretionary bonuses in the amounts of HK\$171,490, HK\$863,960 and HK\$1,132,800 respectively.

The basis of determining the Directors' emoluments (including bonus payments) remain unchanged during the six months ended 31st December, 2012.

Save as disclosed above, as at 31st December, 2012, there had not been any other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

The Company 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.

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

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 Audit Committee is provided with sufficient resources enabling it to discharge its duties.

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

In the first quarter of 2013, the Audit Committee has reviewed the accounting policies and practices adopted by the Company and the interim report for the six months ended 31st December, 2012.

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.

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 six months ended 31st December, 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 inside information in relation to the securities of the Company, on no less exacting terms than the Model Code.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 31st December, 2012, the Company has complied with all the code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that there was no separation of the roles of the chairman and the chief executive officer, both of the roles are currently undertaken by the Chairman of the Board.

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

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 27th February, 2013

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF SINO LAND COMPANY LIMITED

Introduction

We have reviewed the condensed consolidated financial statements of Sino Land Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 14 to 41, which comprise the condensed consolidated statement of financial position as of 31st December, 2012 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27th February, 2013

